

August 2012

Topdanmark's H1 2012 results

Highlights

H1 2012

- Post-tax profit improved 16.6% to DKK 846m
- Profit per share improved 24.8% to DKK 64.8
- CR: 87.6 (H1 2011: 89.8)
- Growth in premiums: Non-life 1.2%, Life 1.9%

Q2 2012

- Post-tax profit : DKK 285m (Q2 2011: DKK 301m)
- CR: 84.9 (Q2 2011: 86.6)
- Capital gain of DKK 76m due to new interest rate curve

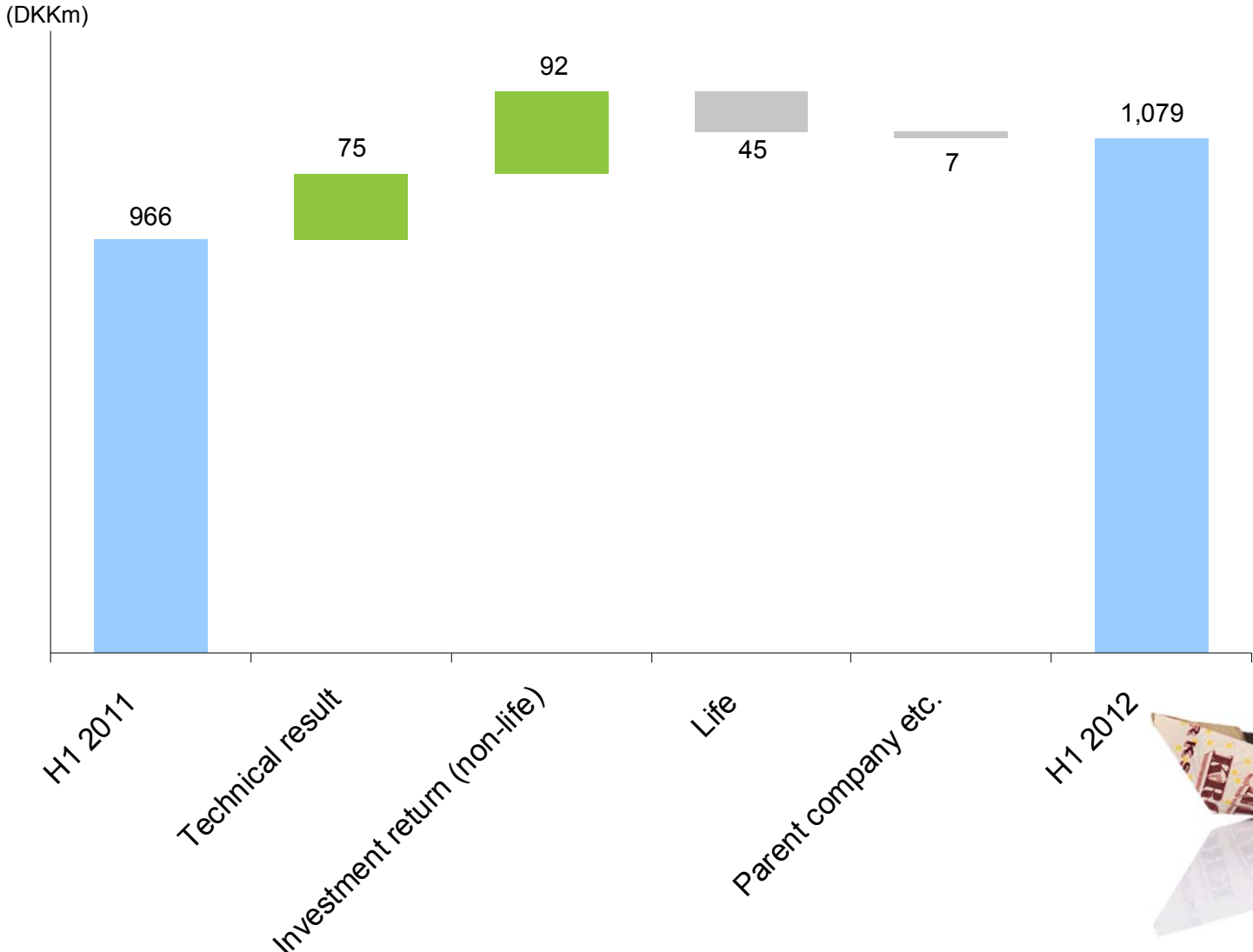
Profit forecast model for 2012

- Assumed CR adjusted from around 91 to around 90, excl. run-off profits / losses in H2 2012
- Profit forecast model upgraded from DKK 1,250-1,350m to DKK 1,300-1,400m
- Shadow account forecast increased by DKK 144m to be DKK 244m at 31 Dec 2012. Shadow account will be included as income in a subsequent period

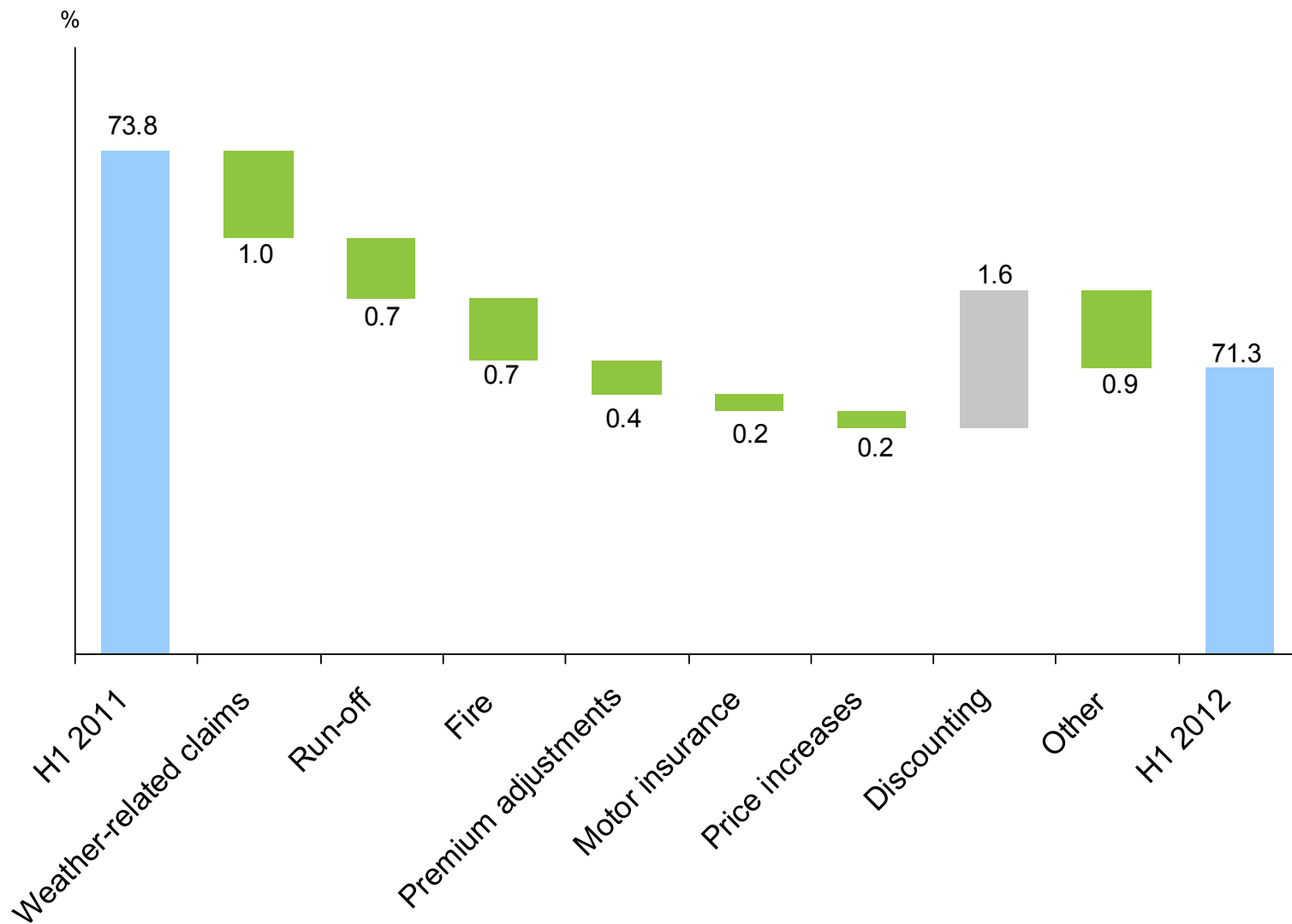
Share buy-back

- Share buy-back programme for 2012 upgraded by DKK 50m to DKK 1,450m (buy-back yield of 10.7%)
 - Leaving a balance of DKK 900m on the 2012 programme

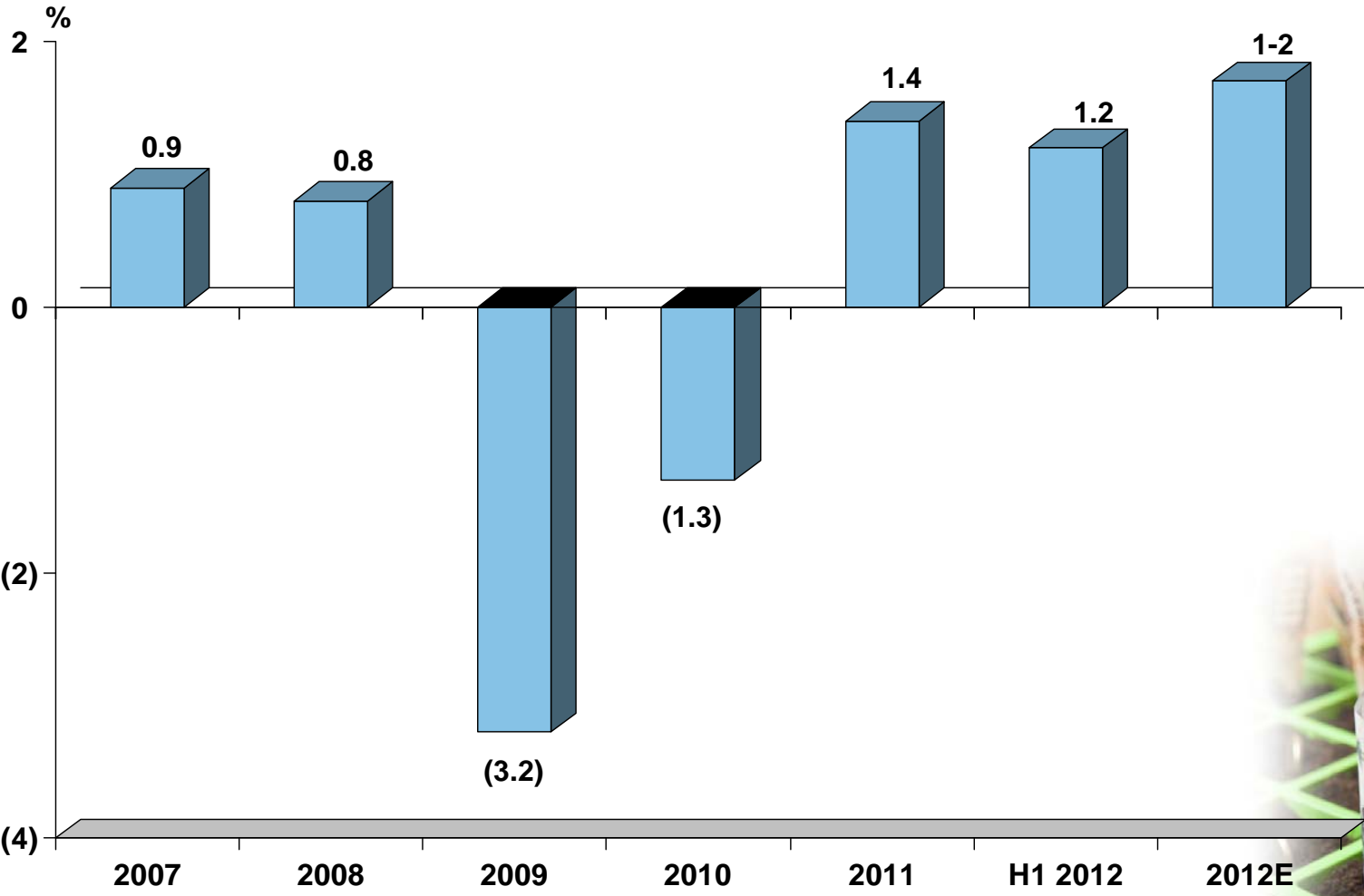
Trend in pre-tax results – H1 2011-H1 2012



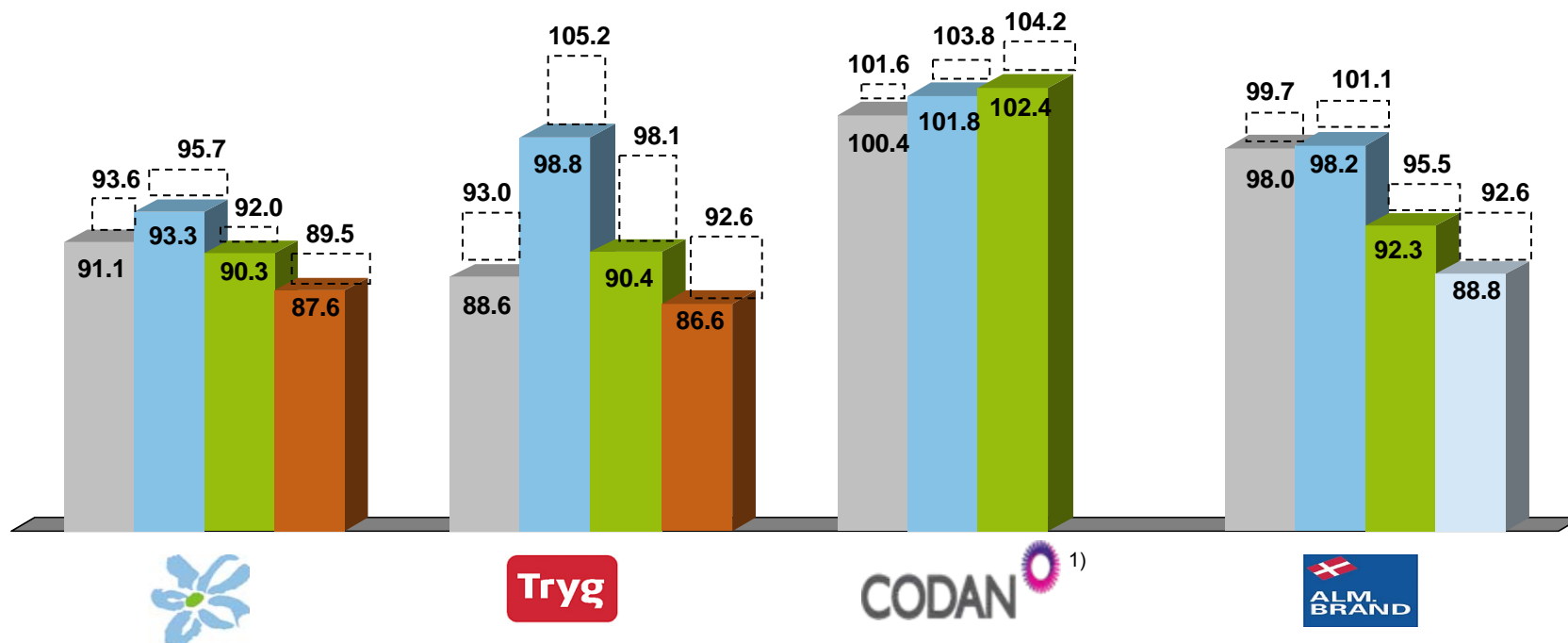
Claims trend – H1 2011-H1 2012



Premium growth in non-life insurance



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



1) Scandinavian business

Prospects for life insurance 2012

- Continued expected decline of about 5% in regular premiums
Assuming DKK 35m lower return on equity
- Assumed recognition as income of risk allowance of DKK 65m in 2012 (previously: DKK 170m)
- Recognition of income from shadow account not assumed in 2012 (previously: DKK 20m)
- Shadow account forecast at 31 December 2012 increased DKK 144m to DKK 244m
- Pre-tax profit forecast of DKK 140-170m for 2012 (previously: DKK 320-350m)
- 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)			H1 2011			H1 2012
	Life I	Life V	Group	Life I	Life V	Group
Investment return	35	22	57	33	20	53
Risk allowance	62	31	93	56	30	86
Transferred, shadow account	(9)	(6)	(14)	(57)	(1)	(58)
Other			3			12
Profit on life insurance			138			93
Shadow account end of period	9	6	14	171	3	174

Investment return

- for Topdanmark Group excl. life insurance

Investment return	Portfolio 30 June											
	2011		2012		Return Q2 2011		Return Q2 2012		Return H1 2011		Return H1 2012	
	(DKKbn)		(DKKbn)		(DKKkm)		(DKKkm)		(DKKkm)		(DKKkm)	
						%	%	%	%	%	%	
Danish equities	0.4	0.4	(21)	(5.1)	(4)	(1.4)	(13)	(3.2)	33	9.7		
Foreign equities	0.8	0.8	(10)	(1.1)	(35)	(4.5)	38	4.6	46	6.0		
Government and mortgage bonds	12.1	11.6	80	0.7	57	0.5	205	1.7	270	2.2		
Credit bonds	0.8	0.5	(0)	(0.3)	4	1.0	24	3.1	40	8.3		
CDOs	0.8	0.7	48	6.2	23	3.1	168	24.7	112	16.8		
Properties	1.3	1.4	19	1.4	12	0.8	48	3.6	29	2.1		
Assets rel. to I/A	1.8	2.0	42	2.4	36	1.9	80	4.7	62	3.2		
Money market etc.	2.9	5.1	8	0.2	(7)	(0.3)	16	0.7	6	0.2		
Subordinated capital	(1.2)	(1.2)	(10)	(1.3)	(16)	(1.4)	(19)	(2.5)	(32)	(2.7)		
Interest-bearing debt	(2.0)	(2.5)	(6)	(0.3)	(3)	(0.2)	(10)	(0.5)	(8)	(0.3)		
	17.6	18.7	149	0.8	66	0.3	536	3.1	558	3.1		
Asset management			12		9		22		23			
Total investment return			160		76		558		581			
Transferred return technical provisions												
Discounting			(92)		(58)		(171)		(116)			
Technical interest			(22)		(7)		(46)		(16)			

The exposure in foreign equities and credit bonds have 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.

Profit forecast model for 2012

(DKKm)	2011	Forecast for 2012 11 May 2012		Forecast for 2012 10 August 2012	
Non-life insurance					
- Technical result	907	790	- 840	860	- 910
- Investment return after transfer to technical result etc.	179	490	- 540	620	- 670
Profit on non-life insurance	1,086	1,280	- 1,380	1,480	- 1,580
Life insurance	187	320	- 350	140	- 170
Parent company etc.	76	20	- 30	30	- 40
Pre-tax profit	1,349	1,620	- 1,760	1,650	- 1,790
Taxation	(326)	(370)	- (410)	(350)	- (390)
Profit for the year	1,023	1,250	- 1,350	1,300	- 1,400

Representing a profit per share of DKK 106



Buy-back for 2012

- increased by DKK 50m to DKK 1,450m
- Buy-back of DKK 1,450m represents a buy-back yield of 10.7%
- To date in 2012 own shares of DKK 550m bought back
- Leaving a balance of DKK 900m of buy-back for 2012
- Since 1998 Topdanmark has cancelled 66.6% of outstanding shares
 - Average price per share: DKK 378



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 H1 2012 interim report.

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