

November 2011

Topdanmark Q1-Q3 2011 results

Highlights

Q1-Q3 2011

- Post-tax profit of DKK 673m (Q1-Q3 2010: DKK 680m)
- CR of 90.5 (Q1-Q3 2010: 94.7)
- CR of 90.7 excl. run-off profits and extraordinary weather-related claims (Q1-Q3 2010: 92.2)
- Investment return: DKK 399m (Q1-Q3 2010: DKK 623m)
- Growth in premiums: 1.1% in non-life and 8.9% decline in life

Q3 2011

- Post-tax loss of DKK 53m (Q3 2010: DKK 318m profit)
- CR of 91.8 (Q3 2010: 93.7)
- CR of 89.9 excl. run-off profits and extraordinary weather-related claims (Q3 2010: 92.0)
- Investment return: DKK 139m loss (Q3 2010: DKK 257m profit)
- Growth in premiums: 0.4% in non-life and 18.7% decline in life

Profit forecast model for 2011

- The assumed growth in non-life premiums remains unchanged at 1-2%
- The assumed CR remains unchanged at 91-92, excluding run-off in Q4
- Profit forecast model has been downgraded by DKK 50m to DKK 900-1,000m.

Share buy-back programme

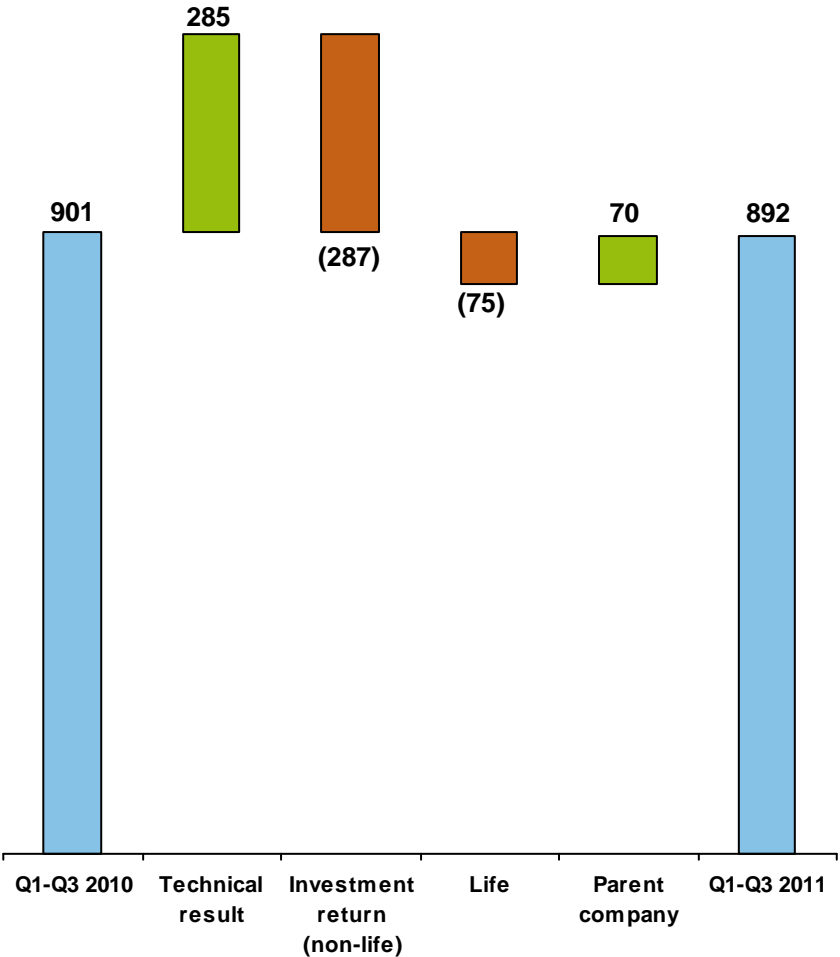
- Buy-back programme remains unchanged at DKK 1.2bn
 - Buy-back yield of 9.8%

Assumptions for non-life in 2012

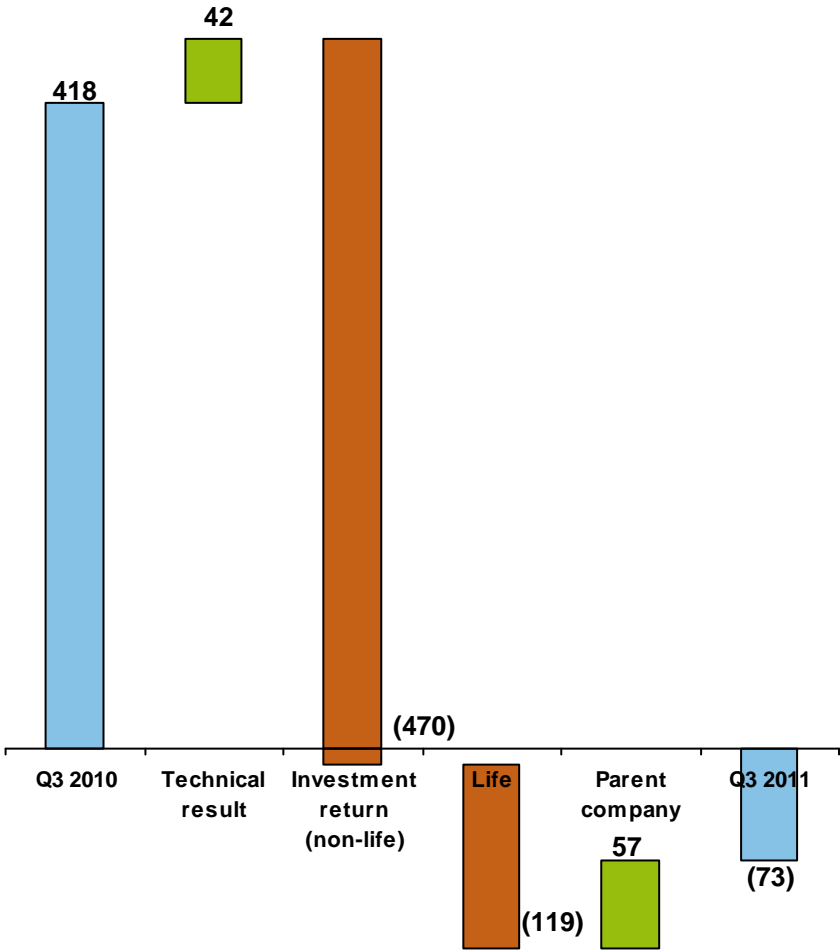
- Premium growth of 1-2% and CR of 91-92, excluding run-off

Trend in pre-tax results

Q1-Q3 2010 - Q1-Q3 2011

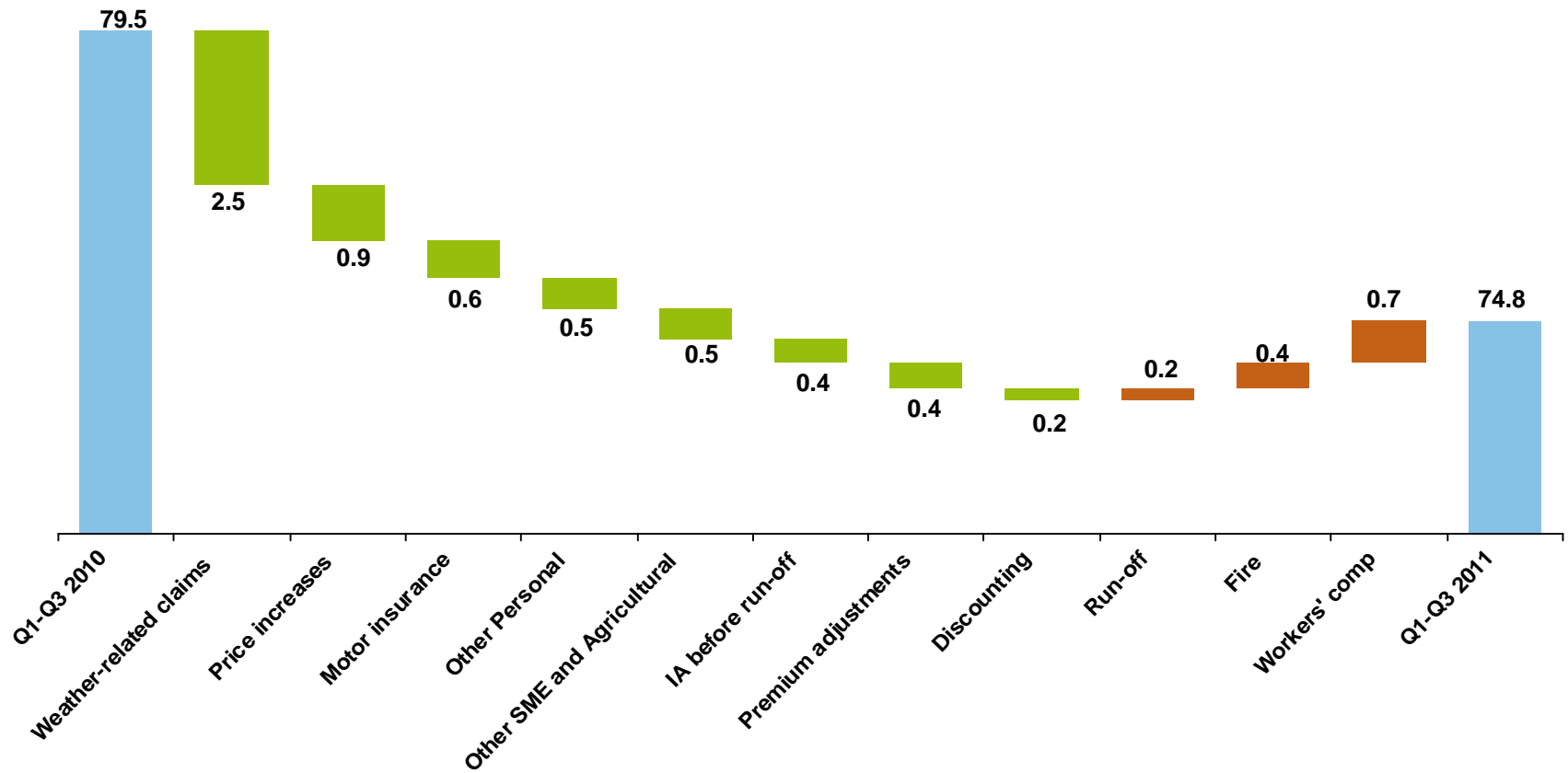


Q3 2010 - Q3 2011

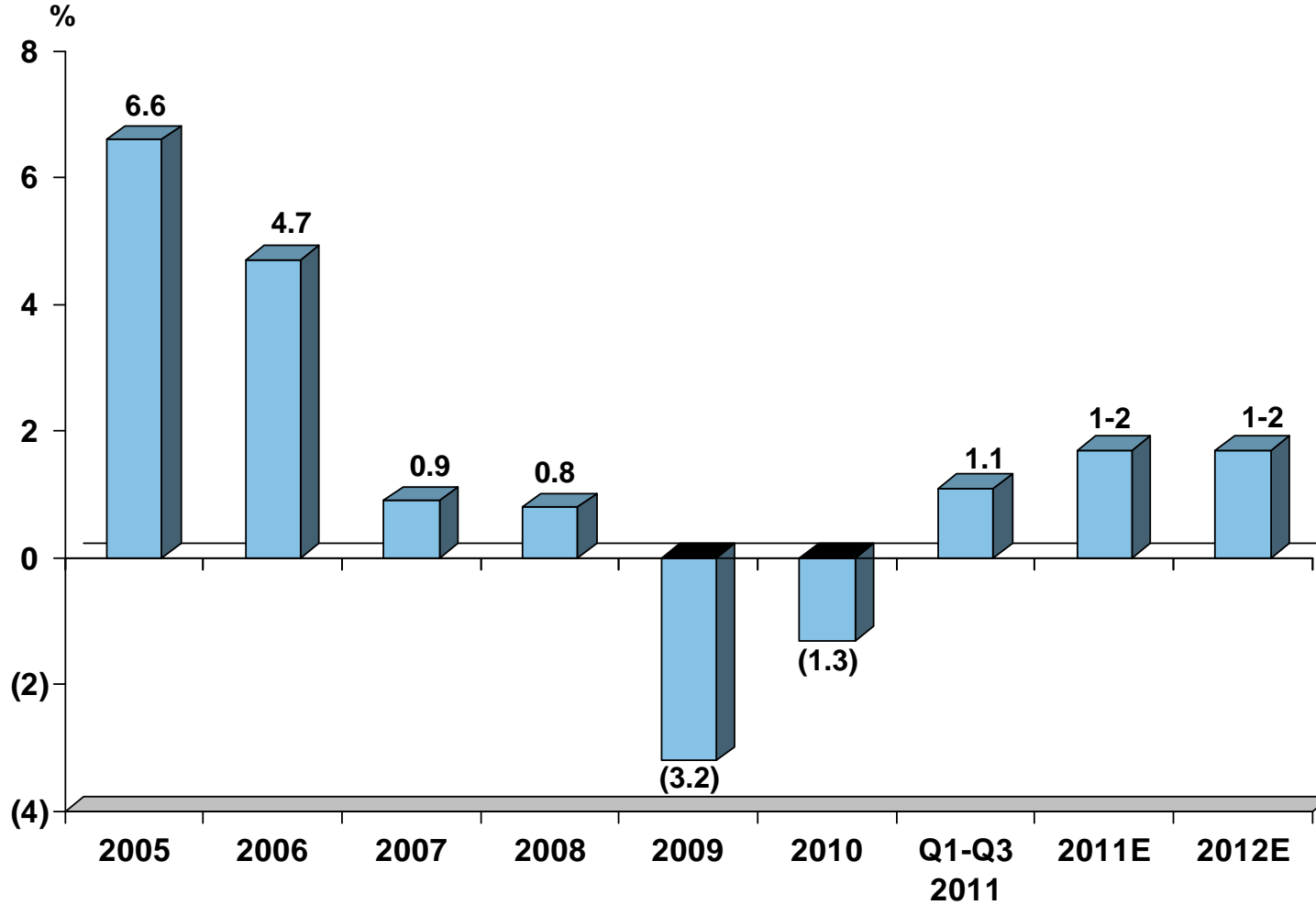


Claims trend

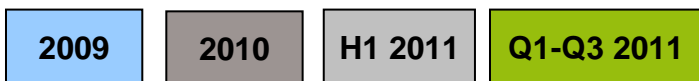
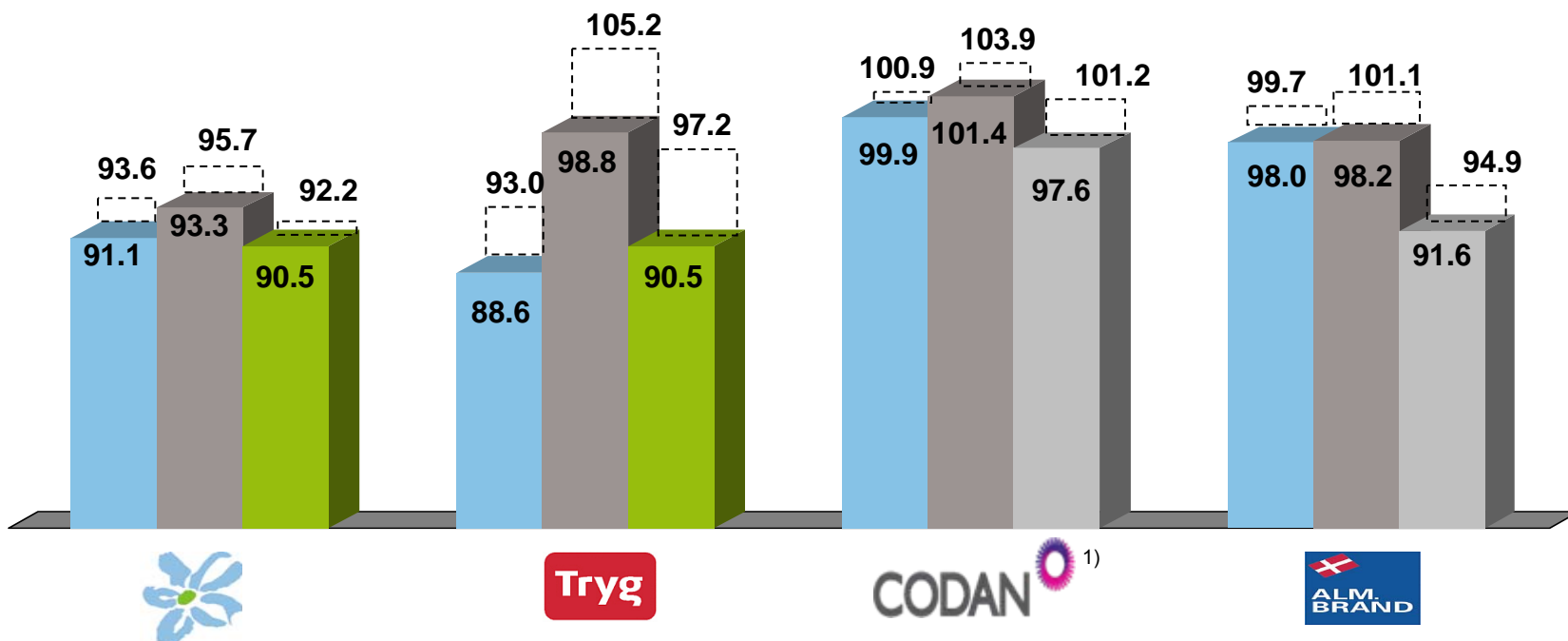
Q1-Q3 2010 - Q1-Q3 2011



Premium growth in non-life



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



1) Scandinavian business



Results – Life insurance

(DKKm)	Q1-Q3 2010			Q1-Q3 2011		
	Life I	Life V	Group	Life I	Life V	Group
Investment return	32	52	84	47	30	77
Risk allowance	59	38	97	90	46	136
Transferred, shadow account	0	0	0	(85)	(9)	(94)
Other			12			(1)
Profit on life insurance			193			118
Shadow account end of period	143	0	143	85	9	94



Prospects for life insurance 2011

- Expected decline of about 10% in regular premiums
 - Expected decline of 5-8% in Q2 report
 - Loss of large customer in Q1 2011
- Portfolios of Life I and Life V split into contribution groups taking effect on 1 January 2011
 - Interest rate, risk and cost groups
 - The split into contribution groups increases risk of part of profit not being recognised as income but transferred to shadow account
- Size of risk allowance (interest rate groups) increased from 0.5% to 0.6% in Life I and from 0.65% to 0.75% in Life V
- Risk allowance will be considered when finalising the 2011 Annual Report
- Results highly sensitive to fluctuations in investment return
- Assumed recognition as income of risk allowance of DKK 65m in 2011
- Shadow account forecast at 31 December 2011 remains at DKK 125m

Investment return

- for Topdanmark Group excl. life insurance

Investment return	Portfolio 30 Sep		Return Q3 2010		Return Q3 2011		Return Q1-Q3 2010		Return Q1-Q3 2011	
	2010	2011	(DKKbn)	(DKKbn)	(DKKbn)	(DKKbn)	(DKKbn)	(DKKbn)	(DKKbn)	(DKKbn)
Danish equities	0.4	0.3	17	5.0	(50)	(12.6)	45	13.7	(63)	(15.4)
Foreign equities	0.9	0.7	72	8.4	(125)	(14.1)	40	4.3	(87)	(10.1)
Government and mortgage bonds	13.0	13.1	51	0.4	24	0.2	204	1.8	229	1.9
Credit bonds	0.7	0.5	33	4.7	(11)	(1.2)	56	7.9	13	1.8
CDOs	0.7	0.7	32	4.7	(54)	(6.8)	88	12.7	114	16.2
Properties	1.3	1.4	15	1.2	19	1.4	51	4.0	66	5.1
Assets rel. to I/A	1.6	1.8	21	1.3	6	0.3	77	5.1	65	3.8
Money market etc.	1.5	4.1	17	0.8	11	0.3	62	2.1	27	1.0
Interest-bearing debt	(2.4)	(5.1)	(12)	(0.6)	(25)	(0.6)	(33)	(1.3)	(54)	(1.7)
	17.6	17.5	245	1.4	(207)	(1.2)	592	3.4	310	1.8
Asset management			12		67		31		89	
Total investment return			257		(139)		623		399	
Transferred return technical provisions										
Discounting			(70)		(87)		(235)		(258)	
Technical interest			(12)		(12)		(50)		(58)	

The exposure in foreign equities and credit bonds have been adjusted by 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.

Profit forecast model for 2011

(DKKm)	2010	Forecast for 2011		Forecast for 2011	
		12 August 2011	04 November 2011		
Non-life insurance					
- Technical result	626	780	- 830	820	- 870
- Investment return after transfer to technical result etc.	465	250	- 300	150	- 200
Profit on non-life insurance	1,092	1,030	- 1,130	970	- 1,070
Life insurance	384	180	- 210	140	- 170
Parent company etc.	31	50	- 60	70	- 80
Pre-tax profit	1,506	1,260	- 1,400	1,180	- 1,320
Taxation	(338)	(310)	- (350)	(280)	- (320)
Profit for the year	1,168	950	- 1,050	900	- 1,000

Representing a profit per share of around DKK 69

Unchanged buy-back programme of DKK 1.2bn

- Unchanged buy-back of DKK 1.2bn for 2011
 - Buy-back yield of 9.8%
- To date in 2011 own shares of DKK 915m bought back
- Balance remaining of the 2011 programme: DKK 285m
- Since 1998 Topdanmark has cancelled 64.1% of outstanding shares
 - Average price per share: DKK 358

Assumed CR of 91-92 for 2012 excl. run-off

Assumed underlying CR of 91-92 for 2011

Key forecast assumptions for 2012:

- No run-off profits
- No extraordinary weather-related claims
- No changes in reinsurance programme
- No effect of changes in interest rates
- Effect of profitability improving measures not included

Assumed CR of 91-92 for 2012 excl. run-off

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 trend in reinsurance market. Also see www.topdanmark.com → 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 2011.

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