

TOPDANMARK HALF-YEAR REPORT FOR 2015

19 August 2015 Announcement No. 13/2015

Key features

H1 2015

- Post-tax profit of DKK 647m (H1 2014: DKK 945m).
- EPS was DKK 6.3 (H1 2014: DKK 8.6).
- Combined ratio improved to 85.7% (H1 2014: 85.9%).
- Combined ratio excluding run-off profits was 89.6% (H1 2014: 89.7%).
- Premiums declined 0.9% in non-life insurance and increased 32.8% in life insurance.
- Profit on life insurance declined to DKK 68m (H1 2014: DKK 136m) impacted by a lower investment return.
- Investment return declined to DKK 172m (H1 2014: DKK 539m).

Q2 2015

- Post-tax profit: DKK 337m (Q2 2014: DKK 527m).
- EPS: DKK 3.3 (Q2 2014: DKK 4.8).
- Combined ratio: 80.8% (Q2 2014: 82.4%).
- Combined ratio excluding run-off profits: 86.6% (Q2 2014: 87.4%).
- Trend in premiums: 1.0% decline in non-life insurance, 34.8% increase in life insurance.
- Profit on life insurance: DKK 34m (Q2 2014: DKK 62m).
- Investment return: DKK 20m loss (Q2 2014: DKK 261m).

Profit forecast model for 2015

- The assumed combined ratio for 2015 has improved from around 90% to 88-89%, excluding run-off in H2 2015.
- Assumed negative growth in non-life premiums adjusted from around 1% to 1-2%. In life insurance, the assumed growth in regular premiums has been upgraded from around 5% to more than 10%.
- The post-tax profit forecast model for 2015 has been upgraded by DKK 50m to DKK 1,050-1,150m, excluding run-off in H2 2015, representing EPS of DKK 11.0.

Share buy-back

- The share buy-back programme for 2015 has been upgraded by DKK 50m to DKK 1.95bn, representing a buy-back yield of 9.6%.
- Topdanmark has bought back own shares of DKK 982m in 2015, which leaves a balance of DKK 968m of the 2015 buy-back programme.

Webcast

Topdanmark's CEO, Christian Sagild will present the financial highlights and comment on the forecast via a [webcast](#).

Conference call

A conference call will be held today at 15:30 (CET) when CEO Christian Sagild and CFO Lars Thykier will be available for questions based on the half-year report and the webcast. The call will be conducted in English.

In order to participate in the conference call, please phone:

UK dial-in number: +44 (0)20 7162 0025

US dial-in number: +1 334 323 6201

10-15 minutes before the conference quoting reference 954609 and ask the operator to connect you to the Topdanmark conference call – or listen to the live [transmission](#) of the call.

Please direct any queries to:

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Financial highlights

(DKKm)	Full year 2014	Q2 2014	Q2 2015	H1 2014	H1 2015
Premiums earned:					
Non-life insurance	9,116	2,267	2,244	4,527	4,486
Life insurance	4,448	1,014	1,367	2,247	2,984
	13,563	3,281	3,611	6,774	7,470
Results:					
Non-life insurance	1,803	613	405	1,073	767
Life insurance	200	62	34	136	68
Parent company etc.	7	(7)	4	(10)	3
Pre-tax profit	2,010	668	442	1,198	837
Tax	(452)	(141)	(106)	(253)	(190)
Profit	1,558	527	337	945	647
Run-off profits, net of reinsurance	351	115	130	170	176
Shareholders' equity of parent company at 1 January	5,490	5,507	5,361	5,490	5,442
Profit	1,558	527	337	945	647
Share buy-back	(1,716)	(403)	(412)	(851)	(866)
Share-based payments	110	27	3	71	68
Other movements in shareholders' equity	(1)	2	(3)	5	(5)
Shareholders' equity of parent company end of period	5,442	5,660	5,287	5,660	5,287
Deferred tax on security funds	(306)	(306)	(306)	(306)	(306)
Shareholders' equity of Group end of period	5,135	5,354	4,980	5,354	4,980
Capital base, parent company*)	5,848	6,067	5,695	6,067	5,695
Total assets, parent company	6,143	6,611	6,023	6,611	6,023
Total assets, Group	64,516	63,601	67,090	63,601	67,090
Provisions for insurance and investment contracts:					
Non-life insurance	16,485	17,748	17,500	17,748	17,500
Life insurance	36,375	35,560	38,902	35,560	38,902
Financial ratios (parent company)					
Post-tax profit as a % of shareholders' equity	28.1	9.3	6.2	16.7	11.9
Post-tax EPS (DKK)	14.4	4.8	3.3	8.6	6.3
Post-tax EPS, diluted (DKK)	14.3	4.8	3.3	8.5	6.3
Net asset value per share, diluted (DKK)	52.2	52.1	52.7	52.1	52.7
Share buy-back per share, diluted (DKK)	15.8	3.7	4.1	7.7	8.4
Listed share price end of period	200.2	165.7	179.4	165.7	179.4
Average number of shares ('000)	107,908	109,087	101,187	110,235	102,021
Average number of shares, diluted ('000)	108,805	109,959	101,649	111,147	102,581
Number of shares end of period ('000)	103,623	107,947	99,869	107,947	99,869
Ratios non-life insurance (%)					
Gross loss ratio	69.3	64.1	64.2	67.2	68.5
Net reinsurance ratio	1.0	2.3	1.0	2.3	1.2
Claims trend	70.3	66.4	65.2	69.5	69.7
Gross expense ratio	15.7	16.0	15.5	16.4	16.1
Combined ratio	86.0	82.4	80.8	85.9	85.7
Operating ratio	85.9	82.3	80.8	85.8	85.8
Combined ratio excl. run-off profits	89.8	87.4	86.6	89.7	89.6

*) Shareholders' equity and loan capital

Results for H1 2015

Topdanmark's post-tax profit for H1 2015 was DKK 647m (H1 2014: DKK 945m). EPS was DKK 6.3 (H1 2014: DKK 8.6).

Pre-tax profit declined DKK 361m to DKK 837m.

The technical result declined DKK 5m to DKK 638m. The lower interest rates had an adverse impact of around DKK 50m on the technical result for H1 2015 as compared to H1 2014. Accordingly, an improvement was seen in the underlying technical result.

The investment return after transfer to technical result declined DKK 301m to DKK 129m. This is partly due to an extraordinarily high investment return in H1 2014 and partly due to the negative impact on the investment return in H1 2015 of a significantly higher increase in interest rates on mortgage bonds than on the interest rate curve used to calculate the value of provisions: see "[Investment activities](#)". On the other hand, Topdanmark achieved a gain of DKK 111m on the disposal of two residential properties.

Profit on life insurance declined DKK 68m primarily due to a lower investment return.

Trend in profit (DKKm)	Full year 2014	H1 2014	H1 2015
Non-life insurance			
- Technical result	1,289	643	638
- Investment return after transfer to technical result etc.	514	430	129
Profit on non-life insurance	1,803	1,073	767
Life insurance	200	136	68
Parent company etc.	7	(10)	3
Pre-tax profit	2,010	1,198	837
Tax	(452)	(253)	(190)
Profit	1,558	945	647

Results for Q2 2015

Profit for Q2 2015 declined to DKK 337m (Q2 2014: DKK 527m). EPS was DKK 3.3 (Q2 2014: DKK 4.8).

Pre-tax profit declined by DKK 226m to DKK 442m.

The technical result increased by DKK 29m to DKK 431m due to fewer weather-related claims, an improved claims trend for fire insurance and higher run-off profits. On the other hand, declining interest rates had an adverse impact of around DKK 30m on the technical result in Q2 2015 as compared to Q2 2014.

The investment return declined by DKK 237m to a DKK 26m loss partly due to an extraordinarily high investment return in Q2 2014 and partly due to the spread increase between Danish mortgage bonds and the interest rate curve used to calculate the value of provision.

Profit on life insurance declined by DKK 28m to DKK 34m impacted by a lower investment return.

Trend in profit (DKKm)	Q2 2014	Q2 2015
Non-life insurance		
- Technical result	402	431
- Investment return after transfer to technical result etc.	211	(26)
Profit on non-life insurance	613	405
Life insurance	62	34
Parent company etc.	(7)	4
Pre-tax profit	668	442
Tax	(141)	(106)
Profit	527	337

Non-life insurance Premiums earned

Premiums earned declined 0.9 % to DKK 4,486m in H1 2015. The personal segment accounted for a 0.1% decline and the SME and industrial segment for a 1.9% decline.

Topdanmark gives priority to profitability over growth. Therefore, it implements a number of measures, where growth has a low priority in the short term.

Topdanmark's focus on profitability-promoting initiatives for less profitable customers in the SME and industrial segment has generated a loss of major industrial customers, representing a 1.4pp adverse effect on the Group's premium growth in H1 2015.

In H1 2015, the personal segment was impacted by the implementation of a new strategy for sales made by certified insurance sales representatives. In order to improve the quality of new sales, the representatives now make more individual risk assessments. This change causes a loss of momentum but is expected to improve the quality of the new customer portfolio in the future. The new and more profitability-focused sales philosophy will be fully implemented in the course of H1 2016.

Additionally, the level of Topdanmark's new sales through bank distribution was lower than in H1 2014 due to Danish banks generally having allocated many resources to serve customers with conversion of mortgage credit

loans as a consequence of declining interest rates. As a result, Topdanmark has received fewer referrals than normal. The referrals are expected to improve in the course of H2 2015. Also, the distribution agreement Topdanmark has made with Sydbank in 2015 will gradually have a positive effect.

Finally, competition in motor insurance, in particular, continues to be intense. Developments in motor insurance continue to reflect a declining claims frequency and an increase in the sale of smaller and safer cars, which has resulted in a trend with declining risk and declining average premiums, but maintained profitability.

Claims trend

The claims trend increased marginally from 69.5% in H1 2014 to 69.7% in H1 2015

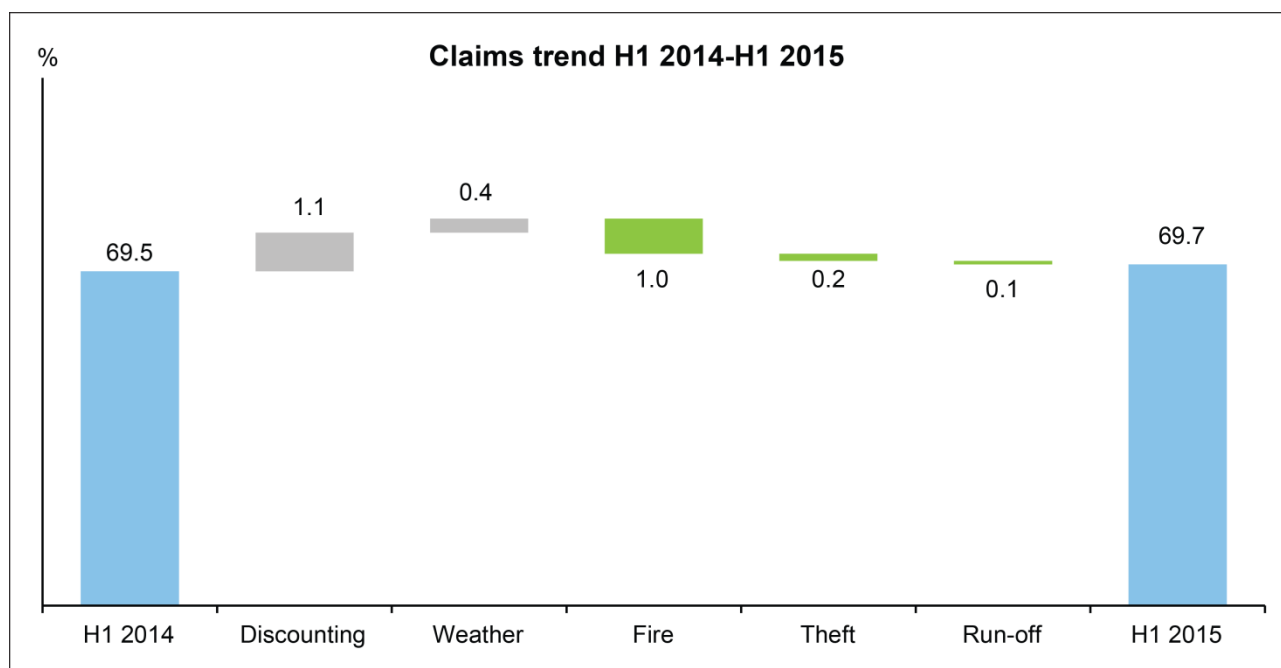
The interest rate curve used to discount the provisions for outstanding claims was lower in H1 2015 than in H1 2014, which impacted the claims trend adversely by 1.1pp.

Weather-related claims were DKK 40m in H1 2015 (H1 2014: DKK 24) caused by storm Egon in Q1 2015. As compared to H1 2014, weather-related claims had a 0.4pp adverse effect on the claims trend.

There were relatively few fire claims in H1 2015, in the personal and agricultural areas in particular. The favourable trend in fire insurance improved the claims trend by 1.0pp

The trend in the level of theft claims continues to be favourable. In H1 2015, theft claims declined DKK 7m, representing a 0.2pp improvement of the claims trend.

Run-off profits, net of reinsurance, were DKK 176m (H1 2014: DKK 170m), representing a 0.1pp improvement of the claims trend. Motor third-party and comprehensive, workers' compensation and change of ownership insurance generated run-off profits.



Expense ratio

The expense ratio declined to 16.1% (H1 2014: 16.4%). Expenses were kept in check through a number of efficiency-promoting measures, and also thanks to lower sales commission as a consequence of the lower new sales in the personal segment. Additionally, there were non-recurring savings, representing 0.3pp.

Combined ratio

The combined ratio improved to 85.7% in H1 2015 (H1 2014: 85.9%). Excluding run-off profits, the combined ratio was 89.6% (H1 2014: 89.7%).

Reinsurance

The storm reinsurance programme has been renewed for one year from 1 July and remains unchanged at DKK 5.1bn including retention of DKK 100m. The renewal was effected within the expense limits assumed in the profit forecast model for 2015. Further information on the storm programme is available in Topdanmark's risk report (page 7: Disaster risks) on www.topdanmark.com → Investor → [Risk management](#).

Developments in Q2 2015

Premiums earned declined 1.0% to DKK 2,244m. Premiums earned declined slightly more than expected in

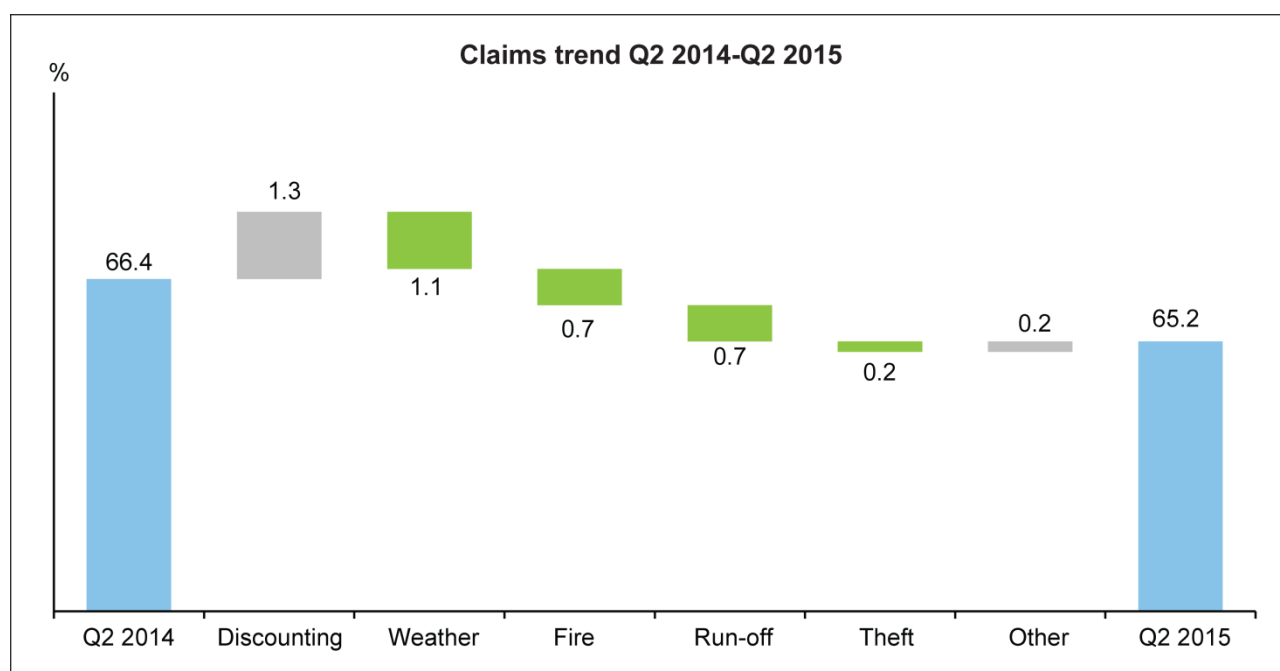
the interim report for Q1 2015 due to, among other factors, lower than expected new sales through bank distribution.

The claims trend was 65.2% in Q2 2015 (Q2 2014: 66.4%), representing an improvement of 1.2pp due to, among other factors, fewer weather-related claims (1.1pp), fewer fire claims (0.7pp) and higher run-off profits

(0.7pp). On the other hand, the lower interest rates had a 1.3pp adverse effect on the claims trend.

The expense ratio declined to 15.5% (Q2 2014: 16.0%). Adjusted for non-recurring savings, the expense ratio was on the same level as in Q2 2014.

The combined ratio improved to 80.8% in Q2 2015 (Q2 2014: 82.4%). Excluding run-off profits, it was 86.6% in Q2 2015 (Q2 2014: 87.4%).



Financial highlights – Non-life insurance (DKKm)	Full year 2014	Q2 2014	Q2 2015	H1 2014	H1 2015
Gross premiums earned	9,116	2,267	2,244	4,527	4,486
Technical interest	8	3	(1)	6	(3)
Claims incurred	(6,320)	(1,453)	(1,441)	(3,042)	(3,073)
Expenses	(1,427)	(363)	(348)	(743)	(720)
Net reinsurance	(88)	(51)	(23)	(106)	(52)
Technical result	1,289	402	431	643	638
Investment return after transfer to technical result	478	202	(35)	413	111
Other items	36	9	9	16	18
Profit on non-life insurance	1,803	613	405	1,073	767
Run-off profits, net of reinsurance	351	115	130	170	176
Gross loss ratio (%)	69.3	64.1	64.2	67.2	68.5
Net reinsurance ratio (%)	1.0	2.3	1.0	2.3	1.2
Claims trend (%)	70.3	66.4	65.2	69.5	69.7
Gross expense ratio (%)	15.7	16.0	15.5	16.4	16.1
Combined ratio (%)	86.0	82.4	80.8	85.9	85.7
Operating ratio (%)	85.9	82.3	80.8	85.8	85.8
Combined ratio excl. run-off profits (%)	89.8	87.4	86.6	89.7	89.6

Segment reporting

Personal

The Personal segment sells policies for individual households in Denmark.

Premiums earned declined 0.1% to DKK 2,498m in H1 2015. In Q2, premiums earned declined 0.5% to DKK 1,245m. Growth was seen in personal and illness / accident insurance (1.3pp), while there was a 3.0pp decline in motor insurance impacted by a decline in the average premium price (1.1pp).

The technical result increased DKK 4m to DKK 396m in H1 2015.

The claims trend deteriorated 0.3pp to 67.7%. As compared to H1 2014, the claims trend was impacted by lower run-off profits (0.8pp). On the other hand, it benefited from a better claims trend for fire insurance (0.8pp).

The expense ratio improved to 16.4% (H1 2014: 17.1%) due to, among other factors, lower sales expenses and non-recurring savings.

The combined ratio improved to 84.1% in H1 2015 (H1 2014: 84.5%). Excluding run-off profits, the combined ratio improved to 88.2% (H1 2014: 89.4%).

Personal (DKKm)	Full year 2014	Q2 2014	Q2 2015	H1 2014	H1 2015
Gross premiums earned	5,021	1,252	1,245	2,501	2,498
Technical interest	4	1	(0)	3	(2)
Claims incurred	(3,428)	(804)	(754)	(1,685)	(1,665)
Expenses	(822)	(210)	(199)	(427)	(409)
Net reinsurance	3	10	(34)	0	(27)
Technical result	778	249	258	392	396
Run-off profits, net of reinsurance	208	72	71	123	103
Gross loss ratio (%)	68.3	64.3	60.5	67.4	66.6
Net reinsurance ratio (%)	(0.1)	(0.8)	2.7	(0.0)	1.1
Claims trend (%)	68.2	63.5	63.2	67.4	67.7
Gross expense ratio (%)	16.4	16.8	16.0	17.1	16.4
Combined ratio (%)	84.6	80.2	79.2	84.5	84.1
Operating ratio (%)	84.5	80.2	79.3	84.4	84.2
Combined ratio excl. run-off profits (%)	88.7	86.0	85.0	89.4	88.2

SME and Industrial

The SME and Industrial segment offers policies for Danish-based SME, agricultural and industrial businesses.

Premiums earned declined 1.9 % to DKK 1,996m in H1 2015. In Q2 they declined 1.3% to DKK 1,003m.

The technical result declined DKK 4m to DKK 243m in H1 2015.

The claims trend improved 0.2pp to 72.2% benefiting from higher run-off profits (1.3pp) and a better claims

trend for fire insurance primarily in the agricultural area (1.2pp). On the other hand, as compared to H1 2014, the claims trend was adversely impacted by a higher level of weather-related claims (0.7pp) and the lower interest rates (1.5pp).

The expense ratio was unchanged at 15.6%.

The combined ratio improved to 87.7% in H1 2015 (H1 2014: 88.0%). Excluding run-off profits, the combined ratio deteriorated to 91.4% (H1 2014: 90.3%).

SME and Industrial (DKKm)	Full year 2014	Q2 2014	Q2 2015	H1 2014	H1 2015
Gross premiums earned	4,116	1,017	1,003	2,034	1,996
Technical interest	4	1	(0)	3	(2)
Claims incurred	(2,911)	(653)	(691)	(1,366)	(1,416)
Expenses	(608)	(154)	(149)	(318)	(311)
Net reinsurance	(91)	(61)	11	(106)	(24)
Technical result	510	150	174	247	243
Run-off profits, net of reinsurance	143	43	59	47	72
Gross loss ratio (%)	70.7	64.2	68.9	67.2	70.9
Net reinsurance ratio (%)	2.2	6.0	(1.1)	5.2	1.2
Claims trend (%)	72.9	70.3	67.8	72.4	72.2
Gross expense ratio (%)	14.8	15.1	14.8	15.6	15.6
Combined ratio (%)	87.7	85.4	82.6	88.0	87.7
Operating ratio (%)	87.6	85.3	82.7	87.9	87.8
Combined ratio excl. run-off profits (%)	91.2	89.6	88.5	90.3	91.4

Life insurance

The result from life insurance was a profit of DKK 68m in H1 2015 (H1 2014: DKK 136m).

Profit on life insurance activities comprises the profit on life insurance plus the investment return of Liv Holding

(Life Holding). This profit was calculated in accordance with the stated policy on the calculation of profit for the life insurance company: see www.topdanmark.com → Investor → Business → Life insurance → [Policy for the calculation of profit in life insurance](#).

Result of life insurance (DKKm)	Full year 2014	Q2 2014	Q2 2015	H1 2014	H1 2015
Investment return on shareholders' equity	105	48	1	80	5
Sales and administration	(65)	(20)	(2)	(36)	(18)
Insurance risk	25	(1)	(10)	19	5
Risk return on shareholders' equity	145	37	34	74	68
Risk return transferred to(minus)/from shadow account	(10)	(2)	12	(1)	7
Profit on life insurance	200	62	34	136	68
Maximum shadow account end of period	26			84	17
Estimated value of shadow account end of period	26			17	17

The decline in profit was mainly due to the investment return, which declined to DKK 5m in H1 2015 (H1 2014: DKK 80m).

The result of sales and administration improved DKK 18m to a DKK 18m loss. Non-recurring savings were DKK 14m.

The "insurance technical result before bonus contribution" was sufficient to include in income the risk return of DKK 68m for the period (H1 2014: 74m) and the risk return of DKK 7m on the interest rate groups from the shadow account.

The cost and risk groups caused minor adjustments of the shadow account, after which the shadow account was DKK 17m. The shadow account will be recognised as income in a subsequent period when profits are

generated in those contribution groups which have made transfers to the shadow account

Trend in premiums

Gross premiums increased 32.8% to DKK 2,984m in H1 2015, of which premiums on unit-linked pension schemes were DKK 2,137m, which was 48.2% more than in the same period in 2014. Unit-linked pension schemes represented 94% of new pension schemes written in H1 2015.

Regular premiums increased 13.4% to DKK 1,316m in H1 2015.

Single premiums were DKK 1,669m in H1 2015 (H1 2014: DKK 1,087m), representing a 53.6% increase.

Q2 2015

The result of life insurance declined to DKK 34m in Q2 2015 (Q2 2014: DKK 62m) primarily due to a lower investment return.

Overall, premiums were DKK 1,367m in Q2 2015, representing a 34.8% increase from Q2 2014. Regular premiums increased 20.9% to DKK 530m, while single premiums increased 45.5% to DKK 837m.

Investment activities Topdanmark Group excl. life insurance

The investment return in the Topdanmark Group excluding life insurance was DKK 172m in H1 2015

including the revaluation of provisions and income from associated companies, but before the transfer to the technical result (H1 2014: DKK 539m).

It is Topdanmark's policy to accept a certain level of financial risk, given its strong liquid position and stable, high earnings from insurance operations. Topdanmark has invested in, among other things, equities, properties and CDOs in order to improve the average investment return. The return in H1 2015 on the most significant classes of assets is disclosed in the following table:

Investment return	Portfolio 30 June		Return Q2 2014		Return Q2 2015		Return H1 2014		Return H1 2015	
	2014	2015	Return	%	Return	%	Return	%	Return	%
	(DKKbn)	(DKKbn)	(DKKkm)		(DKKkm)		(DKKkm)		(DKKkm)	
Danish equities	0.5	0.5	36	7.0	5	0.4	96	20.5	76	18.5
Foreign equities	0.8	0.7	37	4.2	9	1.1	48	5.5	40	4.8
Government and mortgage bonds	10.4	12.8	70	0.6	(90)	(0.8)	163	1.5	(79)	(0.7)
Credit bonds	0.4	0.2	6	1.5	9	2.5	16	3.5	14	3.7
CDOs	0.8	0.7	40	5.7	22	3.1	81	11.5	37	5.2
Properties	1.4	1.2	18	1.2	129	10.2	34	2.4	147	11.7
Assets related to I/A	2.2	2.2	66	3.1	(87)	(3.8)	121	5.8	(35)	(1.6)
Money market etc.	3.7	1.0	(8)	(0.2)	(18)	(0.7)	(11)	(0.4)	(28)	(0.9)
Subordinated loan capital	(1.2)	(0.8)	(14)	(1.2)	(14)	(1.5)	(29)	(2.5)	(30)	(2.8)
Interest-bearing debt	(0.1)	0.0	(2)	(0.9)	(1)	(0.4)	(3)	(1.0)	(1)	(0.3)
	19.0	18.6	249	1.3	(36)	(0.2)	516	2.8	141	0.7
Asset management			12		16		22		31	
Total investment return			261		(20)		539		172	
Transferred return technical provisions										
Discounting			(39)		(21)		(83)		(48)	
Technical interest			(3)		1		(6)		3	

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. The return on properties includes revaluation and reversed revaluation of owner-occupied property, which has been included in other comprehensive income.

The investment return after the transfer to the technical result was a DKK 40m loss in Q2 2015. The items of return on "Government and mortgage bonds" and return on "Assets related to I/A" had an adverse impact on the overall return. This was due to the quarter's significantly smaller increase in interest rates for the DFSA's interest rate curve (very close to the Euro swap curve) used to calculate the value of provisions than the increase in interest rates for Danish mortgage bonds, which represent a significant share of those assets used by Topdanmark to limit the interest rate risk. On the other hand, the investment return for the quarter benefited from a gain of DKK 111m on the disposal of two rental residential properties.

The post-tax equity exposure was DKK 758m (pre-tax: DKK 991m) excluding associated companies, but including the impact of derivatives.

The equity portfolios are well diversified with no large individual positions. The composition of the portfolios is based on OMXCCAP for Danish equities (representing around 30% of the portfolio at 30 June 2015) and MSCI World in the original currency for foreign equities.

The Group's investments have no significant concentration of credit risk except for AAA-rated Danish mortgage bonds, which are considered to be particularly safe assets according to the Danish Financial Business Act.

The class of "Government and mortgage bonds" comprises primarily Danish government and mortgage bonds and revaluation of technical provisions. In addition, there are foreign government bonds mainly from European core countries, covered bonds and derivatives. Covered bonds are mortgage bonds where the size of the loan may not exceed 70% of the value of the security. If the value of the security declines so much that the requirement is not fulfilled, the issuer will provide further security.

Credit bonds with a rating lower than BBB (DKK 89m) comprise high yield bonds, part of which are convertible, and subordinated bank capital issued by EU banks. Credit bonds with a rating of BBB and A (DKK 158m) are ordinary and convertible corporate bonds, subordinated bank capital issued by EU banks and annuity policies.

The underlying assets of CDOs are mostly senior secured bank loans, while the remainder are primarily CDOs with investment grade investments as the underlying assets.

The maturity of the CDO investments is dependent on any changes in the payments made by the underlying assets, which in turn are dependent on changes in the general economy, and therefore, it is not possible to outline the maturity distribution for the portfolio.

The property portfolio comprises mainly owner-occupied property (DKK 857m). The properties are valued in accordance with the rules of the DFSA i.e. at market value taking into account the level of rent and the terms of the tenancy agreements. Except for a single property under reconstruction for other use, 98% of the property portfolio is currently let.

The class of "Assets related to I/A" (illness / accident) comprises the investments in Topdanmark Livsforsikring (the life insurance company) corresponding to the size of the illness / accident provisions.

"Money market etc." comprises money market deposits, intra-group balances, the result of currency positions and other returns not included in the other classes.

"Subordinated loan capital" comprises hybrid capital issued by the parent company and subordinated loans issued by Topdanmark Forsikring.

"Interest-bearing debt" comprises other debt.

Parent company etc.

The parent company, Topdanmark, does not perform any independent activities. The result of the parent company etc. includes the results of subsidiaries, excluding the insurance business (primarily Topdanmark Kapitalforvaltning, the asset management company) and finance costs. The result was a profit of DKK 3m in H1 2015 (H1 2014: DKK 10m loss).

Taxation

The tax charge was DKK 190m of the pre-tax profit of DKK 837m, corresponding to an effective tax rate of 22.7% (H1 2014: 21.1%). The deviation from the nominal tax rate of 23.5% was particularly due to tax-free profits on unlisted equities and financial instruments.

Solvency calculation and capital requirements

In Q2 Topdanmark submitted an application for approval of its internal model for non-life insurance risks to the Danish Financial Supervisory Authority (DFSA). Topdanmark continues to expect that the model will be approved before Solvency II takes effect on 1 January 2016.

In June, Topdanmark redeemed subordinated notes of DKK 350m issued in 2010: see company announcement of 18 June 2015 from Topdanmark Forsikring. The intention is to issue new subordinated notes with provisions in accordance with the requirements of Solvency II by the end of 2015. The size of the new issue is expected to be around DKK 750m.

The plan for Topdanmark's capital structure is unchanged from the description in the [Q1 report for 2015](#).

Profit forecast model

Traditionally, Topdanmark does not publish actual profit forecasts, but instead the expected level of results if a number of assumptions about the return in the financial markets are met. The return in the financial markets changes on a daily basis, and Topdanmark's profit forecast model will already deviate from actual expectations by the time it is published. Therefore, set out in www.topdanmark.com → Investor → [Risk management](#) is additional information on how changes in the assumptions underlying the profit forecast model will affect the results.

As can be seen, the investment return forecast model is not based on a specific estimate of the expected investment return for the rest of the year, but solely on a long-term standard assumption of the return.

Non-life insurance

In the interim Report for Q1 2015 Topdanmark assumed, for 2015, negative premium growth of around 1% and a combined ratio of around 90%, excluding run-off profits / losses, in Q2-Q4 2015.

This was based on the following assumptions:

- A normal year for weather-related claims of DKK 120m in Q2-Q4 2015.
- An expense ratio in line with 2014 (15.7%).
- A level of interest rates corresponding to the interest rate curve on 8 May 2015.
- An annual 7.0% return on equities and unchanged foreign exchange rates from the level on 8 May 2015.

Since the most recent profit forecast model was published in the interim report for Q1 2015, the following assumptions have changed:

- In Q2 2015, there were run-off profits of DKK 130m, corresponding to a 1.4pp improvement of the combined ratio.
- Weather-related claims were DKK 0m in Q2 2015 as compared to the assumed level of weather-related claims of DKK 25m for the quarter, corresponding to a 0.3pp improvement of the combined ratio for 2015.
- Interest rates have increased, representing a 0.2pp improvement of the combined ratio for 2015.
- From 8 May until 7 August 2015, the trend in the pre-tax investment return was in line with expectations.

Given developments since the profit forecast model set out in the interim report for Q1 2015, the assumed combined ratio for 2015 has improved from around 90% to 88-89%, excluding run-off profits / losses in H2 2015.

The increase in premiums earned was smaller than assumed from Q1 to Q2 2015. Therefore, the assumed negative growth in premiums for 2015 has been adjusted from around 1% to 1-2%.

Overall, the assumed profit on non-life insurance is DKK 1,220-1,320m.

Life insurance

In the interim report for Q1 2015, Topdanmark assumed a pre-tax profit on life insurance of DKK 140-170m, based on the following assumptions:

- Around 5% growth in regular premiums.
- DKK 60m investment return on shareholders' equity.
- A lower risk return on shareholders' equity (risk allowance) than in 2014 as customers move away from with-profits to unit-linked schemes.
- A larger cost deficit than in 2014 as relatively low fees are charged on unit-linked schemes, while actual costs increase due the expectation of good new sales. In addition, the implementation of a new administration system has an adverse impact on the resources of the organisation of the life insurance company.

The following forecast assumptions have changed:

- The assumed growth in regular premiums has been upgraded from around 5% to more than 10%.

Overall, the assumed pre-tax profit on life insurance continues to be DKK 140-170m.

The result is highly sensitive to fluctuations particularly in the investment return. The risk allowance and shadow account will not be finally calculated until the preparation of the 2015 Annual Report.

Parent company

The profit forecast model for the parent company plus subsidiaries outside of the insurance group assumes a pre-tax profit of DKK 20-30m.

Taxation

Given a corporation tax rate of 23.5%, the tax charge is expected to be DKK 330-370m.

Total Group profit

Topdanmark's overall post-tax profit forecast model for 2015 has been upgraded by DKK 50m to DKK 1,050-1,150m, representing EPS of DKK 11.0. The assumed profit for 2015 is exclusive of run-off profits / losses in H2 2015.

This profit forecast model is based on the assumption of an annual 7.0% return on equities and unchanged foreign exchange rates from the level on 7 August 2015. Furthermore, it is assumed that the return on interest-bearing assets hedging the discounted provisions is just sufficient to cover discounting and revaluation of the provisions, while the return on the remaining interest-bearing assets is assumed to be 1.90% (risk-free interest rate plus 2.0pp).

Profit forecast 2015 (DKK m)	Results		Forecast 2015		Forecast 2015	
	2014		8 May 2015		7 August 2015	
Non-life insurance						
- Technical result	1,289	900	-	950	1,000	- 1,050
- Investment return after transfer to technical result etc.	514	220	-	270	220	- 270
Profit on non-life insurance	1,803	1,120	-	1,220	1,220	- 1,320
Life insurance	200	140	-	170	140	- 170
Parent company etc.	7	20	-	30	20	- 30
Pre-tax profit	2,010	1,280	-	1,420	1,380	- 1,520
Taxation	(452)	(280)	-	(320)	(330)	- (370)
Profit for the year	1,558	1,000	-	1,100	1,050	- 1,150

Share buy-back

For 2015 the assumed share buy-back has been upgraded by DKK 50m to DKK 1.95bn, representing a buy-back yield of 9.6%.

To date in 2015, Topdanmark has bought back own shares of DKK 982m (4,923,730 shares), which leaves a balance of DKK 968m of the 2015 buy-back programme.

The number of shares is 105,000,000. Topdanmark's holding of own shares is 5,750,000 shares, and consequently the number of voting shares is 99,250,000.

Since 1998, when Topdanmark started buying back own shares, it has been decided to cancel DKK 15bn of own shares, representing a 74.5% write-down of the share capital.

In the years 2000-2014, the annual average buy-back yield has been 9.5%.

Topdanmark's buy-back programme is managed by Topdanmark Kapitalforvaltning. It is believed that Topdanmark Kapitalforvaltning is able to carry out the buy-back programme at lower prices than by using a safe harbour solution.

Topdanmark does not buy back own shares in those periods where the Company would be considered an insider and during the three weeks immediately preceding the announcement of interim and annual reports.

Furthermore, it does not buy back own shares during the period of five banking days after the announcement of a quarterly report as this is the period in which the executives may exercise their share options. The table shows the periods when Topdanmark is allowed to buy back own shares.

Share buy-back allowable

27 Aug 2015	-	23 Oct 2015
24 Nov 2015	-	20 Jan 2016
19 Feb 2016	-	18 Apr 2016
19 May 2016	-	25 Jul 2016

Share buy-back not allowable

29 Jul 2015	-	26 Aug 2015
26 Oct 2015	-	23 Nov 2015
21 Jan 2016	-	18 Feb 2016
19 Apr 2016	-	18 May 2016
26 Jul 2016	-	23 Aug 2016

Financial calendar

Q1-Q3 2015 Interim Report	16 Nov 2015
Announcement of 2015 Annual Results	11 Feb 2016
2015 Annual Report	2 Mar 2016
Q1 2016 Interim Report	10 May 2016
2016 Half-year Report	16 Aug 2016

Accounting policies

The 2015 half-year report has been prepared in accordance with IAS 34 on interim reports for listed companies. Furthermore, the half-year report has been prepared in accordance with additional Danish disclosure requirements on interim reports for listed financial services companies.

With effect from 1 January 2015, Topdanmark has implemented various new and revised standards and

interpretations, which have not resulted in any changes in the accounting policies.

Accordingly, there have been no changes in accounting policies from those adopted in the 2014 Annual Report, where there is a complete description of all the accounting policies.

The half-year report has not been audited nor subjected to a review.

Income statement • Group

(DKK)m	Full year Note	2014	Q2 2014	Q2 2015	H1 2014	H1 2015
NON-LIFE INSURANCE						
Gross premiums written		9,121	1,651	1,602	5,870	5,714
Reinsurance ceded		(661)	(49)	(48)	(419)	(449)
Change in the provisions for unearned premiums, gross		47	633	655	(1,316)	(1,201)
Change in reinsurers' share of the provisions for unearned premiums		2	(113)	(116)	101	105
Premiums earned, net of reinsurance		8,509	2,122	2,092	4,237	4,169
Technical interest, net of reinsurance	1	8	3	(1)	6	(3)
Gross claims paid		(7,104)	(1,727)	(1,510)	(3,694)	(3,172)
Reinsurance cover received		1,185	406	151	686	269
Change in the provisions for claims, gross		796	278	73	659	107
Change in reinsurers' share of the provisions for claims		(697)	(315)	(35)	(513)	(23)
Claims incurred, net of reinsurance	2	(5,819)	(1,358)	(1,320)	(2,862)	(2,820)
Bonuses and rebates		(52)	(17)	(13)	(27)	(27)
Acquisition costs		(914)	(241)	(235)	(496)	(475)
Administrative expenses		(493)	(116)	(106)	(236)	(234)
Reinsurance commission and share of profits		82	20	24	39	46
Total operating expenses, net of reinsurance		(1,325)	(337)	(317)	(693)	(662)
TECHNICAL PROFIT ON NON-LIFE INSURANCE		1,321	412	442	661	657
LIFE INSURANCE						
Gross premiums written	3	4,448	1,014	1,367	2,247	2,984
Reinsurance ceded		(7)	(2)	(3)	(4)	(5)
Premiums, net of reinsurance		4,441	1,012	1,365	2,243	2,979
Allocated investment return, net of reinsurance		2,691	971	(651)	1,750	1,205
Claims and benefits paid		(4,200)	(892)	(896)	(2,009)	(1,680)
Reinsurance cover received		9	1	1	3	3
Change in the provisions for claims and benefits		12	0	(1)	11	(18)
Claims and benefits paid, net of reinsurance		(4,180)	(890)	(896)	(1,995)	(1,695)
Change in life insurance provisions		831	168	1,243	193	619
Change in reinsurers' share		(1)	(2)	(3)	(1)	(1)
Change in the life insurance provisions, net of reinsurance		830	166	1,239	192	619
Bonus		(314)	(297)	(260)	(496)	(441)
Change in provisions for unit-linked contracts		(3,079)	(875)	(686)	(1,487)	(2,457)
Acquisition costs		(130)	(31)	(38)	(63)	(77)
Administrative expenses		(227)	(55)	(60)	(115)	(127)
Reinsurance commission and share of profits		0	0	1	0	1
Total operating expenses, net of reinsurance		(356)	(87)	(97)	(177)	(204)
TECHNICAL PROFIT ON LIFE INSURANCE		32	0	13	30	6

Income statement • Group

(DKKm)	Full year 2014	Q2 2014	Q2 2015	H1 2014	H1 2015
NON-TECHNICAL ACTIVITIES					
Technical profit on non-life insurance	1,321	412	442	661	657
Technical profit on life insurance	32	0	13	30	6
Income from associated companies	193	81	13	97	55
Income from investment properties	143	35	22	70	55
Interest income and dividends etc.	1,786	450	717	1,010	1,207
Revaluations	2,055	924	(1,523)	1,580	373
Interest charges	(69)	(19)	(19)	(35)	(36)
Expenses on investment business	(56)	(14)	(18)	(31)	(33)
Total investment return	4,052	1,458	(807)	2,692	1,621
Technical interest transferred to non-life insurance business	(155)	(42)	(20)	(89)	(45)
Pension return tax	(509)	(176)	172	(322)	(181)
Investment return transferred to life insurance business	(2,691)	(971)	651	(1,750)	(1,205)
Other income	17	4	4	8	9
Other expenses	(57)	(17)	(13)	(33)	(25)
PRE-TAX PROFIT	2,010	668	442	1,198	837
Taxation	(452)	(141)	(106)	(253)	(190)
PROFIT FOR THE PERIOD	1,558	527	337	945	647
EPS (DKK)	14.4	4.8	3.3	8.6	6.3
EPS, diluted (DKK)	14.3	4.8	3.3	8.5	6.3

Statement of comprehensive income • Group

Profit for the period	1,558	527	337	945	647
Items which cannot subsequently be reclassified as profit or loss:					
Revaluation of owner-occupied properties	0	0	0	1	1
Reversed revaluation of owner-occupied properties	(12)	0	0	0	0
Taxation	3	0	0	0	0
Other comprehensive income	(10)	0	0	1	1
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	1,548	527	337	946	648

Assets • Group

(DKK m)	31 December 2014	30 June 2014	30 June 2015
INTANGIBLE ASSETS	610	615	642
Machinery and equipment	115	115	127
Owner-occupied properties	857	870	857
TOTAL TANGIBLE ASSETS	972	984	984
Investment properties	3,829	4,060	4,092
Shares in associated companies	340	245	388
Loans to associated companies	488	365	353
Total investment in associated companies	828	610	741
Shares	7,614	8,478	6,889
Unit trusts	32	43	50
Bonds	33,975	33,506	34,611
Loans guaranteed by mortgages	12	6	11
Deposits with credit institutions	2,267	2,012	1,201
Derivatives	1,873	1,365	1,613
Total other financial investment assets	45,773	45,409	44,375
TOTAL INVESTMENT ASSETS	50,430	50,079	49,209
INVESTMENT ASSETS RELATED TO UNIT-LINKED CONTRACTS	10,117	7,935	13,399
Reinsurers' share of provisions for unearned premiums	89	188	194
Reinsurers' share of life insurance provisions	33	33	32
Reinsurers' share of the provisions for claims and benefits	648	827	625
Total reinsurers' share of provisions	769	1,047	851
Amounts due from policyholders	304	376	398
Amounts due from insurance companies	195	201	84
Amounts due from associated companies	10	9	5
Other debtors	114	1,072	160
TOTAL DEBTORS	1,392	2,705	1,498
Assets held temporarily	3	3	2
Deferred tax assets	19	25	12
Liquid funds	323	623	759
Other	77	49	54
TOTAL OTHER ASSETS	422	698	828
Accrued interest and rent	372	349	284
Other prepayments and accrued income	201	235	248
TOTAL PREPAYMENTS AND ACCRUED INCOME	573	584	532
TOTAL ASSETS	64,516	63,601	67,090

Shareholders' equity and liabilities • Group

(DKKm)	Note	31 December 2014	30 June 2014	30 June 2015
Share capital		115	125	115
Revaluation reserve		10	20	11
Security fund		1,146	1,146	1,146
Other reserves		39	37	45
Total reserves		1,185	1,183	1,191
Profit carried forward		3,825	4,026	3,664
TOTAL SHAREHOLDERS' EQUITY		5,135	5,354	4,980
SUBORDINATED LOAN CAPITAL		1,156	1,156	808
Provisions for unearned premiums		2,724	4,086	3,926
Guaranteed pension benefits		20,824	20,458	19,709
Bonus potential on future premiums		2,192	2,639	2,046
Bonus potential on paid-up benefits		746	1,490	1,183
Total life insurance provisions		23,761	24,587	22,938
Provisions for claims and benefits		13,723	13,635	13,558
Collective bonus potential		1,677	1,968	2,108
Provisions for bonuses and rebates		124	114	120
Provisions for unit-linked contracts		10,851	8,918	13,751
TOTAL PROVISIONS FOR INSURANCE AND INVESTMENT CONTRACTS		52,860	53,308	56,401
Pensions and similar commitments		29	30	28
Deferred tax liabilities		74	79	74
Deferred tax on security funds		306	306	306
TOTAL LIABILITIES PROVIDED		409	414	409
DEPOSITS RECEIVED FROM REINSURERS		154	145	84
Creditors arising out of direct insurance operations		315	97	341
Creditors arising out of reinsurance operations		34	77	66
Bond loans		29	29	0
Amounts due to credit institutions		1,961	1,427	1,650
Amounts due to associated companies		3	15	4
Current tax liabilities		31	166	125
Derivatives		870	198	987
Other creditors		1,446	1,137	1,106
TOTAL CREDITORS		4,690	3,146	4,280
ACCRUALS AND DEFERRED INCOME		111	78	129
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		64,516	63,601	67,090
Financial assets and liabilities	4			
Contingent liabilities	5			

Cash flow statement • Group

(DKK m)	Full Year 2014	H1 2014	H1 2015
Cash flow from operations			
Gross premiums written	9,069	5,770	5,643
Claims paid	(7,053)	(3,681)	(3,153)
Expenses	(1,335)	(712)	(686)
Reinsurance ceded	432	171	(20)
Cash flow from non-life insurance	1,113	1,548	1,784
Gross premiums written	4,740	2,276	2,992
Claims and benefits	(4,205)	(2,003)	(1,798)
Expenses	(352)	(175)	(192)
Reinsurance ceded	(29)	(24)	(29)
Cash flow from life insurance	154	74	972
Total cash flow from insurance business	1,267	1,622	2,757
Payments on investment contracts	295	141	239
Dividends from associated companies	3	3	8
Interest income and dividends etc.	1,903	1,050	1,327
Interest charges etc.	(130)	(79)	(88)
Pension return tax	(287)	(295)	(490)
Corporation tax	(434)	(108)	(94)
Other items	(39)	(23)	(15)
Total cash flow from operations	2,577	2,311	3,643
Investments			
Intangible assets, machinery and equipment	(108)	(56)	(93)
Properties	103	(110)	(154)
Shares in associated companies	945	19	(1)
Shares	1,200	(37)	1,318
Unit trust shares	(29)	(41)	(16)
Bonds	1,333	1,636	(966)
Loans	1	0	1
Derivatives	175	(49)	(560)
Investment assets related to unit-linked contracts	(3,042)	(900)	(2,499)
Balances with associated companies	(199)	(64)	140
Total investments	379	400	(2,830)
Financing			
Shares bought back	(1,716)	(847)	(844)
Share-based payments	71	64	44
Sale of own shares	38	0	18
Subordinated loan capital	0	0	(350)
Bond loans	(30)	(30)	(29)
Amounts due to credit institutions	(198)	(732)	(311)
Total financing	(1,834)	(1,545)	(1,473)
Change in cash and cash equivalents	1,121	1,166	(659)
Cash and cash equivalents at 1 January	1,467	1,467	2,590
Revaluation of cash and cash equivalents	1	1	29
Cash and cash equivalents end of period	2,590	2,634	1,960
Cash and cash equivalents comprise:			
Liquid funds	323	623	759
Deposits with credit institutions	2,267	2,012	1,201
	2,590	2,634	1,960

The majority of the Group's companies are subject to the relevant legislation on insurance business. Consequently, there are certain restrictions on lending and placement of money.

Statement of changes in equity • Group

(DKKm)

	Share capital	Revaluation reserve	Security fund	Other reserves	Profit carried forward	Total
2014						
Shareholders' equity at 31 December prior year	125	20	1,146	34	3,860	5,184
Profit for the year				5	1,553	1,558
Other comprehensive income		(9)	0	0	0	(10)
Total comprehensive income for the year		(9)	0	5	1,553	1,548
Cancellation of own shares	(10)				10	0
Share buy-back					(1,716)	(1,716)
Sale of own shares					38	38
Reclassification of share options					(30)	(30)
Issue of share options					10	10
Exercise of share options					93	93
Taxation					8	8
Other transactions	(10)				(1,587)	(1,597)
Shareholders' equity at 31 December 2014	115	10	1,146	39	3,825	5,135
H1 2014						
Shareholders' equity at 31 December prior year	125	20	1,146	34	3,860	5,184
Profit for the period				3	942	945
Other comprehensive income		1	0	0	0	1
Total comprehensive income for the period		1	0	3	942	946
Share buy-back					(851)	(851)
Issue of share options					7	7
Exercise of share options					64	64
Taxation					4	4
Other transactions					(776)	(776)
Shareholders' equity at 30 June 2014	125	20	1,146	37	4,026	5,354
H1 2015						
Shareholders' equity at 31 December prior year	115	10	1,146	39	3,825	5,135
Profit for the period				6	641	647
Other comprehensive income		1	0	0	0	1
Total comprehensive income for the period		1	0	6	641	648
Share buy-back					(866)	(866)
Sale of own shares					18	18
Issue of share options					7	7
Exercise of share options					44	44
Taxation					(5)	(5)
Other transactions					(803)	(803)
Shareholders' equity at 30 June 2015	115	11	1,146	45	3,664	4,980

Segment information • Group

Income statement

(DKK m)	Per- sonal	SME and Industrial	Elimin- ated	Non-life	Life	Parent etc.	Elimin- ated	Group
H1 2014								
Non-life insurance								
Gross premiums earned	2,501	2,034	(7)	4,527				4,527
Technical interest*	3	3	0	6				6
Claims incurred	(1,685)	(1,366)	9	(3,042)			7	(3,035)
Expenses	(427)	(318)	1	(743)			11	(732)
Net reinsurance	0	(106)	0	(106)				(106)
Technical profit on non-life insurance	392	247	4	643			18	661
Life insurance								
Gross premiums written					2,247			2,247
Allocated investment return					1,750			1,750
Benefits and change in provisions					(3,788)			(3,788)
Expenses					(180)		3	(178)
Net reinsurance					(1)			(1)
Technical profit on life insurance					27		3	30
Total investment return				522	2,125	17	28	2,692
Pension return tax				(19)	(303)			(322)
Transferred to technical result				(89)	(1,750)			(1,839)
Investment return				413	73	17	28	531
Other items				16	35	(27)	(49)	(24)
Pre-tax profit / (loss)				1,073	136	(10)	0	1,198
Taxation								(253)
Profit								945
H1 2015								
Non-life insurance								
Gross premiums earned	2,498	1,996	(9)	4,486				4,486
Technical interest*	(2)	(2)	0	(3)				(3)
Claims incurred	(1,665)	(1,416)	8	(3,073)			8	(3,065)
Expenses	(409)	(311)	0	(720)			12	(708)
Net reinsurance	(27)	(24)	0	(52)				(52)
Technical profit / (loss) on non-life insurance	396	243	(1)	638			20	657
Life insurance								
Gross premiums written					2,984			2,984
Allocated investment return					1,205			1,205
Benefits and change in provisions					(3,977)			(3,977)
Expenses					(208)		3	(205)
Net reinsurance					(2)			(2)
Technical profit on life insurance					3		3	6
Total investment return				149	1,420	23	29	1,621
Pension return tax				8	(189)			(181)
Transferred to technical result				(45)	(1,205)			(1,250)
Investment return				111	27	23	29	190
Other items				18	38	(20)	(52)	(16)
Pre-tax profit				767	68	3	0	837
Taxation								(190)
Profit								647

* After discounting DKK 48m (H1 2014: DKK 83m)

Notes to the financial statements • Group

(DKK)m	Full year 2014	H1 2014	H1 2015
Note 1. Technical interest, net of reinsurance – Non-life insurance			
Calculated interest	155	89	45
Discounting (amortisation) of technical provisions and reinsurers' share	(147)	(83)	(48)
Technical interest, net of reinsurance	8	6	(3)

Note 2. Claims incurred, net of reinsurance – Non-life insurance

Run-off profit:			
Gross business	253	108	145
Reinsurance ceded	97	62	31
Run-off profit, net of reinsurance	351	170	176

Note 3. Gross premiums written – Life insurance

Individual policies	330	139	137
Policies w hich are part of a tenure	1,456	694	791
Group life	404	328	388
Regular premiums	2,191	1,160	1,316
Individual policies	535	261	433
Policies w hich are part of a tenure	1,721	826	1,235
Single premiums	2,257	1,087	1,669
Gross premiums	4,448	2,247	2,984

Note 4. Financial assets and liabilities

There have been no changes to classification of financial assets or financial liabilities in H1 2015.

The Group's portfolio of financial assets recorded at fair value, using valuation models based on non-observable inputs (project financing Carlsberg Byen), is DKK 233m (H1 2014: 110m). The fair value is equivalent to the cost price.

The book value of financial assets and financial liabilities recorded at amortised cost corresponds approximately to fair value.

Note 5. Contingent liabilities	31 December 2014	30 June 2014	30 June 2015
Contract liabilities	310	-	210
Adjustments to VAT liabilities	28	25	25
Other liabilities	11	10	10
Capital commitments to loan funds and private equity funds etc.	701	519	1,285
Share of associated companies' liabilities:			
Contract liabilities	48	175	0

The Group companies participate in technical insurance collaboration w here they are jointly liable for the insurance liabilities.

Income statement • Parent company

(DKK m)	Full year 2014	Q2 2014	Q2 2015	H1 2014	H1 2015
Income from affiliated companies	1,599	542	346	968	670
Revaluations	2	1	1	0	(4)
Interest charges	(12)	(4)	(3)	(7)	(5)
Total investment return	1,589	539	344	962	661
Other expenses	(48)	(15)	(10)	(27)	(20)
PRE-TAX PROFIT	1,541	523	334	934	641
Taxation	17	4	3	11	6
PROFIT FOR THE PERIOD	1,558	527	337	945	647

Statement of comprehensive income • Parent company

Profit for the period	1,558	527	337	945	647
Other comprehensive income from affiliated companies	(10)	0	0	1	1
Other comprehensive income	(10)	0	0	1	1
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	1,548	527	337	946	648

Balance sheet • Parent company

(DKK m)	31 December 2014	30 June 2014	30 June 2015
Assets			
Machinery and equipment		3	3
TOTAL TANGIBLE ASSETS		3	3
Shares in affiliated companies	6,034	6,408	5,642
Total investment in affiliated companies	6,034	6,408	5,642
TOTAL INVESTMENT ASSETS	6,034	6,409	5,642
Amounts due from affiliated companies	102	194	374
TOTAL DEBTORS	102	194	374
Deferred tax assets	1	1	1
Liquid funds	2	4	3
TOTAL OTHER ASSETS	4	6	4
TOTAL ASSETS	6,143	6,611	6,023

Shareholders' equity and liabilities

Share capital	115	125	115
Other reserves	2,285	2,659	1,894
Total reserves	2,285	2,659	1,894
Profit carried forward	3,042	2,876	3,278
TOTAL SHAREHOLDERS' EQUITY	5,442	5,660	5,287
SUBORDINATED LOAN CAPITAL	407	407	408
Bond loans	29	29	0
Amounts due to affiliated companies	217	347	173
Current tax liabilities	30	148	124
Derivatives	8	0	0
Other creditors	11	19	31
TOTAL CREDITORS	294	544	328
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	6,143	6,611	6,023

Disclaimer

This half-year report 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 half-year report. 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 this half-year report.

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

Statement by Management

We have today considered and adopted the interim report for H1 2015 for Topdanmark A/S.

The consolidated financial statements have been prepared in accordance with IAS 34 on interim reports as adopted by the EU, and the interim financial statements for the parent company have been prepared in accordance with the Danish Financial Business Act. Furthermore, the half-year report has been prepared in accordance with the additional Danish disclosure requirements on interim reports for listed financial services companies.

We believe that the consolidated financial statements and the interim financial statements give a true and fair view of the Group's and the parent company's assets, liabilities and financial position at 30 June 2015 as well as the result of the Group's and the parent company's activities, and the Group's cash flows for the period 1 January to 30 June 2015.

We believe that the management's review includes a fair view of the development in the Group's and parent company's activities and financial matters as well as a description of the most significant risks and factors of uncertainty which can impact the Group and the parent company.

Ballerup, 19 August 2015

Executive Board:

Christian Sagild
(CEO)

Kim Bruhn-Petersen

Lars Thykier

Board of Directors:

Søren Thorup Sørensen
(Chairman)

Torbjörn Magnusson
(Deputy Chairman)

Ann-Jeanette Bakkøl

Tina Møller Carlsson

Anders Colding Friis

Mette Jensen

Bjarne Graven Larsen

Birgitte Nielsen

Annette Sadolin