

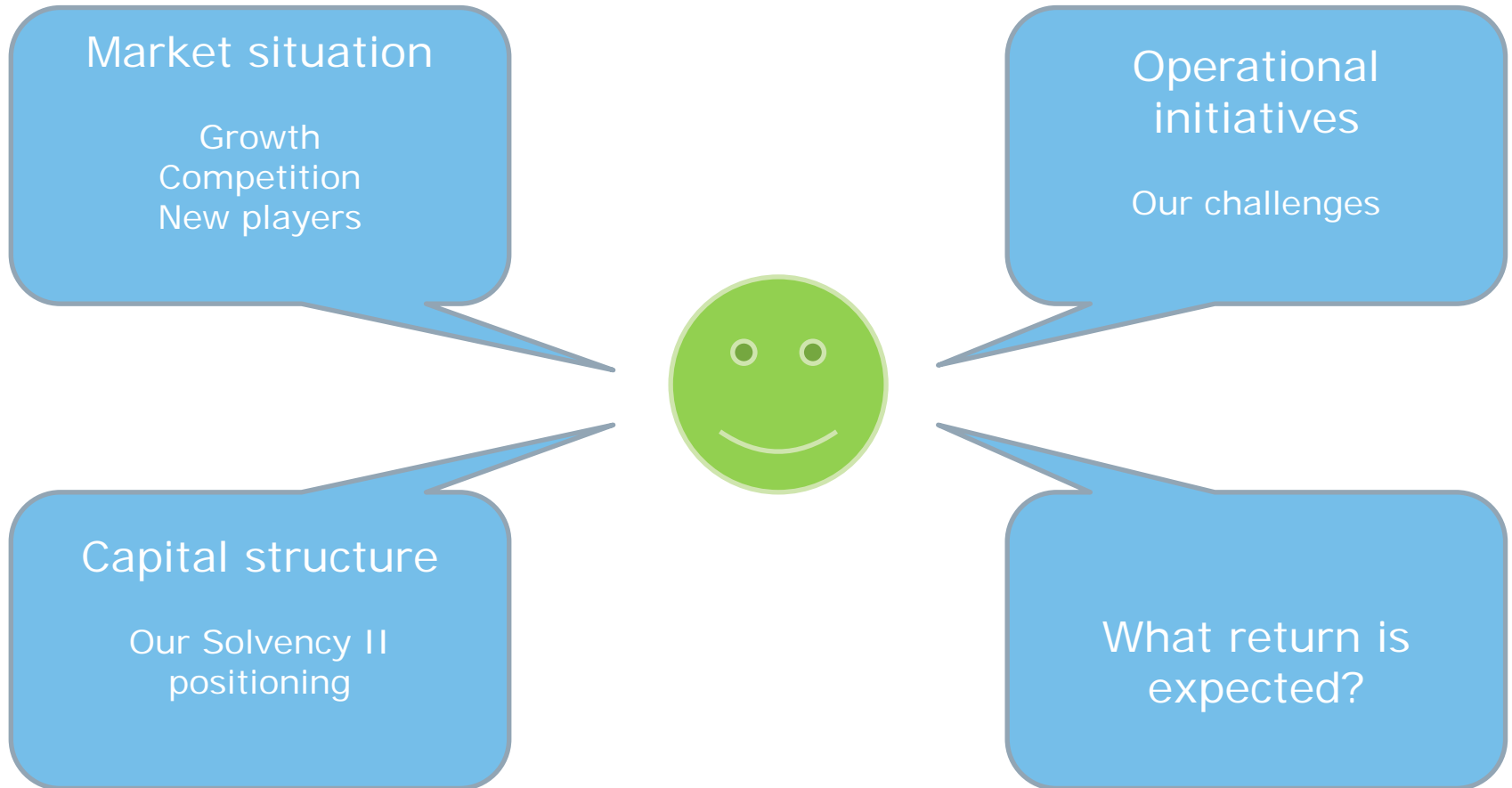
SEB NORDIC SEMINAR 2016



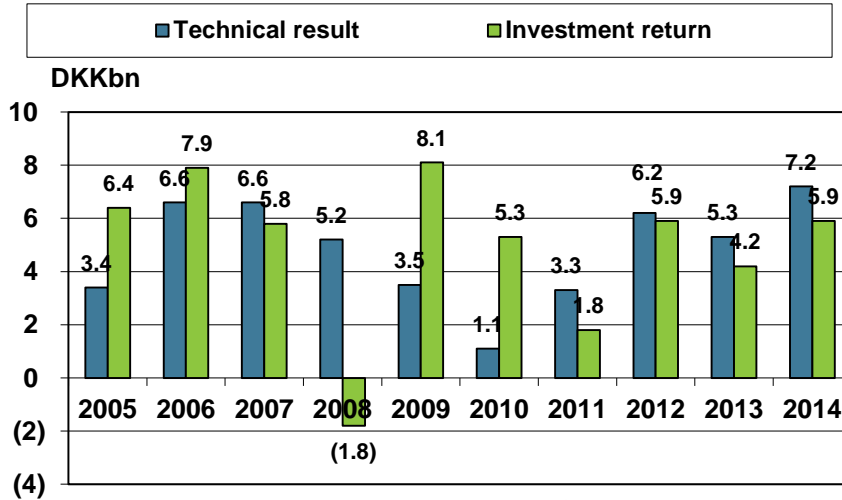
7 January 2016 by Christian Sagild



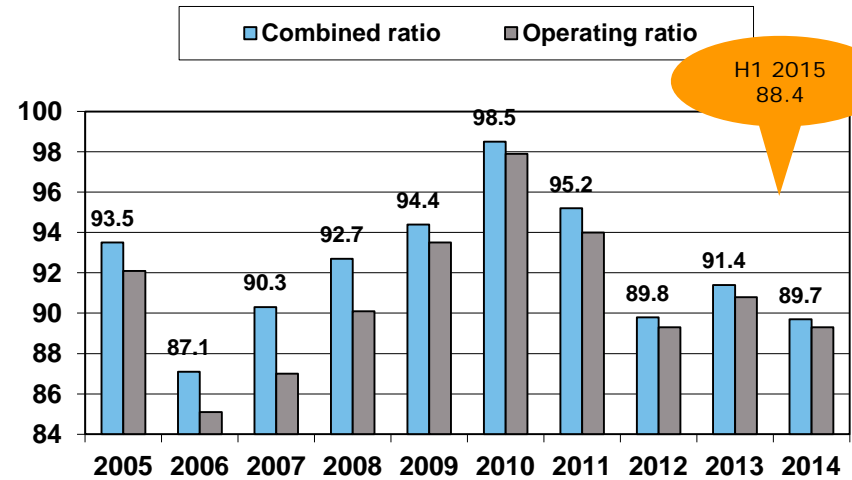
TODAY'S AGENDA



MARKET SITUATION



RESULTS 2005 TO 2014



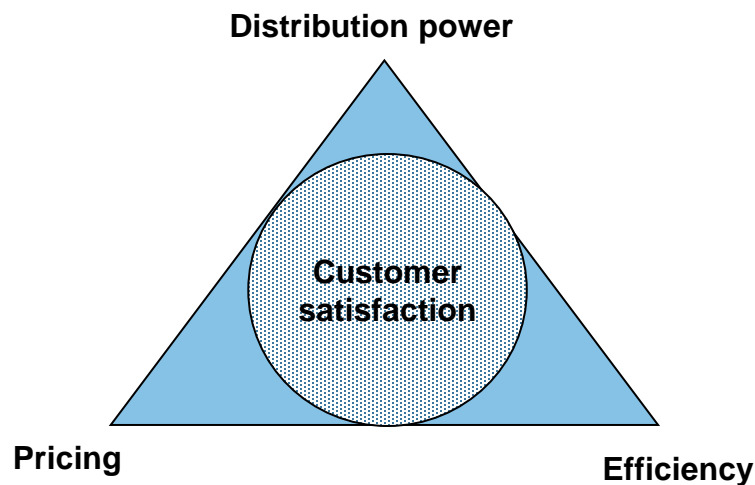
OPERATIONAL INITIATIVES

Our challenges

- ❖ Handle the increased competition
- ❖ Improve our core deliveries
 - To customers and internally

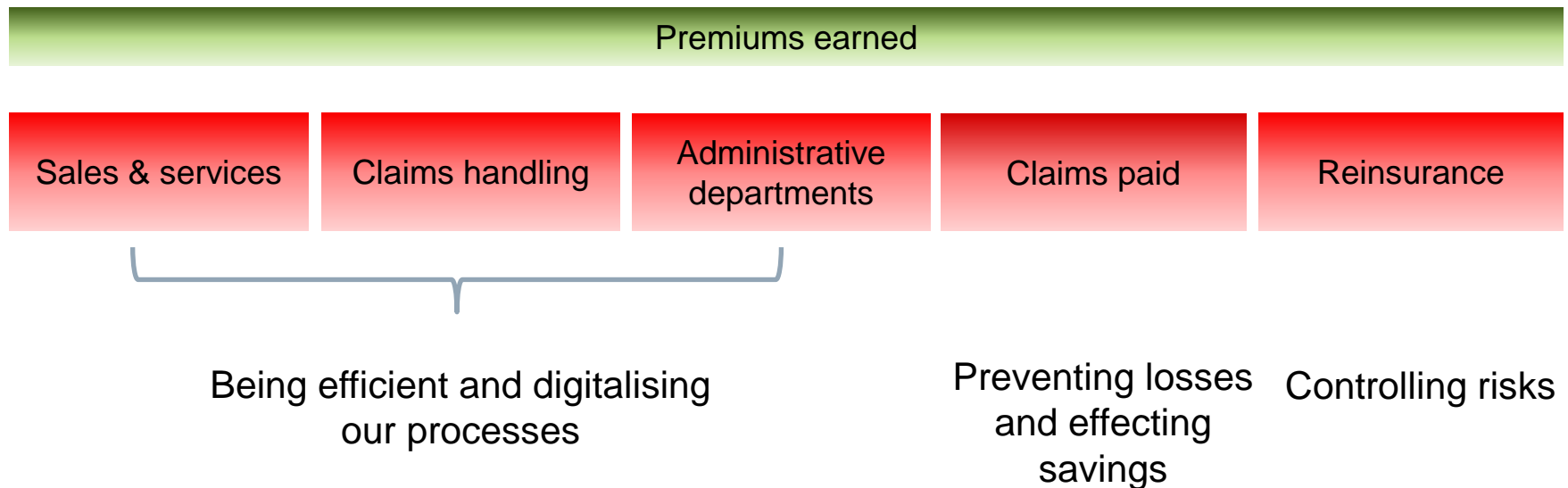
Our response

- ✓ Systems thinking
- ✓ Digitalisation
- ✓ Purchasing power and claims reduction
- ✓ Customer lifetime value



HOW DO WE SUCCEED WITH THE RIGHT BALANCE?

Writing policies for the right customers and providing good customer experiences Saving profitable customers on their way out Avoiding loss-making customers Having good alliance partners Having good products/prices



SOLVENCY COVER

| | 31 Dec 2013 | 31 Dec 2014 | 30 Sep 2015 |
|---|-------------|-------------|----------------------------|
| Individual solvency requirement ¹⁾ | 3,885 | 3,416 | 3,385 |
| Capital base | 6,794 | 6,764 | 5,947 |
| New issue | | | <u>1,350</u> ²⁾ |
| | | | 7,297 |
| Solvency cover | 207% | 198% | 216% |

¹⁾ Individual solvency requirement is reported to the DFSA on single company level.
Here the individual solvency requirements for each of the subsidiaries are consolidated according to Solvency II standards

²⁾ Cannot be fully included until after 1 January 2016.
Not included in the report of 30 September 2015 to the DFSA.

HOW TO MAKE MONEY ON NON-LIFE INSURANCE

Assumptions:

- Shareholders' equity 40% of premiums earned
- Combined ratio 91.0 (claims + costs) / premiums earned
- Interest income on provisions for unearned premiums equal to 0.5% of premiums earned
- Return on shareholders' equity 5%

Return on operations:

| | |
|-------------------|-----------------|
| • Income | 100.0 |
| • Interest income | <u>0.5</u> |
| | 100.5 |
| • Expenditure | <u>91.0</u> |
| | 9.5 ~ ROE = 24% |

ROE:

| | |
|---------------|-----------|
| • Pre-tax ROE | <u>5%</u> |
| | 29% |



NORMAL EARNINGS

(DDKm)

| | |
|---|--------------|
| Non-life CR = 91 DKK 9.0bn x 9pp | 810 |
| Run-off (CR effect 1.7pp) DKK 9.0bn x 1.7pp | 155 |
| Technical interest excl. discounting DKK 4bn x 0% | 0 |
| Life | 140 |
| Parent company etc. | 30 |
| Risk premium assets: DKK 5bn x 2% | 100 |
| Equities: DKK 0.8bn x 7% | 55 |
| Pre-tax profit | 1,290 |
| Tax | (290) |
| Post-tax profit | 1,000 |



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 trends in the reinsurance market. See also 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 give their own careful consideration to 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 2015.

This publication is a translation. In case of any divergence, the original Danish text shall prevail.