

November 2012

Topdanmark's results for Q1-Q3 2012

Highlights

Q1-Q3 2012

- Post-tax profit improved 103.6% to DKK 1,370m
- CR: 88.0 (Q1-Q3 2011: 90.5)
- CR excluding run-off profits: 89.9 (Q1-Q3 2011: 92.2)
- Investment return: DKK 993m (Q1-Q3 2011: DKK 419m)
- Growth in premiums: Non-life 1.3%, Life 2.9%

Q3 2012

- Post-tax profit : DKK 523m (Q3 2011: DKK 53m loss)
- Profit per share: DKK 41.1 (Q3 2011: DKK 3.9 loss)
- CR: 88.9 (Q3 2011: 91.8)
- CR excluding run-off profits: 90.7 (Q3 2011: 94.3)
- Investment return: DKK 413m (Q3 2011: DKK 119m loss)
- Growth in premiums: Non-life 1.4%, Life 5.4%

Profit forecast model for 2012

- Assumed non-life premium growth unchanged at 1-2%
- Assumed CR adjusted to around 89 from around 90
- Profit forecast model upgraded by DKK 250m to DKK 1,550-1,650m

Share buy-back for 2012

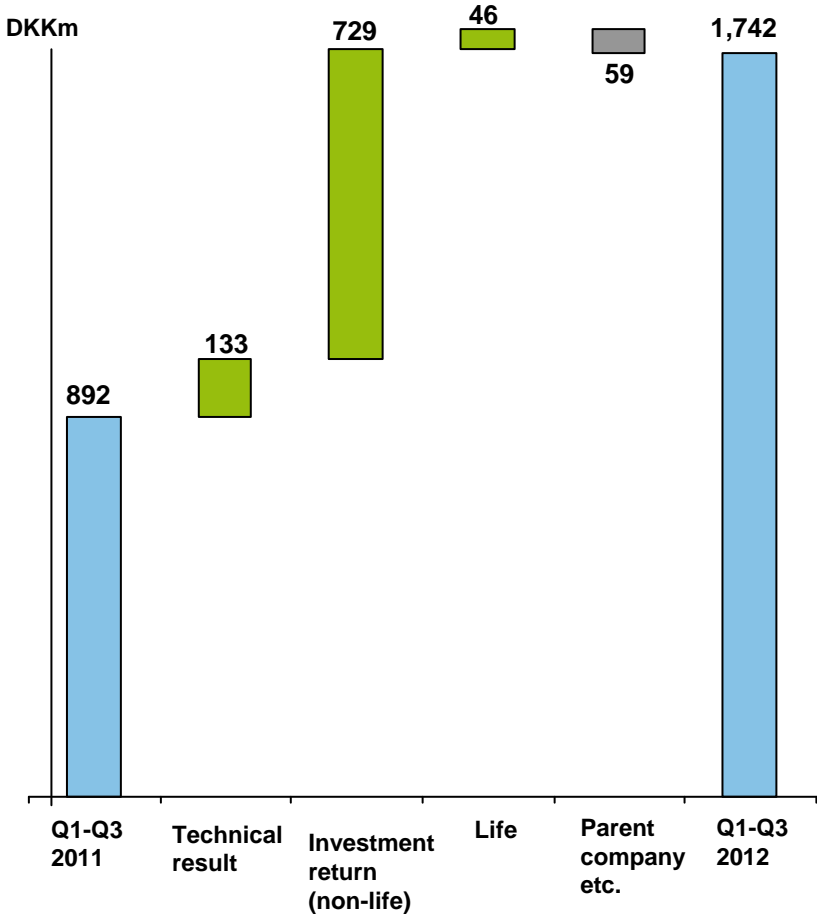
- Share buy-back programme expanded by DKK 250m to DKK 1,700m
 - DKK 500m postponed to 2013
 - Leaving a balance of DKK 179m on the 2012 programme

Assumptions for non-life for 2013

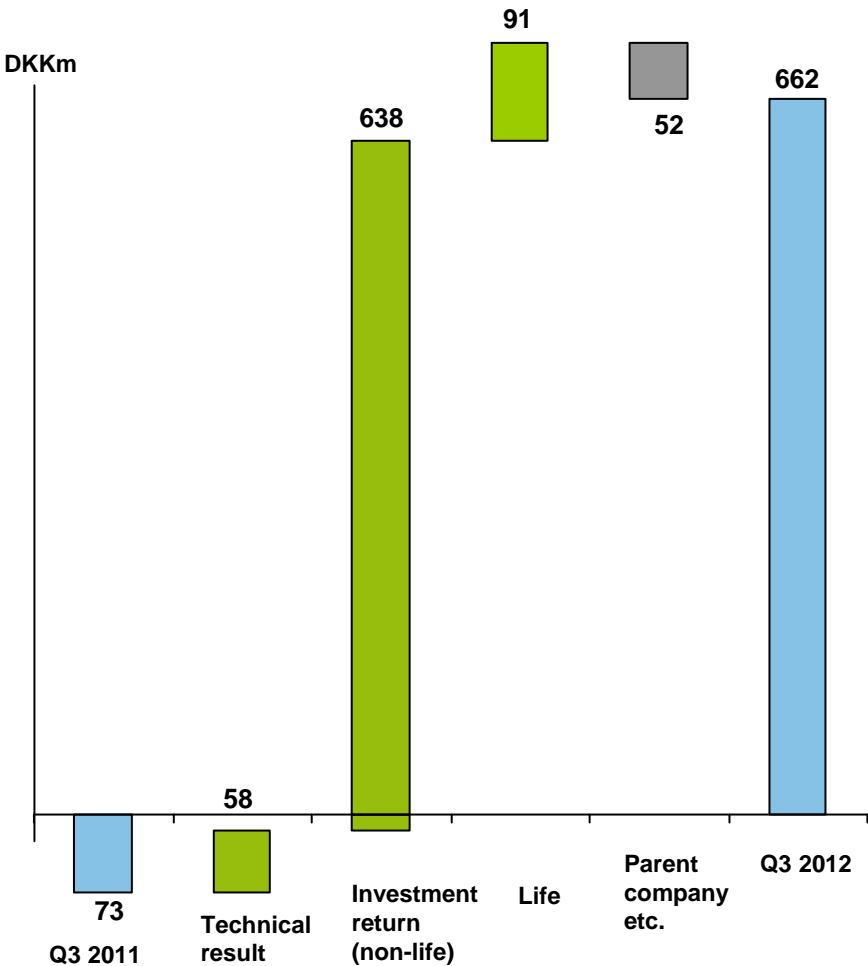
- Assumed premium growth of 1-2% and assumed CR of around 91 excl. run-off results

Trend in pre-tax results

Q1-Q3 2011 - Q1-Q3 2012

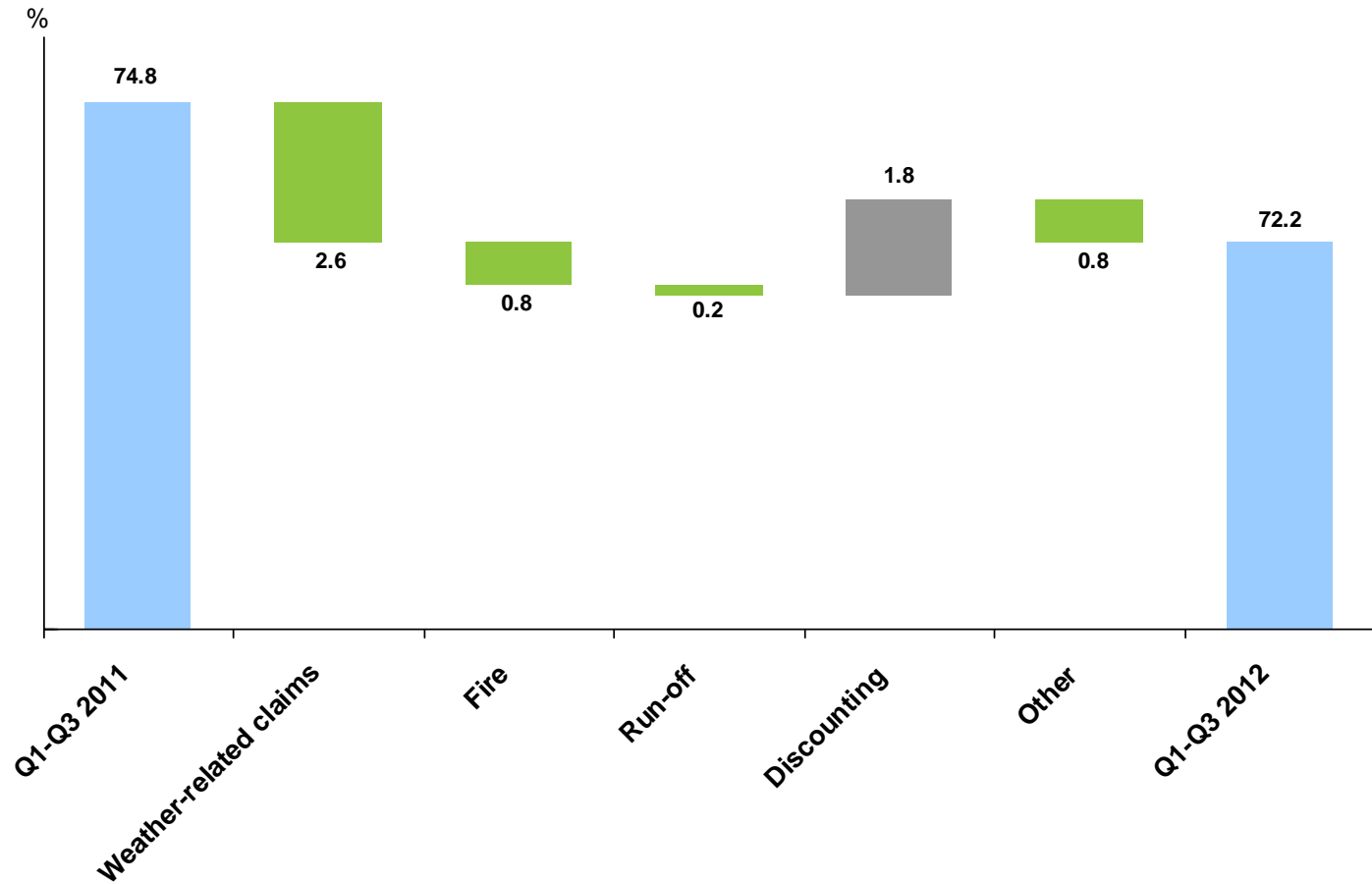


Q3 2011 - Q3 2012

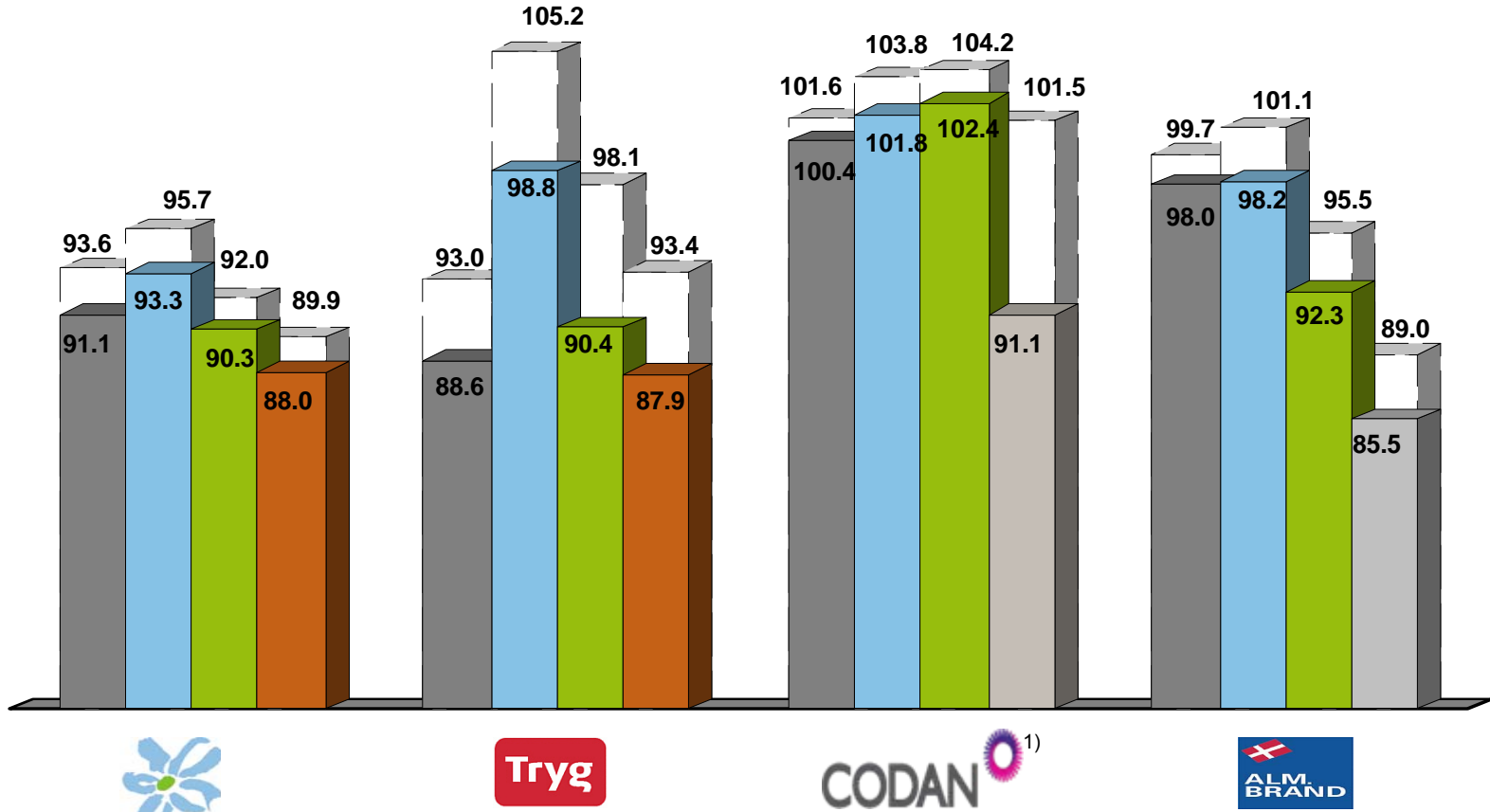


Claims trend

Q1-Q3 2011 – Q1-Q3 2012



Comparison – CR incl. and excl. run-off (Danish insurance)



¹⁾ Scandinavian business

Prospects for life insurance 2012

Expected decline of about 8% in regular premiums

Assumed income recognition of risk allowance of DKK 63m in 2012
(previously: DKK 65m)

Recognition of income from shadow account not assumed in 2012

Shadow account forecast at 31 December 2012: DKK 243m
(previously: DKK 244m)

Pre-tax profit forecast of DKK 170-200m for 2012
(previously: DKK 140-170m)

Results highly sensitive to fluctuations in investment return

Risk allowance and shadow account will be considered when finalising
the 2012 Annual Report



Results – Life insurance

| (DKKm) | Q1-Q3 2011 | | | Q1-Q3 2012 | | |
|-------------------------------------|---------------|--------|-------|---------------|--------|-------|
| | Life I | Life V | Group | Life I | Life V | Group |
| Investment return | 47 | 30 | 77 | 61 | 43 | 104 |
| Risk allowance | 90 | 46 | 136 | 82 | 45 | 127 |
| Transferred, shadow account | (85) | (9) | (94) | (88) | (1) | (90) |
| Other | | | (1) | | | 22 |
| Profit on life insurance | | | 118 | | | 164 |
| Shadow account end of period | 85 | 9 | 94 | 204 | 3 | 207 |

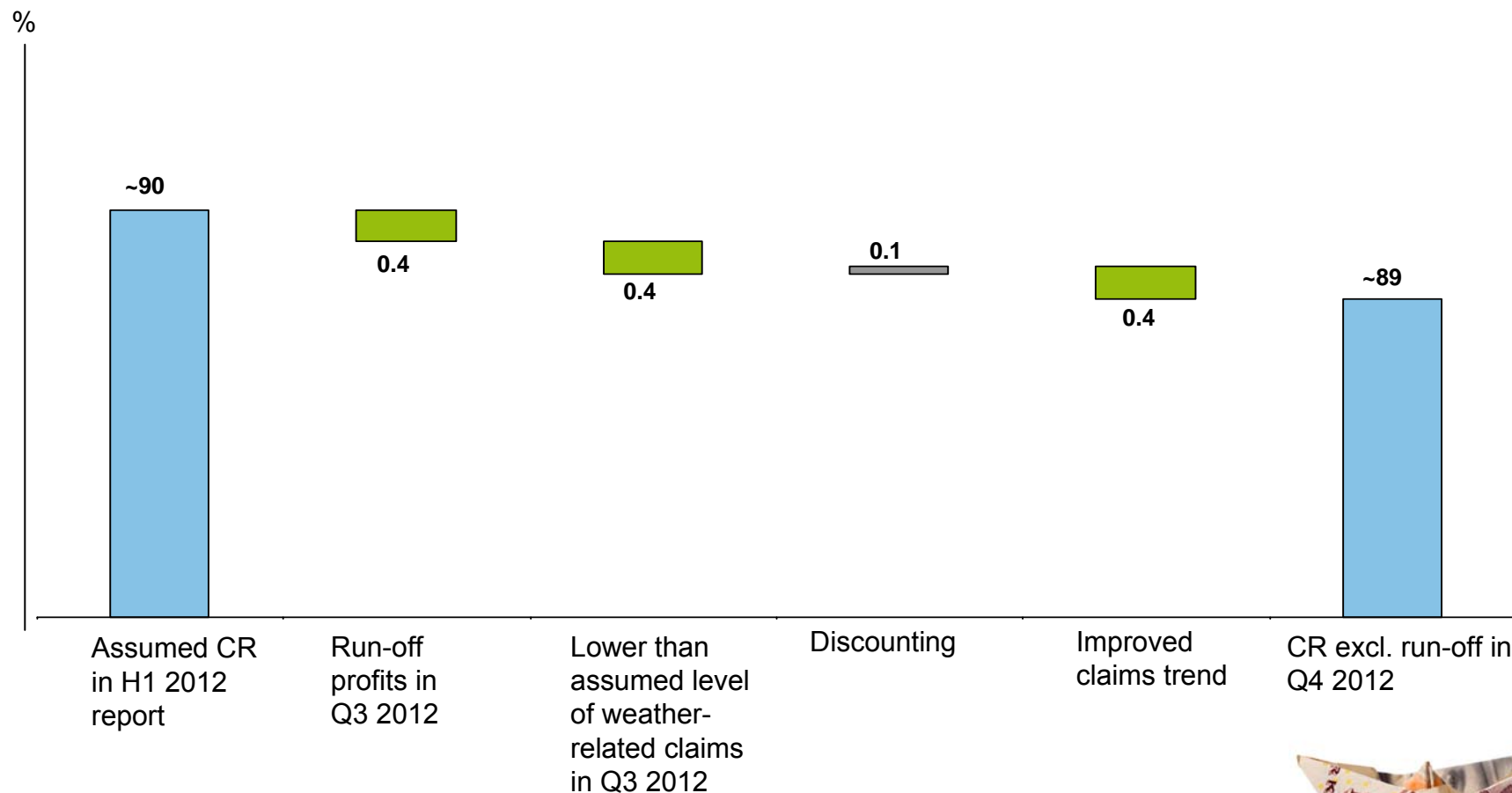
Investment return

- for Topdanmark Group excl. life insurance

| Investment return | Portfolio 30 Sep | | | | | | | | | | | |
|--|------------------|---------|---------|---------|----------------|---------|----------------|---------|-------------------|---------|-------------------|---------|
| | 2011 | | 2012 | | Return Q3 2011 | | Return Q3 2012 | | Return Q1-Q3 2011 | | Return Q1-Q3 2012 | |
| | (DKKbn) | (DKKbn) | (DKKbn) | (DKKbn) | (DKKbn) | (DKKbn) | (DKKbn) | (DKKbn) | (DKKbn) | (DKKbn) | (DKKbn) | (DKKbn) |
| Danish equities | 0.3 | 0.4 | (50) | (12.6) | 24 | 6.8 | (63) | (15.4) | 57 | 17.2 | | |
| Foreign equities | 0.7 | 0.7 | (125) | (14.1) | 38 | 5.1 | (87) | (10.1) | 84 | 11.4 | | |
| Government and mortgage bonds | 13.1 | 12.0 | 24 | 0.2 | 115 | 1.0 | 229 | 1.9 | 385 | 3.2 | | |
| Credit bonds | 0.5 | 0.5 | (11) | (1.2) | 30 | 6.3 | 13 | 1.8 | 69 | 15.2 | | |
| CDOs | 0.7 | 0.8 | (54) | (6.8) | 109 | 16.1 | 114 | 16.2 | 220 | 35.7 | | |
| Properties | 1.4 | 1.4 | 19 | 1.4 | 11 | 0.8 | 66 | 5.1 | 40 | 2.9 | | |
| Assets rel. to I/A | 1.8 | 2.0 | 26 | 1.5 | 74 | 3.8 | 85 | 5.0 | 136 | 7.2 | | |
| Money market etc. | 4.1 | 3.7 | 11 | 0.3 | 12 | 0.3 | 27 | 1.0 | 18 | 0.5 | | |
| Subordinated loan capital | (1.2) | (1.2) | (16) | (1.5) | (16) | (1.4) | (36) | (3.7) | (47) | (4.1) | | |
| Interest-bearing debt | (3.9) | (1.6) | (9) | (0.2) | (2) | (0.1) | (18) | (0.6) | (9) | (0.4) | | |
| | 17.5 | 18.8 | (186) | (1.1) | 395 | 2.1 | 330 | 1.9 | 953 | 5.3 | | |
| Asset management | | | 67 | | 17 | | 89 | | 41 | | | |
| Total investment return | | | (119) | | 413 | | 419 | | 993 | | | |
| Transferred return technical provisions | | | | | | | | | | | | |
| Discounting | | | (87) | | (53) | | (258) | | (169) | | | |
| Technical interest | | | (12) | | (2) | | (58) | | (19) | | | |

The exposure in foreign equities and credit bonds has been adjusted by the use of derivatives. The return percentages are calculated as the ratio between the return on financial instruments and the size of the exposure of the underlying asset. The return on government and mortgage bonds and assets related to I/A (illness/accident) includes revaluations of claims provisions. From 2012 the return related to I/A has been calculated before pension return tax whereas in 2011 it was calculated after pension return tax. The comparatives for 2011 have been restated.

Assumed CR of around 89 for 2012



Profit forecast model for 2012

Profit forecast 2012

| (DKKm) | 2011 | Forecast for 2012 10 August 2012 | | Forecast for 2012 2 November 2012 | |
|---|-------|--|---------|---|---------|
| Non-life insurance | | | | | |
| - Technical result | 907 | 860 | - 910 | 950 | - 1,000 |
| - Investment return after transfer to technical result etc. | 179 | 620 | - 670 | 820 | - 870 |
| Profit on non-life insurance | 1,086 | 1,480 | - 1,580 | 1,770 | - 1,870 |
| Life insurance | 187 | 140 | - 170 | 170 | - 200 |
| Parent company etc. | 76 | 30 | - 40 | 20 | - 30 |
| Pre-tax profit | 1,349 | 1,650 | - 1,790 | 1,960 | - 2,100 |
| Taxation | -326 | -350 | - -390 | -410 | - -450 |
| Profit for the year | 1,023 | 1,300 | - 1,400 | 1,550 | - 1,650 |

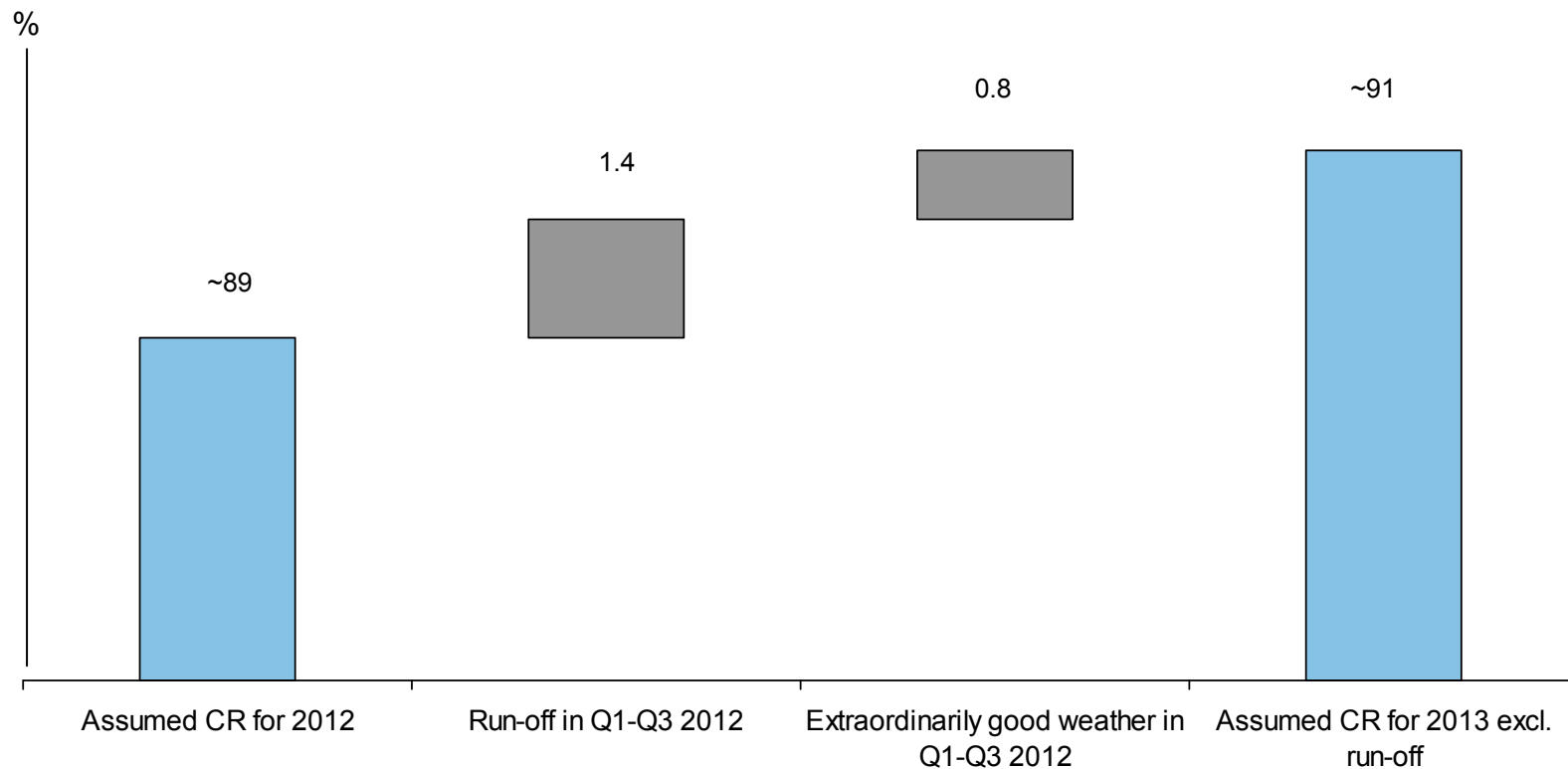
Representing a profit per share of DKK 125



Buy-back for 2012

- Buy-back for 2012 increased by DKK 250m to DKK 1.7bn
- DKK 500m postponed to 2013
- To date in 2012 own shares of DKK 1,021m bought back
- Leaving a balance of DKK 179m of buy-back for 2012
- Since 1998 Topdanmark has cancelled 66.6% of outstanding shares
 - Average price per share: DKK 378

Assumed CR of around 91 for 2013 excl. run-off results



Assumptions for CR in 2013

- A normal year in terms of weather, with weather-related expenses of DKK 170m
- A level of interest rates corresponding to the interest rate curve on 2 November 2012
- An expense ratio of 16

Disclaimer

This presentation includes statements relating to the future. Such statements are uncertain and involve both general and specific risks.

Many factors may cause a significant deviation from the forecasts and assumptions set out in the presentation. Such factors could be, for example, cyclical movements, changes in the financial markets, the financial effect of non-anticipated events like acts of terror or exceptional weather conditions, changes in Danish and EU rules, competitive factors in the insurance industry and the trends in the reinsurance market. Also see www.topdanmark.com → [Investor](#) → [Risk management](#).

The above description of risk factors is not exhaustive. Investors and others, who may base decisions relating to Topdanmark on statements relating to the future, should make their own careful considerations on these and other factors of uncertainty.

Topdanmark's statements relating to the future are solely based on information known at the time of the preparation of the interim report for Q1-Q3 2012.

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