



**TOPDANMARK A/S**

(incorporated as a public limited liability company in Denmark)

**DKK400,000,000 FLOATING RATE  
RESTRICTED TIER 1 PERPETUAL NOTES**

**ISIN DK0030405931**

This prospectus (the "**Prospectus**") has been prepared by Topdanmark A/S ("**Topdanmark**" or the "**Issuer**" and, together with its subsidiaries from time to time, the "**Group**" or the "**Topdanmark Group**") for the admittance to trading and official listing on the regulated market of Nasdaq Copenhagen A/S of the DKK400,000,000 floating rate restricted Tier 1 perpetual notes (the "**Notes**") to be issued on 23 November 2017 (the "**Issue Date**") by the Issuer. An application has been made for admission of the Notes to trading and official listing on the regulated market of Nasdaq Copenhagen A/S.

This Prospectus has been prepared in compliance with the Danish Securities Trading Act (as defined below in Section 5 ("**Definitions**") below), the Danish Executive Order No. 1257 of 18 November 2015 on prospectuses for securities admitted to trading on a regulated market and for offers to the public of securities of more than EUR 5,000,000 (*bekendtgørelse om prospekter for værdipapirer, der optages til handel på et reguleret marked, og ved offentlige udbud af værdipapirer over 5.000.000 euro*), Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC, as amended by Directive 2010/73/EU (the "**Prospectus Directive**"), Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements, as amended (the "**Prospectus Regulation**"), and the "Rules for issuers of bonds" ("*Regler for udstedere af obligationer*") of 3 July 2016 of Nasdaq Copenhagen A/S. This Prospectus has been prepared in compliance with the following schedules of the Prospectus Regulation:

- Annex IX: Minimum disclosure requirements for the debt and derivative securities registration document (schedule) (Debt and derivative securities with a denomination per unit of at least EUR 100,000); and
- Annex XIII: Minimum Disclosure Requirements for the Securities Note for debt securities with a denomination per unit of at least EUR 100,000 (Schedule).

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**US Securities Act**"). Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to U.S. persons. The Notes may be offered and sold outside the United States to non U.S. persons in reliance on Regulation S ("**Regulation S**") under the US Securities Act. For a description of certain restrictions on offers, sales and deliveries of the Notes and on the distribution of this Prospectus and other offering material relating to the Notes, see Section 7 ("*Subscription and Sale (Selling and Transfer Restrictions)*").

This Prospectus is governed by Danish law and is subject to the jurisdiction of the Copenhagen City Court.

**Investing in the Notes involves certain risks. The principal risks that could affect the ability of the Issuer to satisfy its obligations with respect to the Notes are described under the section entitled "*Risk factors*" below.**

This Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Lead Manager to subscribe for or purchase, any Notes.

**Lead Manager:  
Danske Bank**

**Prospectus dated 21 November 2017**

This Prospectus should be read and construed together with any documents incorporated by reference herein (see Section 6 ("*List of Documents/Information Incorporated into this Prospectus by Reference*")).

The Issuer has confirmed to Danske Bank A/S (the "**Lead Manager**") that this Prospectus is true, accurate and complete in all material respects and is not misleading; that any opinions and intentions expressed herein are honestly held, are based on reasonable assumptions and are not misleading; that there are no other facts in relation to the information contained or incorporated by reference in this Prospectus the omission of which would, in the context of the issue of the Notes, make any statement herein or opinions or intentions expressed herein misleading in any material respect; and that all reasonable enquiries have been made to verify the foregoing.

No person has been authorised by the Issuer or the Lead Manager to give any information or to make any representation not contained in or not consistent with this Prospectus or any other information supplied by the Issuer or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer or the Lead Manager.

Neither the Lead Manager nor any of its affiliates has authorised the whole or any part of this Prospectus. No representation or warranty is made or implied by the Lead Manager or any of its affiliates, and neither the Lead Manager nor any of its respective affiliates makes any representation or warranty or accepts any responsibility, as to the accuracy or completeness of the information contained in this Prospectus. Neither the delivery of this Prospectus nor the offering, sale or delivery of the Notes shall, in any circumstances, create any implication that the information contained in this Prospectus is true subsequent to the date hereof or that any other information supplied in connection with the Notes is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

This Prospectus may not be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such an offer or solicitation.

The distribution of this Prospectus and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Lead Manager to inform themselves about and to observe any such restrictions (see Section 7 ("*Subscription and Sale (Selling and Transfer Restrictions)*").

This Prospectus does not constitute an offer or an invitation to subscribe for or purchase the Notes and should not be considered as a recommendation by the Issuer or the Lead Manager that any recipient of this Prospectus should subscribe for or purchase the Notes. Each recipient of this Prospectus shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer.

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should: (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement; (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio; (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments, i.e. DKK, is different from the currency in which such potential investor's financial activities are principally denominated; (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks. The Notes are complex financial instruments and may be purchased by investors as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Notes unless it has the expertise (either alone or with the assistance of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

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## **1. RISK FACTORS**

### **1.1 Introduction**

The Notes are being offered to professional investors only and are not suitable for retail investors. Investors should not purchase the Notes in the primary or secondary markets unless they are professional investors.

Any investment in the Notes is subject to a number of risks. Prior to investing in the Notes, prospective investors should carefully consider risk factors associated with any investment in the Notes, the business of the Issuer and the industry in which it operates, including in particular the factors described below.

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes or may be material for the purpose of assessing the market risks associated with the Notes. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. The factors are not listed in any order of priority with regard to significance or likelihood of occurrence.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Notes may occur for other reasons, and the Issuer does not represent that the statements below regarding the risks of holding the Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Prospectus, including any information incorporated into this Prospectus by reference, and reach their own conclusions prior to making any investment decision. Prospective investors are recommended to seek independent advice concerning legal, accounting, tax and other issues relating to the specific circumstances of individual Noteholders before deciding whether or not to invest in the Notes.

Words and expressions defined in Section 4 ("*Terms and Conditions of the Notes*") below or elsewhere in this Prospectus have the same meanings in this section, unless otherwise stated. References to a numbered "Condition" shall be to the relevant Condition in Section 4 ("*Terms and Conditions of the Notes*").

### **1.2 Risks related to the Issuer**

#### **1.2.1 Dependency upon subsidiaries**

The Issuer is a holding company and carries out its business through its Subsidiaries. Accordingly, the Issuer is dependent upon receipt of funds from other members of the Topdanmark Group in order to fulfil its obligations under or in connection with the Notes.

Accordingly, material adverse events affecting the Topdanmark Group's business and financial condition may, in turn, adversely impact the ability of the Issuer to fulfil its obligations under or in connection with the Notes.

#### **1.2.2 Macro-economic development and changes in general economic conditions**

Macro-economic development in Denmark may impact the Topdanmark Group's business in that underwriting volumes as well as underwriting risks are affected by various factors such as GDP growth, unemployment, new car sales volumes and unexpected changes in inflation rate. In some lines, such as business interruption and cargo insurances, the insured volume is dependent upon factors such as turnover or the amount of transported goods. Thus, a general decrease in corporate turnover or a decrease in the amount of transported goods following a fall in GDP or a slowing in GDP growth will have an adverse effect on the Topdanmark Group's insurance premium volumes. Similarly, a lower new car sales volume would affect premium volumes in the motor segment and a higher unemployment rate would affect workers' compensation premiums.

In the event of unexpected changes in the inflation rate, the business and financial performance and results of operations of the Topdanmark Group could be adversely affected due to deviations in cost of claims from expected levels.

Although the Topdanmark Group has a diversified investment portfolio and constantly monitors and manages the composition of its investments in relation to the characteristics of its insurance liabilities, fluctuations in the financial markets, such as the fixed income, equity and currency markets, could have a material adverse effect on the Topdanmark Group's consolidated results of operations and financial condition. This may, in turn, adversely impact the Issuer's ability to fulfil its obligations under or in connection with the Notes.

### 1.2.3 **Insurance risk**

Insurance risk is the risk that the cost of future and outstanding insurance claims will be higher than anticipated due to inadequate pricing, risk concentration, incorrect assumptions or random fluctuations in the frequency and/or size of claims. The Topdanmark Group's insurance operations are exposed to the risk of unexpected changes in the frequency and severity of claims and timing in claims payments. The extent of this risk is largely dependent on the type of product and business.

Insurance risk comprises two main types of risks; underwriting risk and provisioning risk. If the risks below materialises, it may have a negative impact on the Topdanmark Group's business and credit rating, which may have a material adverse effect on the Topdanmark Group's business, financial position and results of operations. This may, in turn, adversely impact the ability of the Issuer to fulfil its obligations under or in connection with the Notes.

### 1.2.4 **Underwriting risk**

Underwriting risk is the risk of the premium charged in connection with the conclusion of insurance contracts not being sufficient to cover the compensation that the Topdanmark Group is obliged to pay once a claim is made. If the Topdanmark Group is unable to manage its underwriting risks, this may have a material adverse effect on the Topdanmark Group's business, financial position and results of operations. This may, in turn, adversely impact the ability of the Issuer to fulfil its obligations under or in connection with the Notes.

### 1.2.5 **Provisioning risk**

Provisioning risk relates to the risk of the Topdanmark Group's insurance provisions proving to be inadequate. The uncertainty associated with the calculation of claims provisions affects the Topdanmark Group's results through the run-off on provisions. Long-tail provisions in particular are subject to interest rate and inflation risk. If the Topdanmark Group is unable to manage its provisioning risks, this may have a material adverse effect on the Topdanmark Group's business, financial position and results of operations. This may, in turn, adversely impact the ability of the Issuer to fulfil its obligations under or in connection with the Notes.

### 1.2.6 **Emerging risk**

The Topdanmark Group is subject to emerging insurance risks. Emerging risk covers new risks or known risks, with changing characteristics. Emerging risks which materialise may have a material adverse effect on the Topdanmark Group's business, financial position and results of operations. This may, in turn, adversely impact the ability of the Issuer to fulfil its obligations under or in connection with the Notes.

### 1.2.7 **Disaster risks**

Disaster risk (the risk of low frequency, high severity events that are often not captured adequately by the premium and reserve risk charge) is related to the type of events which could trigger multiple insured losses to property or to a person and thus might have a material financial impact on the Topdanmark Group. Disaster risk can either result from natural disasters, for example windstorms, floods or other weather phenomena or man-made disasters such as acts of terrorism.

An increase in disaster insurance claims could have a material adverse effect on the Topdanmark Group's business, results of operations or financial condition. This may, in turn, adversely impact the ability of the Issuer to fulfil its obligations under or in connection with the Notes.

### 1.2.8 **Market risk**

Market risk represents the risk of losses due to changes in the market value of the Topdanmark Group's assets, liabilities and off-balance items as a result of changes in market conditions. Market risk includes interest rate, equity, property, credit spread, concentration, currency, inflation and liquidity risk.

#### *Interest rate risk*

The Topdanmark Group is exposed to interest rate risk due to provisions for outstanding claims in non-life insurance and guaranteed benefits in life insurance.

#### *Equity risk*

The Topdanmark Group is exposed to equity risk from direct investments as well as investments made via derivatives.

#### *Property risk*

The Topdanmark Group is exposed to property risk from investments in properties rented out for business or private residence.

#### *Credit Spread risk*

The Topdanmark Group is exposed to credit spread risk from bonds and other investments where prices are dependent on counterparty creditworthiness.

#### *Concentration risk*

Concentration risk is a risk that increases when investments are consolidated with individual issuers, whereby dependence on these issuers' solvency grows. Defaults or poor performance in a single asset class or industry or for a single counterparty may have an impact on the investment return which may negatively affect the financial results of the Issuer.

#### *Currency risk*

The Topdanmark Group's currency risk relates in practice only to investments in currencies other than Danish Kroner.

#### *Inflation risk*

Future inflation is implicitly included in a number of the models the Topdanmark Group uses to calculate its provisions.

#### *Liquidity risk*

In insurance companies the liquidity risk is limited as premiums are paid prior to the beginning of the risk period. The Topdanmark Group's liquidity risk is therefore primarily related to the Issuer.

Adverse developments related to the above risks could have a material adverse effect on the Topdanmark Group's business, results of operations or financial condition. This may, in turn, adversely impact to ability of the Issuer to fulfil its obligations under or in connection with the Notes.

### 1.2.9 **Counterparty and credit risk**

Counterparty risk, also known as credit risk is the risk of losses caused by one or more counterparties' full or partial breach of their payment obligations. The Topdanmark Group is exposed to credit risk in both its insurance and investment business.

#### *Reinsurance counterparty risk*

The Topdanmark Group's reinsurance risk is the reinsurance companies' potential inability or failure to meet their financial obligation.

A failure of reinsurance companies to meet their financial obligations could have a material adverse effect on the Topdanmark Group's business, results of operations or financial condition. This may, in turn, adversely impact the ability of the Issuer to fulfil its obligations under or in connection with the Notes.

#### *Investment counterparty risk*

The Topdanmark Group's investment risk is the inability of bond, loan or financial contract counterparties to meet their obligations.

Most of the Topdanmark Group's interest-bearing assets comprise Danish mortgage bonds and debt issued or guaranteed by European states with a prescribed minimum rating.

A failure of the Topdanmark Group's investment counterparties' to meet their financial obligations could have a material adverse effect on the Topdanmark Group's business, results of operations or financial condition. This may, in turn, adversely impact the ability of the Issuer to fulfil its obligations under or in connection with the Notes.

#### 1.2.10 **Operational risk**

Operational risk includes the risk of errors or deficiencies in internal processes, human errors, system errors, breakdowns of IT systems and losses incurred due to external events including terrorist acts, natural disasters, telecommunications and network failures, power losses, physical or electronic security breaches, fraud, identity theft, process failures, computer viruses, computer hacking, cybercrime, malicious employee attacks or similar events.

Any such errors or breakdowns or interruptions or external events could interrupt the Topdanmark Group's operations and materially impact its ability to conduct business and have a material adverse effect on the Topdanmark Group's reputation, financial condition and results of operations.

The Topdanmark Group relies on IT systems for critical elements of its business process. Material errors or breakdowns or interruptions of such systems could result in the loss of existing or potential business relationships, compromise the Topdanmark Group's ability to pay claims in a timely manner and/or give rise to regulatory implications, which could result in a material adverse effect on the Topdanmark Group's reputation, financial condition and results of operations. This may, in turn, adversely impact the ability of the Issuer to fulfil its obligations under or in connection with the Notes.

#### 1.2.11 **Litigation risk**

The Topdanmark Group is in the ordinary course of its insurance activities routinely involved in legal, mediation and arbitration proceedings with respect to liabilities which are the subject of policy claims. The Topdanmark Group may also become involved in other proceedings which does not relate to its ordinary course of business. Any unfavourable outcome of any such proceedings could have a material adverse effect on the Topdanmark Group's business, results of operations and financial condition. This may, in turn, adversely impact the ability of the Issuer to fulfil its obligations under or in connection with the Notes.

#### 1.2.12 **Regulatory and Compliance risk**

Insurance is a highly regulated business with formal requirements to minimum capital and capital structure and the Topdanmark Group's business is subject to regulation in the jurisdictions in which it conducts business. Supervisory authorities have broad jurisdiction over many aspects of the Topdanmark Group's business, which may include capital adequacy, marketing and selling practices, licences, policy terms and conditions, terms of business and permitted investments.

Compliance risk is the risk that the Topdanmark Group does not have sufficient knowledge of current or future rules. Additionally, compliance risk is the risk of violation of rules and the losses this might cause the Topdanmark Group and the Topdanmark Group's customers. Such losses can be direct financial losses or indirect losses in the form of sanctions or bad publicity as a consequence of not acting in accordance with the rules.

Failure to comply with applicable rules and regulations could have a material adverse effect on the Topdanmark Group's business, results of operations and financial condition. This may, in turn, adversely impact the ability of the Issuer to fulfil its obligations under or in connection with the Notes.

#### 1.2.13 **Strategic risks**

The strategic risk is the risk of loss as a result of the Topdanmark Group's chosen strategic position. The strategic position covers both business transactions, IT strategy, choice of business partners and changed market conditions. A negative development in the Topdanmark Group's strategic position may have a material adverse effect on the Topdanmark Group's business, financial position and results of operations. This may, in turn, adversely impact the ability of the Issuer to fulfil its obligations under or in connection with the Notes.

#### 1.2.14 **Life insurance - Guarantees benefit schemes**

The Topdanmark Group has issued guaranteed benefit schemes on certain life insurance products. The current low interest rates mean that the market value of the guaranteed benefit schemes granted is high. A continuous decline in interest rates may, due to the guaranteed benefit schemes, have a material adverse effect on the Topdanmark Group's business, financial position and results of operations. This may, in turn, adversely impact the ability of the Issuer to fulfil its obligations under or in connection with the Notes.

#### 1.2.15 **Life insurance – Disability and longevity**

Disability risk is the risk of increasing disability intensity or declines in the rates of resumption of work, in that the benefits have been guaranteed until expiry. Longevity risk is the risk that customers with life dependent policies, primarily annuities, live longer than expected.

Life insurance provisions are calculated at market value with future benefits being discounted to their present values. Life insurance provisions are calculated on expectations, including expectations as to mortality, longevity and disability. The expectations are based on historical and statistical data. Changes in expectations, including changes in longevity, mortality or disability assumptions, may adversely affect the results of the Topdanmark Group. This may, in turn, adversely impact the ability of the Issuer to fulfil its obligations under or in connection with the Notes.

#### 1.2.16 **General market share and competition**

The Topdanmark Group is exposed to changes in the behaviour of its customers and the markets in which it sells its insurance products. Changes in lifestyle, technology, regulation, or taxation could significantly alter customers' actual or perceived need for insurance and the types of insurance sought.

The Danish insurance market for both consumer and non-consumer insurance has in 2016 and the first three quarters of 2017 been characterized by intensive competition among the insurance companies. Consequently, the Topdanmark Group could lose market share, incur losses on some or all of its activities or experience lower growth if it is unable to offer competitive, attractive and innovative products and services that are also profitable, if it does not choose the right marketing approach, product offering or distribution strategy or if it fails to anticipate or successfully adapt to change. This may, in turn, adversely impact the ability of the Issuer to fulfil its obligations under or in connection with the Notes.

### **1.3 Risks related to the structure of the Notes**

#### **1.3.1 The Issuer's obligation under the Notes are subordinated**

The Issuer's obligations under the Notes will constitute direct, unsecured and subordinated obligations of the Issuer and rank *pari passu* and without any preference among themselves. Although subordinated notes may pay a higher rate of interest than comparable notes which are not subordinated, there is a real risk that an investor in the Notes will lose all or some of his investment should the Issuer and/or the Group breach its capital requirements or become insolvent.

#### **1.3.2 As the Issuer is a holding company, Noteholders are structurally subordinated to the creditors of the Issuer's Subsidiaries**

The Notes are the obligations of the Issuer alone. The Issuer is a holding company and the Issuer's Subsidiaries are separate and distinct legal entities with no obligation to pay, or provide funds in respect of, any amounts due in respect of the Issuer's payment obligations under the Notes.

Payments on the Notes are structurally subordinated to all existing and future liabilities and obligations of the Issuer's Subsidiaries. Claims of creditors of such Subsidiaries will have priority as to the assets of such Subsidiaries over the Issuer and its creditors, including the Noteholders. The Terms and Conditions does not contain any restrictions on the ability of the Issuer or its Subsidiaries to incur additional unsecured or secured indebtedness.

#### **1.3.3 As a holding company, the level of the Issuer's Distributable Items is affected by a number of factors, and insufficient Distributable Items will restrict the Issuer's ability to make Interest Payments on the Notes**

As a holding company, the level of the Issuer's Distributable Items is affected by a number of factors, principally its ability to receive funds, directly or indirectly, from its Subsidiaries in a manner which creates Distributable Items. Consequently, the Issuer's future Distributable Items, and therefore the Issuer's ability to make Interest Payments on the Notes, are a function of the Issuer's existing Distributable Items, future Group profitability and performance and the ability to distribute or dividend profits from the Issuer's Subsidiaries up the Group structure to the Issuer. In addition, the Issuer's Distributable Items will also be reduced by the servicing of other debt and equity instruments.

The ability of the Issuer's Subsidiaries to pay dividends and the Issuer's ability to receive distributions and other payments from the Issuer's investments in other entities is subject to applicable local laws and other restrictions, including their respective regulatory, capital and leverage requirements, statutory reserves, financial and operating performance and applicable tax laws, and any changes thereto. These laws and restrictions could limit the payment of dividends, distributions and other payments to the Issuer by the Issuer's Subsidiaries, which could in time restrict.

#### **1.3.4 The Notes have no scheduled maturity and Noteholders only have a limited ability to exit their investment in the Notes**

The Notes are perpetual securities and have no fixed maturity date or fixed redemption date. Although the Issuer may, under certain circumstances described in Condition 7 (*Redemption, Substitution, Variation and Purchase*), redeem the Notes, the Issuer is under no obligation to do so and Noteholders have no right to call for the Issuer to exercise any right it may have to redeem the Notes.

There will be no redemption at the option of the Noteholders in any circumstances. Therefore, Noteholders have no ability to exit their investment, except (i) in the event of the Issuer exercising its right to redeem the Notes in accordance with the Terms and Conditions, (ii) by selling their Notes, or (iii) upon a liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Issuer, in which limited circumstances the Noteholders may receive some of any resulting bankruptcy or liquidation proceeds following payment being made in full to all senior and more senior subordinated creditors. The proceeds, if any, realised by the action described in (iii) above may be substantially less

than the principal amount of the Notes or amount of the investor's investment in the Notes. Prospective investors in the Notes should therefore be aware that they will be required to bear the financial risks associated with an investment in long term securities.

#### 1.3.5 **Loss absorption following a Trigger Event**

The Notes are being issued for regulatory capital adequacy purposes with the intention and purpose of being eligible and counting as Tier 1 Capital of the Issuer and the Group. Such eligibility depends upon a number of conditions being satisfied, which are reflected in the Terms and Conditions and which, in particular, require the Notes and the proceeds of their issue to be available to absorb any losses of the Issuer and/or the Group.

Accordingly, if a Trigger Event occurs at any time, the Outstanding Principal Amount of the Notes shall be reduced as described in Condition 6 (*Loss Absorption Following a Trigger Event and Reinstatement of the Notes*). Noteholders may lose all or some of their investment as a result of such a reduction to the Outstanding Principal Amount.

As any such reduction to the Outstanding Principal Amount is subject to compliance with the Relevant Rules, the reduction provisions in Condition 6.1 (*Loss Absorption Following a Trigger Event*) are subject to, and will be interpreted in light of, any applicable changes to any such requirements. Notwithstanding any of the provisions relating to a reduction of the Notes as described above, no assurance can be given that the Issuer will not determine that the requirements of the Relevant Rules require a reduction to the Outstanding Principal Amounts to be calculated and determined in a different manner than as described in Condition 6.1 (*Loss Absorption Following a Trigger Event*). Investors should note that, in the case of any such reduction to the Outstanding Principal Amounts pursuant to Condition 6.1 (*Loss Absorption Following a Trigger Event*), the Issuer's determination of the relevant amount of such reduction shall be binding on the Noteholders.

Any such reduction of the Outstanding Principal Amount of the Notes shall not constitute an event of default under the terms of the Notes and, following such reduction, Noteholders' claims in respect of principal will, in all cases, be based on the reduced Outstanding Principal Amount to the extent the Outstanding Principal Amounts have not subsequently been reinstated as described in Condition 6 (*Loss Absorption Following a Trigger Event and Reinstatement of the Notes*).

In addition, following a reduction of the Outstanding Principal Amounts as described above, interest can only continue to accrue on the Outstanding Principal Amount following such reduction, which will be lower than the Initial Principal Amount of the Notes.

Following any such reduction, the Issuer will not in any circumstances be obliged to reinstate the Outstanding Principal Amounts, but any reinstatement must be undertaken, subject to compliance with the Relevant Rules.

#### 1.3.6 **The occurrence of a Trigger Event may depend on factors outside of the Issuer's control**

A Trigger Event occurs if at any time any of the following conditions are met for the Issuer and/or the Group: (i) the amount of own fund items eligible to cover the Solvency Capital Requirement is equal to or less than 75 per cent. of the Solvency Capital Requirement, (ii) the amount of own fund items eligible to cover the Minimum Capital Requirement is equal to or less than the Minimum Capital Requirement, or (iii) compliance with the Solvency Capital Requirement is not re-established within a period of three months from the date on which the non-compliance with the Solvency Capital Requirement was first observed.

The occurrence of a Trigger Event and, therefore, write-down of the Outstanding Principal Amount pursuant to Condition 6.1 (*Loss Absorption Following a Trigger Event*), is to some extent unpredictable and depends on a number of factors, some of which may be outside of the Issuer's control, including actions that the Issuer and/or the Group is required to take at the direction of the Relevant Regulator and regulatory changes. Accordingly, the trading behaviour of the Notes may not necessarily follow the trading behaviour of other types of subordinated securities, including the Issuer's other subordinated debt securities. Any indication that the Issuer or the Group may be at risk of failing to meet its Solvency Capital Requirement or Minimum Capital Requirement may have an

adverse effect on the market price and liquidity of the Notes. The level of the Solvency Capital Requirement or Minimum Capital Requirement of the Issuer and/or the Group may significantly affect the trading price of the Notes. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to other types of subordinated securities, including the Issuer's other subordinated debt securities.

**1.3.7 Interest Payments on the Notes are discretionary and the Issuer may cancel Interest Payments, in whole or in part, at any time. In addition to the Issuer's right to cancel Interest Payments, in whole or in part, the Terms and Conditions require that Interest Payments must be cancelled under certain circumstances**

Interest on the Notes will be due and payable only at the sole and absolute discretion of the Issuer and is subject to Condition 5.2 (*Mandatory Cancellation of Interest Payments*). The Issuer may at any time elect to cancel any Interest Payment, in whole or in part, which would otherwise be payable on any Interest Payment Date.

Any Interest Payment (or relevant part thereof) which is cancelled shall not accumulate and shall not become due and payable at any time thereafter. In the event of such cancellation, Noteholders will have no rights in respect of the Interest Payment (or relevant part thereof) which is cancelled. In addition, cancellation or non-payment of Interest in accordance with the Terms and Conditions shall not constitute a default or event of default on the part of the Issuer for any purpose.

In addition to the Issuer's right to cancel Interest Payments, in whole or in part, at any time, the Terms and Conditions require that Interest Payments must be cancelled under certain circumstances. Cancelled Interest Payments shall not be due and shall not accumulate or be payable at any time thereafter and investors shall have no rights thereto.

The Issuer must cancel any Interest Payment on the Notes pursuant to Condition 5.2 (*Mandatory Cancellation of Interest Payments*) in the event that, inter alia, there is a non-compliance with the Solvency Capital Requirement or Minimum Capital Requirement at the time for payment of such Interest Payment, or non-compliance with the Solvency Capital Requirement or the Minimum Capital Requirement would occur immediately following, and as a result of making, such Interest Payment, or where the Interest Payment would exceed the amount of the Issuer's Distributable Items as at the time for payment, or if required to cancel any Interest Payment by the Relevant Regulator or under the Relevant Rules.

Any actual or anticipated cancellation of Interest Payments will likely have an adverse effect on the market price of the Notes. In addition, as a result of the interest cancellation provision of the Notes, the market price of the Notes may be more volatile than the market prices of other debt securities on which interest accrues that are not subject to such cancellation and may be more sensitive generally to adverse changes in the financial condition of the Issuer and/or the Group. Noteholders should be aware that any announcement relating to the future cancellation of Interest Payments or any actual cancellation of Interest Payments may have an adverse effect on the market price of the Notes. Noteholders may find it difficult to sell their Notes in such circumstances, or may only be able to sell their Notes at a price which may be significantly lower than the price at which they purchased their Notes. In such event, Noteholders may lose some or substantially all of their investment in the Notes.

**1.3.8 Floating interest rate**

The Notes will bear interest at a floating rate from and including the Issue Date. The floating rate will be payable quarterly, and will be determined by the VP Agent as soon as practicable after 11:00 a.m. (Copenhagen time) on the second Business Day prior to the start of each Interest Period as the then prevailing Screen Rate plus the Margin (subject as provided in the Terms and Conditions).

The floating rate interest income is subject to changes to the Screen Rate and therefore cannot be anticipated. Hence, Noteholders are not able to determine a definite yield of the Notes at the time of purchase, so that their return on investment cannot be compared with that of investments in simple fixed rate (i.e. fixed rate coupons only) instruments.

In addition, Noteholders are exposed to reinvestment risk with respect to proceeds from Interest Payments or early redemptions by the Issuer. If the market yield declines, and if Noteholders want to invest such proceeds in comparable transactions, Noteholders will only be able to reinvest such proceeds in comparable transactions at the then prevailing lower market yields.

**1.3.9 Notes may be traded with accrued interest which may subsequently be subject to cancellation**

The Notes may trade, and/or the prices for the Notes may appear, in trading systems with accrued interest. Purchasers of Notes in the secondary market may pay a price which reflects such accrued interest on purchase of the Notes. If an Interest Payment is cancelled (in whole or in part) as described above, a purchaser of Notes in the secondary market will not be entitled to the accrued interest (or part thereof) reflected in the purchase price of the Notes.

**1.3.10 Subject to certain conditions, the Issuer may redeem the Notes at the Issuer's option at certain dates**

Subject, inter alia, to compliance with the Solvency Capital Requirement and Minimum Capital Requirement and to satisfaction of the Regulatory Clearance Condition, the Issuer may redeem all (but not some only) of the Notes at their then Outstanding Principal Amount together with (to the extent that such interest has not been cancelled in accordance with the Terms and Conditions) any accrued and unpaid interest to (but excluding) the date of redemption. Such redemption may occur (i) on the First Call Date or any Interest Payment Date thereafter, (ii) in the event of certain changes in the tax treatment of the Notes or payments thereunder due to a Tax Event or (iii) following the occurrence of (or there will occur within six months) a Capital Disqualification Event.

The redemption at the option of the Issuer on or after the First Call Date may limit the market value of the Notes. During any period when the Issuer may elect to redeem the Notes, the market value of the Notes generally will not rise above the price at which they can be redeemed.

An investor may not be able to reinvest the redemption proceeds at an effective interest rate as high as the Interest Rate on the Notes being redeemed and may only be able to do so at a significantly lower rate.

**1.3.11 Variation or substitution of the Notes without Noteholder consent**

Subject as provided in Condition 7 (*Redemption, Substitution, Variation and Purchase*), the Issuer may, at its option and without the consent or approval of Noteholders, elect to substitute all (but not some only) of the Notes for, or amend or vary the terms of the Notes so that they become or remain, Qualifying Tier 1 Notes (i) in the event of certain changes in the tax treatment of the Notes or payments thereunder due to a change in applicable law or regulation or the official interpretation thereof, and (ii) following the occurrence of (or there will occur within six months) a Capital Disqualification Event.

Qualifying Tier 1 Notes are securities issued by the Issuer that have, inter alia, terms not materially less favourable to the Noteholders than the terms of the Notes (as reasonably determined by the Issuer in consultation with a bank or financial advisor of international standing). There can be no assurance that, due to the particular circumstances of each Noteholder, any Qualifying Tier 1 Notes will be as favourable to each Noteholder in all respects or that, if it were entitled to do so, a particular Noteholder would make the same determination as the Issuer as to whether the terms of the relevant Qualifying Tier 1 Notes are not materially less favourable to Noteholders than the terms of the Notes. The Issuer bears no responsibility towards the Noteholders for any adverse effects of such substitution or variation (including, without limitation, with respect to any adverse tax consequences suffered by any Noteholder).

**1.3.12 Redemption payments under the Notes must, under certain circumstances, be suspended**

Notwithstanding that a notice of redemption has been delivered to Noteholders, the Issuer must suspend redemption of the Notes on any date set for redemption of the Notes pursuant to Condition 7 (*Redemption, Substitution,*

*Variation and Purchase*) in the event that, inter alia, the Issuer cannot make the redemption payments in compliance with the Solvency Capital Requirement, the Minimum Capital Requirement or the Regulatory Clearance Condition, or if an Insolvent Insurer Winding-up has occurred and is continuing.

The suspension of redemption of the Notes does not constitute a default under the Notes for any purpose and does not give Noteholders any right to take any enforcement action under the Notes. Where redemption of the Notes is suspended, the Notes will be redeemed by the Issuer on the earlier of (a) the date falling 10 Business Days after the date on which the Redemption and Purchase Conditions are met or otherwise permitted pursuant to Condition 7.3 (*Waiver of Redemption and Purchase Condition relating to Solvency Capital Requirement by Relevant Regulator*) or (b) the date on which an effective resolution is passed for a liquidation (*likvidation*) of the Issuer.

Any actual or anticipated suspension of redemption of the Notes will likely have an adverse effect on the market price of the Notes. In addition, as a result of the redemption suspension provision of the Notes, the market price of the Notes may be more volatile than the market prices of other debt securities without such suspension feature, including dated securities where redemption on the scheduled maturity date cannot be suspended, and the Notes may accordingly be more sensitive generally to adverse changes in the Issuer's financial condition.

#### 1.3.13 **No events of default and limited enforcement rights available to Noteholders**

The terms of the Notes do not provide for any events of default. Noteholders may not at any time demand repayment or redemption of their Notes, and enforcement rights for any payment are limited to the claim of Noteholders in a liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Issuer. In a liquidation or bankruptcy of the Issuer, a Noteholder may prove or claim in such proceedings in respect of such Note, such claim being for payment of the Outstanding Principal Amount of such Note at the time of commencement of such liquidation or bankruptcy together with any interest accrued and unpaid on such Note (to the extent that the same is not cancelled in accordance with the terms of the Notes) from (and including) the Interest Payment Date immediately preceding commencement of such liquidation or bankruptcy and any other amounts payable on such Note under the Terms and Conditions.

#### 1.3.14 **Changes to Solvency II or other applicable law or regulation may increase the risk of the occurrence of a Trigger Event, cancellation of Interest Payments or the occurrence of a Capital Disqualification Event**

Solvency II requirements adopted in Denmark, whether as a result of further changes to Solvency II or changes to the way in which the Relevant Regulator interprets and applies these requirements to the Danish insurance industry, may change. Any such changes, either individually and/or in aggregate, may lead to further unexpected requirements in relation to the calculation of the Group's Solvency Capital Requirement, and such changes may make the Group's regulatory capital requirements more onerous. Such changes that may occur in the application of Solvency II in Denmark subsequent to the date of this Prospectus and/or any subsequent changes to such rules and other variables may individually and/or in aggregate negatively affect the calculation of the Group's Solvency Capital Requirement and thus increase the risk of cancellation of Interest Payments, the occurrence of a Capital Disqualification Event and subsequent redemption of the Notes by the Issuer, or a Trigger Event occurring, which will lead to a reduction of the Outstanding Principal Amount of the Notes, as a result of which a Noteholder could lose all or part of the value of its investment in the Notes.

Additionally, the Issuer and the Group may be required to raise further capital pursuant to applicable law or regulation or the official interpretation thereof in order to maintain the then applicable Minimum Capital Requirement and Solvency Capital Requirement.

#### 1.3.15 **Uncertainties remain in manner in which Solvency II will be interpreted**

The defined terms in the Terms and Conditions will depend in some cases on the interpretation of Solvency II. Solvency II is the EU-wide regime for the prudential regulation of insurance and reinsurance undertakings. Originally adopted by the European Parliament and Council in 2009, Solvency II became effective on 1 January 2016.

Certain portions of the Solvency II Directive required transposition into Danish law, and although the Solvency II Regulation is directly applicable in each Member State, the Solvency II Regulation leaves a number of interpretational issues to be resolved through binding technical standards that have been adopted, and will be adopted in the future, and leaves certain other matters to the discretion of the Relevant Regulator. The manner in which the framework and requirements under Solvency II will be applied to the Issuer and the Group remains uncertain to a degree.

#### 1.3.16 **Restrictions on right to set-off**

Subject to applicable law, no Noteholder who shall be indebted to the Issuer shall be entitled to exercise any right of set-off or counterclaim against moneys owed to the Issuer in respect of such indebtedness.

#### 1.3.17 **No limitation on issuing senior or pari passu securities**

There is no restriction on the amount of securities which the Issuer may issue, which securities rank senior to, or *pari passu*, with the Notes. The issue of any such securities may reduce the amount recoverable by Noteholders in connection with a liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Issuer and/or may increase the likelihood of a cancellation of Interest Payments under the Notes or the Issuer's ability to redeem the Notes. Accordingly, in connection with a liquidation or bankruptcy of the Issuer, after payment of the claims of senior ranking creditors, there may not be a sufficient amount to satisfy the amounts owing to Noteholders.

#### 1.3.18 **No restriction on dividends**

The Terms and Conditions do not contain any restriction on the ability of the Issuer to pay dividends on or repurchase its ordinary shares. This could decrease the profits that are available for distribution and therefore increase the likelihood of a cancellation of payments of interest.

#### 1.3.19 **Meeting of Noteholders, modification and waivers**

The Terms and Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

#### 1.3.20 **All trades in the Notes shall be in a minimum nominal amount of DKK 1,000,000**

Pursuant to the Terms and Conditions, all trades in the Notes shall be in a minimum nominal amount of DKK 1,000,000. Following a sale of Notes by a Noteholder, the Noteholder may hold less than a nominal amount of DKK 1,000,000, and in such case the Noteholder cannot sell the remaining Notes without purchasing Notes to increase its holding above DKK 1,000,000. Since all trades in the Notes must be in a minimum nominal amount of DKK 1,000,000, the Noteholder must then purchase Notes in a nominal amount of at least DKK 1,000,000. Accordingly, an investment in the Notes is only suitable for investors who can bear the risks associated with the restriction on selling and/or buying the Notes in nominal amounts less than DKK 1,000,000.

#### 1.3.21 **Change of law**

The Terms and Conditions are governed by Danish law in effect as at the date of issue of the Notes. No assurance can be given as to the impact of any possible judicial decision or change to Danish law or administrative practice after the date of issue of the Notes.

### 1.4 **Risks related to the market generally**

#### 1.4.1 **Absence of public markets for the Notes**

The Notes are new securities which may not be widely distributed and for which there is currently no active trading market. If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. Although the Notes will be admitted trading on Nasdaq Copenhagen A/S, there is no assurance that an active trading market will develop.

#### 1.4.2 **The market value of the Notes may be influenced by factors beyond the Issuer's control**

Many factors, most of which are beyond the Issuer's control, will influence the market value of the Notes and the price, if any, at which securities dealers may be willing to purchase or sell the Notes in the secondary market. Such factors include the creditworthiness of the Issuer and in particular the Issuer and the Group's compliance with the Solvency Capital Requirement and the Minimum Capital Requirement, supply and demand for the Notes, the Interest Rate applicable to the Notes from time to time, exchange rates and macro-economic, political, regulatory or judicial events which affect the Issuer or the markets in which it operates.

#### 1.4.3 **Exchange risks and exchange controls**

The Issuer will pay principal and interest on the Notes in Danish Kroner. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than Danish Kroner. These include the risk that exchange rates may significantly change (including changes due to devaluation of Danish Kroner or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to Danish Kroner would decrease (1) the Investor's Currency equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

#### 1.4.4 **Interest rate risk**

The Notes bear interest at the Interest Rate determined periodically in respect of each Interest Payment Date. An investment in the Notes during that time involves the risk that subsequent changes in market interest rates may adversely affect the value of the Notes.

#### 1.4.5 **Legal investment considerations may restrict certain investments**

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

## 2. REGISTRATION DOCUMENT FOR THE NOTES

*This registration document has been prepared on the basis of and in accordance with Annex IX of the Prospectus Regulation (as defined on the first page of this Prospectus).*

### 2.1 Persons responsible

#### 2.1.1 Persons responsible for information in this Prospectus

This Prospectus has been prepared by (i) Topdanmark A/S ("**Topdanmark**" or the "**Issuer**" and, together with its subsidiaries from time to time, the "**Group**" or the "**Topdanmark Group**"), a Danish public limited liability company (*aktieselskab*) registered with the Danish Business Authority (*Erhvervsstyrelsen*) under company registration number (CVR-no.): 78 04 00 17 with its registered office at Borupvang 4, DK-2750 Ballerup, Denmark, and telephone number +45 44 68 33 11.

The Issuer is responsible for the information provided in this Prospectus.

#### 2.1.2 Declaration in respect of the information provided in this Prospectus

Each member of the Issuer's Board of Directors and the Executive Board declares to have taken all reasonable care to ensure that, to the best of his/her knowledge, the information contained in this Prospectus is in accordance with the facts and contains no omissions likely to affect its import.

The Prospectus is signed by the Board of Directors and the Executive Board.

Ballerup, 21 November 2017.

#### Board of Directors:

Torbjörn Magnusson  
Chairman

Annette Sadolin  
Deputy Chairman

Ann-Jeanette Bakbøl  
Board member elected by the employees

Tina Møller Nielsen Carlsson  
Board member elected by the employees

Mette Jensen  
Board member elected by the employees

Petri Kalervo Niemisvirta  
Board member

Lone Møller Olsen  
Board member

Ricard Wennerklint  
Board member

Jens Aaløse  
Board member

## **Executive Board:**

Christian Sagild  
CEO

Brian Rothemejer Jacobsen  
CCO

Lars Thykier  
CFO

Marianne Wier  
COO

## **2.2 Statutory auditors**

2.2.1 As of the date of this Prospectus, the external auditors of Topdanmark are:

Anders Oldau Gjelstrup, State Authorised Public Accountant, and  
Jacques Peronard, State Authorised Public Accountant, both from:

Deloitte Statsautoriseret Revisionspartnerselskab  
Company registration number (CVR-no.): 33 96 35 56  
Weidekampsgade 6, DK-2300 Copenhagen S

Anders Oldau Gjelstrup and Jacques Peronard are members of FSR – Danish Auditors (*FSR - Danske Revisorer*).

2.2.2 Neither the audit company nor the persons mentioned in Section 2.2.1 have resigned, been removed or not been reappointed in the period covered by the historical financial information referred to in Section 2.11.1.

## **2.3 Risk Factors**

2.3.1 For the risk factors that may affect the Issuer's ability to satisfy and fulfil its obligations towards the Noteholders under the Notes, please refer to Section 1 ("*Risk factors*") above.

## **2.4 Information about the Issuer**

2.4.1 *History and development of the Issuer*

2.4.1.1 Legal and commercial name

The main legal and commercial name of the Issuer is Topdanmark A/S. The Issuer is not registered with any secondary names.

2.4.1.2 Place of registration and registration number

The Issuer has its place of registration in the municipality of Ballerup (*Ballerup Kommune*).

The Issuer is registered with the Danish Business Authority (*Erhvervsstyrelsen*) under company registration number (CVR-no.) 78 04 00 17.

2.4.1.3 Date of incorporation

The Issuer was formally incorporated on 20 May 1985.

2.4.1.4 Domicile, legal form, legislation, address, etc.

The Issuer has its domicile and registered office at Borupvang 4, DK-2750 Ballerup, Denmark. The Issuer is a Danish public limited liability company (*aktieselskab*) incorporated under Danish law and registered with the Danish Business Authority (*Erhvervsstyrelsen*). The telephone number of the Issuer's registered office is +45 44 68 33 11.

#### 2.4.1.5 Events of particular importance to the solvency of the Issuer

Since the publication of the Q3 2017 Interim Report, which is incorporated by reference into the Prospectus, there have been no recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency.

## 2.5 Business Overview

### 2.5.1 Description of the Issuer's and the Topdanmark Group's principal activities

According to the Issuer's Articles of Association, the objective of the business is as follows:

*"The objects for which the Company has been established are to be the holding company for subsidiaries carrying on insurance, financing, banking, investment or other activities within the financial field, domestic and international, and any other activities which may seem to the Board of Directors to be incidental or conducive to the attainment of the above objects."*

The objectives, goals and strategy of the Issuer and the Topdanmark Group are the following:

Objectives:

- To carry out nation-wide, Danish non-life and life insurance and pension fund business.
- To be attractive to customers by being a competitive, independent and pre-eminent insurance group.
- To ensure that the Issuer's shareholders achieve a long-term, competitive, stable return.

Goals:

- To improve the Topdanmark Group's position in the Danish insurance market.
- To ensure that the Topdanmark Group's expense ratio is lower than the general market.
- To ensure that the Topdanmark Group's growth in non-life and life insurance as well as pension fund business is higher than that of the market.
- To attract and keep profitable customers by delivering a high level of customer service.
- To ensure that Topdanmark's shares reflect insurance risk rather than investment risk.
- To ensure that Topdanmark's shares are both attractive and liquid.
- To be able to attract and keep profitable customers and qualified employees.

Strategy:

- To achieve primarily organic growth, supplemented by close co-operation with alliance partners, and opportune acquisitions.
- To develop and improve the level of customer service.
- To optimise Topdanmark's shareholders' return/risk profile by ensuring that shareholders' equity continues to reflect both the volume of business and a corresponding investment policy.

- To be a dynamic organisation encouraging personal and career development.
- To align the goals of management and employees with those of Topdanmark's shareholders.

The Issuer carries on a non-life, life and pension insurance business in Denmark through its subsidiaries. Non-life insurance business is carried out through Topdanmark Forsikring A/S and certain of its subsidiaries, and life and pensions insurance business is carried out through Topdanmark Livsforsikring A/S and certain of its subsidiaries.

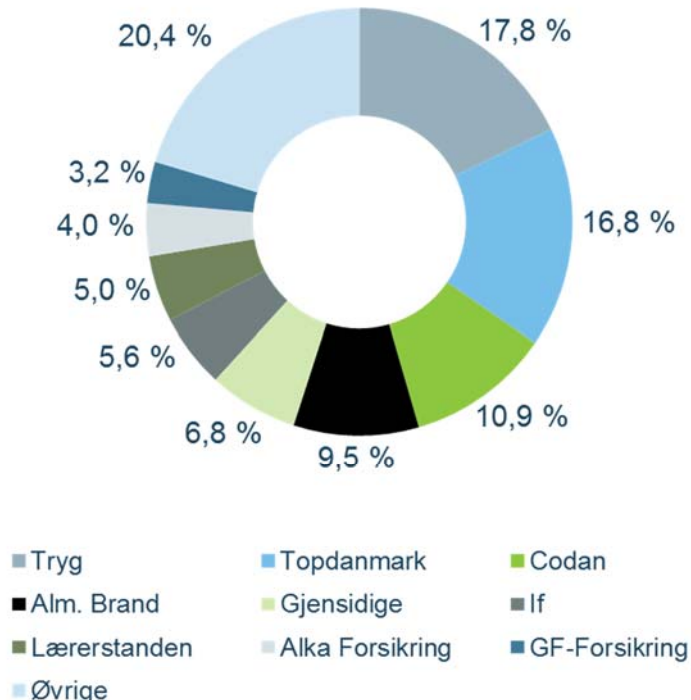
Within non-life insurance, Topdanmark offers insurance policies to personal customers, agricultural customers and SME businesses in Denmark.

Within life insurance, Topdanmark offers insurance policies to companies and personal customers in Denmark. The majority of the customers are company pension customers where the employees of such companies have compulsory pension schemes.

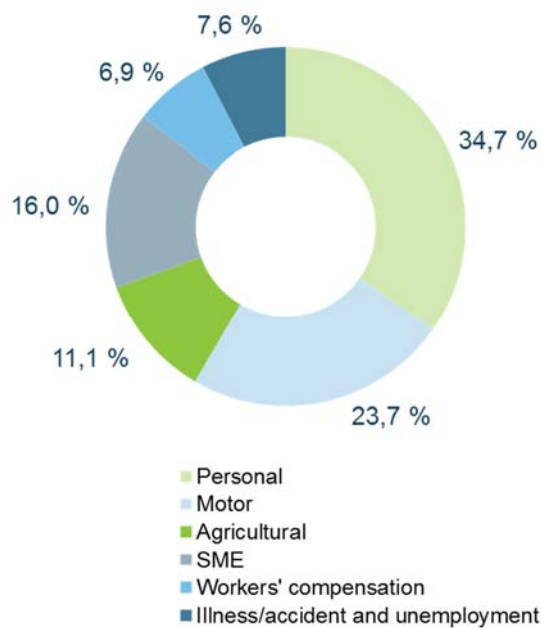
*Market shares for non-life insurance (Q3 2016):*

Topdanmark's market share in Q3 2016 in Denmark was 16.8 %, making it the second largest insurance company in Denmark, cf. Forsikring & Pension (Insurance & Pension), 30 September 2016. The largest market share is held by Tryg Forsikring A/S with a 17.8 % market share.

The chart below illustrates the market shares of non-life insurance in Denmark for Q3 2016, cf. Forsikring & Pension (Insurance & Pension), 30 September 2016:



In non-life insurance, Topdanmark's premiums earned are divided on the following main areas for Q3 2017:



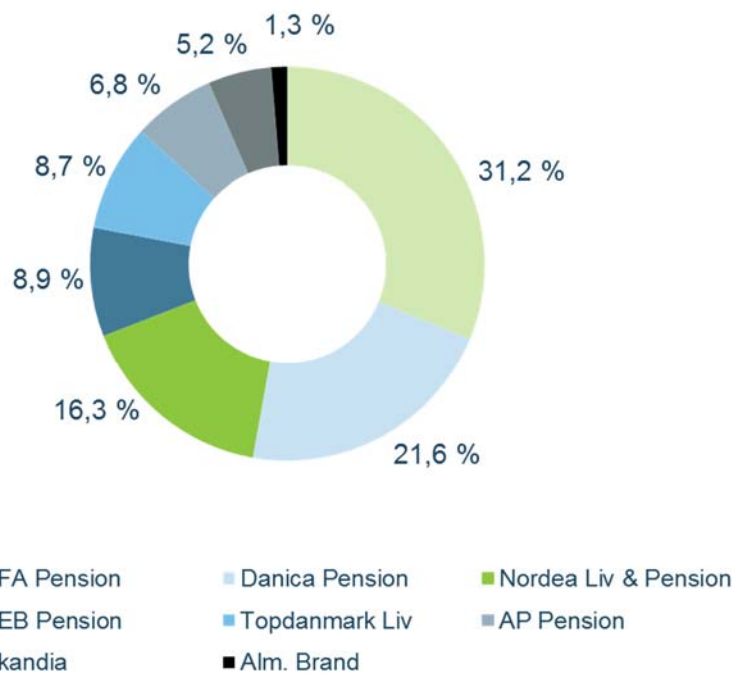
The Danish market for non-life insurance is characterised by the following:

- A solid, macroeconomic environment
- The 6 largest players representing a 68% market share are public limited companies
- Efficient and rational players
- Operating with an expense ratio of ~ 17
- Expense ratio of 25-30 for comparable EU businesses
- High customer loyalty
- Low level of interest rates increases the focus on the technical result
- Claims provisions are discounted at a zero coupon interest rate structure
- Large, non-Nordic companies – except for RSA Insurance Group plc which owns Codan A/S – have low penetration power
- High entry barriers

The Topdanmark Group regularly adapts the investment risk to the trend in the specific profitability of the insurance business, reducing the risk of overall accounting losses.

*Market shares for life insurance (31 December 2016):*

The Topdanmark Group is the fifth largest life insurance company in Denmark calculated based on gross premiums among the commercial life-insurance companies according to the audited annual reports of the respective commercial life-insurance companies for the financial year ended 31 December 2016. The market division is illustrated in the chart below.



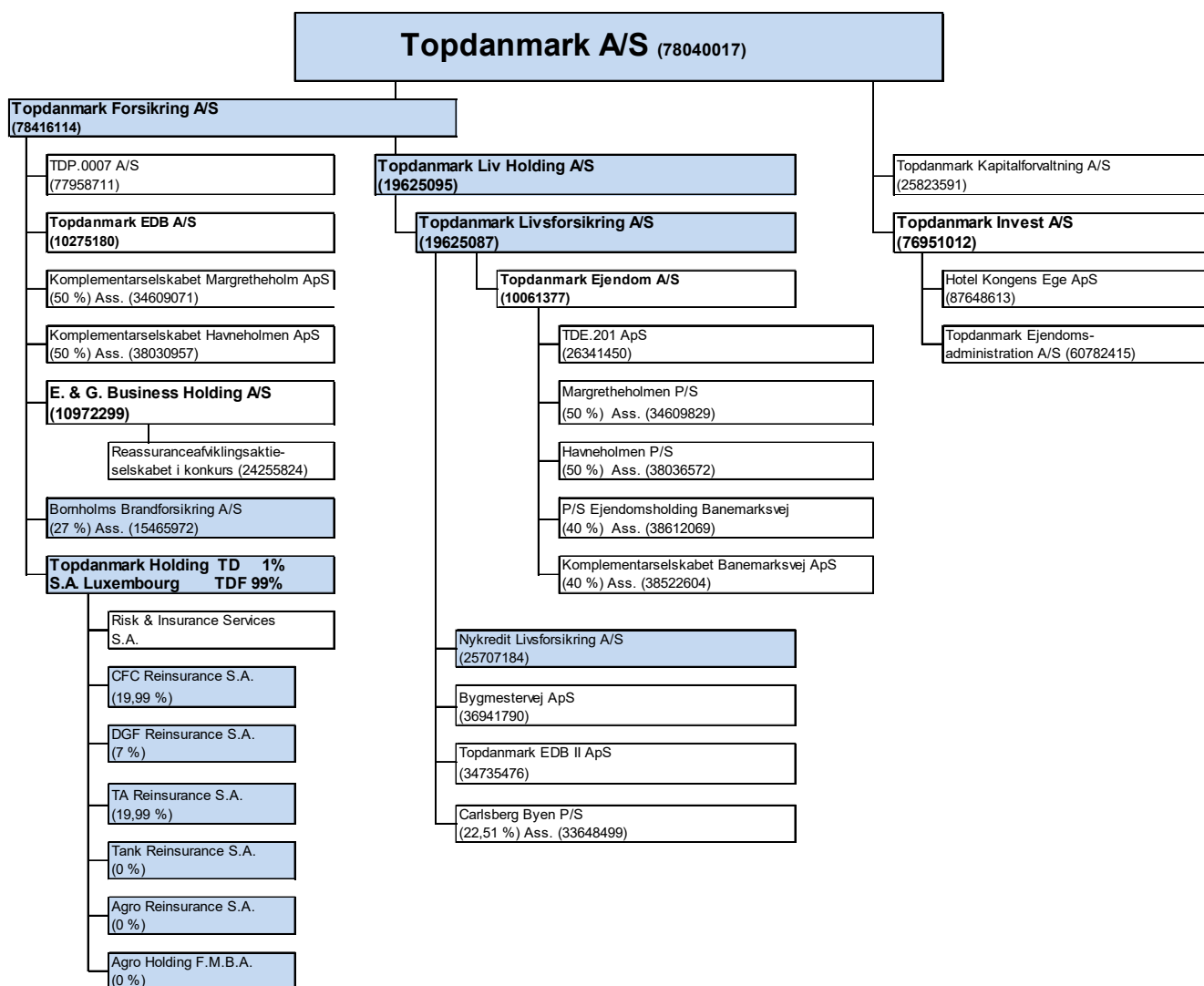
2.5.2 *The basis for any statements made by the Issuer regarding its competitive position*

The Issuer has not made any statements on its competitive position.

## 2.6 Organisational Structure

### 2.6.1 Description of the Topdanmark Group

The Topdanmark Group's legal group chart is shown below. The Group has around 2,440 employees. The Issuer is the holding company of the Group. The shares of the Issuer are listed on Nasdaq Copenhagen A/S.



The Issuer carries out its business through its wholly owned subsidiary Topdanmark Forsikring A/S and its subsidiaries. Topdanmark Forsikring A/S operates its insurance business nationwide in Denmark. The insurance business consist of sale of insurance for private, business and agricultural purposes.

Topdanmark Forsikring A/S' main subsidiary is the wholly owned Topdanmark Liv Holding A/S. Topdanmark Liv Holding A/S is the parent company of the Issuer's life insurance group, which offers a comprehensive product range of life insurance and pension fund schemes to both the personal and corporate markets.

In addition to Topdanmark Forsikring A/S, the following subsidiaries are wholly owned by the Issuer:

- Topdanmark Kapitalforvaltning A/S
- Topdanmark Invest A/S

## 2.6.2 *Dependency on other entities of the Topdanmark Group*

As the Issuer is the parent and holding company of Topdanmark Forsikring A/S, it is dependent on the operation and results of Topdanmark Forsikring A/S and its subsidiaries. The Issuer is accordingly dependent on dividends, distributions and other payments from Topdanmark Forsikring A/S and its subsidiaries to make payments under the Notes.

## 2.7 **Trend Information**

There has been no material adverse change in the prospects of the Issuer since the publication of the Q3 2017 Interim Report on 26 October 2017.

## 2.8 **Profit forecasts or estimates**

The Issuer has chosen not to include a profit forecast or estimate in the Prospectus as in the Issuer's view such profit forecasts or estimates are non-material with respect to the Issuer's ability to fulfil its obligations under the Notes.

## 2.9 **Administrative, Management and Supervisory Bodies**

### 2.9.1 *Members of the Issuer's Board of Directors and Executive Board*

#### **Board of Directors:**

The Issuer's Board of Directors comprises nine members including three employee representatives. The board has representatives from Denmark, Finland and Sweden. The business address of the Board of Directors is Borupvang 4, DK-2750 Ballerup, Denmark.

#### **Torbjörn Magnusson**

Chairman. Born in 1963. Joined: 2014. Swedish citizen. CEO, If P&C Insurance Ltd. Mr. Magnusson has worked in the insurance business since 1990.

Education: M.Sc. and Lic. Eng (Optimization Theory), The Royal Institute of Technology, Stockholm.

Chairman: Topdanmark A/S and Topdanmark Forsikring A/S.

Board member: Insurance Europe (Vice President), Insurance Sweden.

Committee memberships: Member of Topdanmark's Remuneration Committee and Nomination Committee.

#### **Annette Sadolin**

Deputy Chairman. Born in 1947. Joined: 2004. Danish citizen. Professional board member after working in the insurance business since 1980.

Education: Law degree, University of Copenhagen, Special law programme, Columbia University, NY, USA, GE training programmes incl. Six Sigma GB Certificate.

Deputy Chairman: Topdanmark A/S and Topdanmark Forsikring A/S.

Board member: DSB, DSV A/S, Ratos AB (Sweden), Blue Square Re (the Netherlands), KNI A/S, Østre Gasværk Teater and Ny Carlsberg Glyptotek.

Committee memberships: Member of Topdanmark's Audit Committee, Remuneration Committee and Nomination Committee.

#### **Petri Niemisvirta**

Born in 1970. Joined: 2017. Finnish citizen. Managing Director, Mandatum Life Insurance Company Limited. Mr. Niemisvirta has worked in the insurance business since 1995.

Education: LL.M University of Turku, Finland.

Chairman: Kaleva Mutual Insurance Company (Finland).

Board member: Topdanmark A/S, Topdanmark Forsikring A/S, BenCo Insurance Holding B.V. (the Netherlands), Varma Mutual Pension Insurance Company (Finland), Finland Chamber of Commerce and Alma Media Corporation.

#### **Lone Møller Olsen**

Born in 1958. Joined: 2016. Danish citizen. Professional board member after working with Deloitte for 27 years. Education: Cand.merc., Copenhagen Business School, Denmark, state-authorized public accountant, IMD leadership courses.

Board member: Topdanmark A/S, Topdanmark Forsikring A/S and Kapitalforeningen BankInvest.

Committee memberships: Member of Topdanmark's Audit Committee.

#### **Ricard Wennerklint**

Born in 1969. Joined: 2017. Swedish citizen. Deputy CEO, If P&C Insurance Ltd. Mr. Wennerklint has worked in the insurance business since 1994.

Education: Business Administration and Finance, Stockholm School of Economics.

Board member: Topdanmark A/S, Topdanmark Forsikring A/S and Nobia AB (Sweden)

Committee memberships: Member of Topdanmark's Audit Committee.

#### **Jens Aaløse**

Born in 1966. Joined: 2016. Danish citizen. Senior Executive Vice President, TDC A/S since 2013. Mr. Aaløse has previously worked for SAS Scandinavian Airlines A/S, Danske Reklamefilm A/S and Danske Licens Spil A/S. Education: BSc Business Administration, Copenhagen Business School, Denmark.

Chairman: Ecosys A/S and OmniCar AB.

Board member: Topdanmark A/S, Topdanmark Forsikring A/S, Dansk Erhverv (The Confederation of Danish Enterprise), FDM Travel A/S and IT-branchen (The Danish ITC Industry Association).

Committee memberships: The Executive Committee of Dansk Erhverv (The Confederation of Danish Enterprise).

#### **Ann-Jeanette Bakbøl**

Employee representative. Born in 1957. Joined: 2015. Danish citizen. Claims executive.

Board member: Topdanmark A/S and Topdanmark Forsikring A/S.

#### **Tina Møller Carlsson**

Employee representative. Born in 1976. Joined: 2015. Danish citizen. Deputy Chairman of Topdanmark's Staff Association.

Board member: Topdanmark A/S and Topdanmark Forsikring A/S.

#### **Mette Jensen**

Employee representative. Born in 1976. Joined: 2015. Danish citizen. Chairman of Topdanmark's Staff Association.

Board member: Topdanmark A/S and Topdanmark Forsikring A/S.

Committee memberships: Member of Topdanmark's Remuneration Committee.

#### **Executive Board:**

The business address of the Executive Board is Borupvang 4, DK-2750 Ballerup, Denmark.

#### **Christian Sagild**

CEO, Topdanmark A/S and Topdanmark Forsikring A/S.

Born in 1959. Joined Topdanmark in 1996.

Joined the Executive Board in 2006.

Board member: Forsikring & Pension and Ambu A/S.

Also member of the Management Board in Zulu ApS.

Christian Sagild resigns as CEO of Topdanmark A/S and Topdanmark Forsikring A/S with effect as from 1 January 2018. The Board of Directors has initiated a recruitment process to find a successor for Christian Sagild.

**Lars Thykier**

CFO, Topdanmark A/S and Topdanmark Forsikring A/S.

Born in 1955. Joined Topdanmark in 1986.

Joined the Executive Board in 2009.

Board member: Green World Society Ltd.

**Brian Rothemejer Jacobsen**

CCO, Topdanmark A/S and Topdanmark Forsikring A/S.

Born in 1963. Joined Topdanmark in 1988.

Joined the Executive Board in 2016.

Board member: Bornholms Brandforsikring A/S and Forsikringsakademiet A/S.

**Marianne Wier**

COO, Topdanmark A/S and Topdanmark Forsikring A/S.

Born in 1963. Joined Topdanmark in 2013.

Joined the Executive Board in 2016.

Board member: Finanssektorens Arbejdsgiverforening (Danish Employers' Association for the Financial Sector).

2.9.2 *Statement on conflicts of interests*

As each of Torbjörn Magnusson, Petri Niemisvirta and Ricard Wennerklint represents a controlling shareholder's interest (Sampo plc., Helsinki, Finland), they do not meet the definition of independence in the guidelines on corporate governance set out by the Danish Committee on Corporate Governance.

Other than that, after application of the relevant laws and conflict of interest policies of the Issuer, no potential conflicts of interest exist between the duties to the Issuer of the persons on the Board of Directors and the Executive Board and their private interests and/or other duties.

**2.10 Major Shareholders**

2.10.1 The shares of the Issuer have been listed on Nasdaq Copenhagen A/S since 1985.

The following persons have notified the Issuer of holdings of more than 5 percent of the shares of the Issuer:

- Sampo plc, Helsinki, Finland (44,21 %)

Regarding the ownership by Sampo plc of 44,21 % of the shares of the Issuer and measures in place to ensure that such control is not abused, the rules of procedures of the Board of Directors contains provisions with the purpose to ensure awareness of potential conflicts of interests and to ensure that no member of the Board of Directors or the Executive Board participate in the transaction of any business where such person is deemed disqualified. There are no other measures in place to ensure that such control is not abused.

2.10.2 To the Issuer's knowledge, there are no arrangements, the operation of which may at a subsequent date result in a change in control of the Issuer.

**2.11 Financial Information concerning the assets and liabilities as well as the financial position and the profits and losses of the Issuer**

2.11.1 *Historical Financial Information*

Reference is made to the two most recent audited consolidated Annual Reports of the Issuer, the 2015 Annual Report and the 2016 Annual Report, and the non-audited consolidated Interim Reports, the Q3 2016 Interim Report and the Q3 2017 Interim Report. As set out in Section 6 ("*List of Documents/Information incorporated into this prospectus by reference*") below, the 2015 Annual Report and the 2016 Annual Report as well as the Interim Reports are incorporated in full into this Prospectus by reference.

The 2015 Annual Report and 2016 Annual Report, being the most recent years' historical financial information, have been prepared and presented in a form consistent with that which will be adopted in the Issuer's next published annual financial statements having regard to accounting standards and policies as well as legislation applicable to such annual financial statements.

The Issuer's consolidated financial statements have been prepared in accordance with IFRSs endorsed by EU, and interpretations that should be adopted as of end of each year, and additional disclosure requirements in accordance with the Danish Statutory Order on Adoption of IFRS. The Issuer's accounting policies are shown in the 2016 Annual Report, pages 71-83.

The Issuer's financial statements have been prepared in accordance with the Danish Accounting Act and Danish Financial Reporting Regulations for Insurance Companies. The Danish Financial Reporting Regulations for Insurance Companies is to a great extent based on IFRSs endorsed by EU, and interpretations. The Issuer's accounting policies are shown in the 2016 Annual Report, pages 71-83.

Because of the complexity in the historical financial information and financial statements, this information is incorporated into the Prospectus by reference to the 2015 Annual Report and the 2016 Annual Report as well as the Q3 2016 Interim Report and the Q3 2017 Interim Report. Please see Section 6 ("*List of Documents/Information incorporated into this prospectus by reference*") for complete references.

#### 2.11.2 *Financial statements*

The Issuer's financial statements of 2015 and 2016 have been prepared on a consolidated as well as a non-consolidated basis.

#### 2.11.3 *Auditing of historical annual financial information*

##### 2.11.3.1 Statement on audit of historical financial information

The historical financial information for 2015 and 2016 (contained in the 2015 Annual Report and the 2016 Annual Report) has been audited.

The audit of the 2015 Annual Report and the 2016 Annual Report has not resulted in any refusal, qualification or disclaimer.

##### 2.11.3.2 Indication of other information in the registration document which has been audited by the auditors

No information other than as set out in Section 2.11.3.1 has been audited.

##### 2.11.3.3 Extraction of financial data

The Issuer is the source of the financial information contained in the Annual Reports and the Interim Reports of the Issuer.

#### 2.11.4 *Age of latest financial information*

The latest year of audited financial information is 2016.

#### 2.11.5 *Legal and arbitration proceedings*

The Issuer has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), during a period covering the previous 12 months which may have, or have had in the recent past significant effects on the Issuer and/or the Group's financial position or profitability.

#### 2.11.6 *Significant change in the Issuer's financial or trading position*

There has been no significant change in the financial or trading position of the Issuer and/or the Group since the release of the Q3 2017 Interim Report on 26 October 2017.

### **2.12 Material Contracts**

No material contracts, other than contracts entered into in the ordinary course of the Issuer's business, may result in any member of the Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to the Noteholders in respect of the Notes being issued.

### **2.13 Third Party Information and Statements by Experts and Declarations of Any Interest**

#### 2.13.1 *Expert statements or reports*

No statement or report attributed to a person as an expert is included in this Prospectus.

#### 2.13.2 *Third party information*

The information on market share for non-life insurance as described in Section 2.5.1 has been extracted from Forsikring & Pension, 30 September 2016. The information on market share for life-insurance as described in Section 2.5.1 is based on information extracted from the audited annual reports of the respective commercial life-insurance companies for the financial year ended 31 December 2016. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from the information published by Forsikring & Pension and the audited annual reports of the respective commercial life-insurance companies for the financial year ended 31 December 2016, respectively, no facts have been omitted which would render the reproduced information inaccurate or misleading.

### **2.14 Documents on display**

The Issuer declares that copies of the following documents will be available for inspection during the life of the Prospectus:

- (a) the Issuer's memorandum of association (*stiftelsesdokument*);
- (b) the Issuer's articles of association (*vedtægter*); and
- (c) the 2015 Annual Report and the 2016 Annual Report as well as the financial statements for 2015 and 2016 for each of the Issuer's Subsidiaries.

The documents are available on request from the Issuer's registered office located at Borupvang 4, DK-2750 Ballerup, Denmark between 8.00 – 16.00 on week days and (with the exception of the Issuer's memorandum of association) on the webpage <http://inv.dk.topdanmark.com/results.cfm>.

### **3. SECURITIES NOTE FOR THE NOTES**

*This securities note has been prepared on the basis of and in accordance with Annex XIII of the Prospectus Regulation (as defined on the first page of this Prospectus).*

#### **3.1 Persons Responsible**

##### *3.1.1 Persons responsible for information in this Prospectus*

For the persons responsible for the information given in this Prospectus, please refer to Section 2.1.1 above.

##### *3.1.2 Declarations relating to this Prospectus*

For the declaration by those responsible for this Prospectus that, having taken all reasonable care to ensure that the information contained in this Prospectus is, to the best of their knowledge, in accordance with the facts and contains no omissions likely to affect its import, please refer to Section 2.1.2 above.

#### **3.2 Risk Factors**

For the risk factors that are material to the Notes in order to assess the market risk associated with the Notes, please refer to Section 1 ("*Risk factors*") above.

#### **3.3 Essential information**

##### *3.3.1 Interest of natural and legal persons involved in the issue*

The Issuer is not aware of any interest, including conflicting ones, which are material to the issue of the Notes.

The Lead Manager has received a fee for its service in connection with the issue of the Notes.

The Lead Manager or its affiliates may have provided from time to time, and may provide in the future, investment and commercial banking services to the Issuer and its affiliates in the ordinary course of business, for which it may have received and may continue to receive customary fees and commissions, and may come to have interests that may not be aligned or could potentially conflict with the interests of the Issuer and investors in the Issuer. The Lead Manager does not intend to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

##### *3.3.2 Reasons for the issue of the Notes*

The Notes on issue constitute Tier 1 Own Funds of the Issuer and the Group under the Relevant Rules and will qualify as Tier 1 Capital of the Issuer and the Group.

#### **3.4 Information concerning the Notes to be issued and admitted to trading**

##### *3.4.1 Total amount of Notes*

The total amount of the Notes that will be admitted to trading and official listing on the regulated market of Nasdaq Copenhagen A/S is DKK 400,000,000.

##### *3.4.2 Notes type, class and ISIN code*

The Notes are debt securities with a denomination of DKK 0.01. Each Note will be registered in VP Securities A/S with a minimum settlement unit of DKK 1,000,000, meaning that the Notes can only be traded in portions having an aggregate nominal amount of DKK 1,000,000 or, if greater, an even multiple of DKK 1,000,000.

The Notes are unsecured and subordinated to the extent set out in the Terms and Conditions.

The Notes are floating rate restricted tier 1 perpetual notes to be issued on 23 November 2017 and have no fixed date for redemption.

The International Securities Identification Number (ISIN) of the Notes is DK0030405931.

#### 3.4.3 *Legislation under which the Notes have been created*

The Notes and the Terms and Conditions are governed by, and shall be construed in accordance with, Danish law.

#### 3.4.4 *Information on form of the Notes*

The Notes are issued in uncertificated and dematerialised book-entry form through the Danish Central Securities Depository (VP Securities A/S, Weidekampsgade 14, P.O. Box 4040, DK-2300 Copenhagen S). The Issuer has appointed the VP Agent to act as its intermediary in relation to VP Securities A/S.

#### 3.4.5 *Currency applied*

The Notes are denominated in Danish Kroner (DKK).

#### 3.4.6 *Ranking of the Notes*

The status of the Notes and their ranking is set out in Condition 3 (*Status of the Notes*).

#### 3.4.7 *A description of the rights attached to the Notes and the procedure for the exercise thereof*

The rights attaching to the Notes is set out in Section 4 ("*Terms and Conditions of the Notes*").

#### 3.4.8 *The nominal interest rate and provisions relating to interest payable*

Subject to Condition 4.1 (*Interest Rate*) and Condition 5 (*Interest Cancellation*), the Notes bear interest at a floating rate from the Issue Date (as defined in Condition 15 (*Defined terms*)) to but excluding the date the Issuer redeems the Notes in accordance with Condition 7 (*Redemption, Substitution, Variation and Purchase*).

Interest on the Notes is subject to Condition 5 (*Interest Cancellation*) payable quarterly in arrears on each 23 February, 23 May, 23 August and 23 November, with the initial Interest Payment Date (as defined in Condition 15 (*Defined terms*)) falling on 23 February 2018 and ending on the date of redemption of the Notes pursuant to Condition 7 (*Redemption, Substitution, Variation and Purchase*).

The rate of interest payable from time to time in respect of the Notes will be determined as the sum of (a) the Screen Rate (as defined in Condition 15 (*Defined terms*)), and (b) the Margin (as defined in Condition 15 (*Defined terms*)). The VP Agent determines the applicable Interest Rate (as defined in Condition 15 (*Defined terms*)) for each Interest Period (as defined in Condition 15 (*Defined terms*)) on the second Business Day (as defined in Condition 15 (*Defined terms*)) prior to the start of each Interest Period.

The amount of interest payable on each Interest Payment Date (as defined in Condition 15 (*Defined terms*)) in respect of each Note shall be calculated by the Issuer as the product of the Outstanding Principal Amount (as defined in Condition 15 (*Defined terms*)) and the Interest Rate and the Day Count Fraction (as defined in Condition 4.1(C) (*Interest Rate*)).

The Interest Payment to each Noteholder shall be rounded to the nearest øre (half an øre being rounded upwards).

Payments of principal and interest in respect of the Notes will, subject to the Terms and Conditions, be made to the Noteholders in accordance with Condition 8 (*Payments*).

Claims against the Issuer for payment in respect of the Notes are subject to limitation under the Danish Consolidated Act No. 1238 of 9 November 2015, as amended, on limitation (*lov om forældelse af fordringer (forældelsesloven)*) in accordance with Condition 9 (*Prescription*).

The VP Agent will determine the Screen Rate and the Interest Rate but otherwise no calculation agent has been appointed.

#### 3.4.9 *Maturity date and arrangements for amortisation and repayment procedures*

The Notes are perpetual and have accordingly no fixed date of redemption, cf. Condition 7.1 (*No Redemption Date*). There are no events of default in respect of the Notes. No Noteholder shall be entitled at any time to file for bankruptcy (*konkurs*) or liquidation (*likvidation*) of the Issuer. If an order is made or an effective resolution is passed for the bankruptcy or liquidation of the Issuer, the Noteholders may prove or claim in such proceedings in respect of the Notes pursuant to Condition 11 (*Enforcement*).

#### 3.4.10 *Yield*

The yield on the Notes cannot be indicated as the date of this Prospectus as the Notes bear interest at a floating rate.

#### 3.4.11 *Representation of Noteholders*

No person has been appointed as representative for the Noteholders, cf. Section 2a of the Danish Securities Trading Act.

All relevant information regarding the Notes will be presented at <http://www.topdanmark.com/en/>.

#### 3.4.12 *Resolutions, authorisations and approvals*

The Issuer has obtained all necessary resolutions, authorisations and approvals in order to issue and offer the Notes, and admit the Notes to trading and official listing on the regulated market of Nasdaq Copenhagen A/S. The issue, offer, admittance to trading and official listing on the regulated market of Nasdaq Copenhagen A/S of the Notes was authorised and approved by the Board of Directors on 17 November 2017.

#### 3.4.13 *The issue date of the Notes*

The Notes will be issued on 23 November 2017.

#### 3.4.14 *Transferability of the Notes*

Subject to the selling and transfer restrictions described in the beginning of this Prospectus under Section 7 (*"Subscription and Sale (Selling and Transfer Restrictions)"*), the Notes are freely transferable, but the Noteholders may be subject to purchase or transfer restrictions with regard to the Notes, as applicable, under the local laws to which a Noteholder may be subject.

### 3.5 **Admission to Trading and Dealing Arrangements**

#### 3.5.1 *Admission to trading and official listing of the Notes*

An application has been made for the Notes to be admitted to trading and official listing on the regulated market of Nasdaq Copenhagen A/S as from 23 November 2017. Admission to trading and official listing on the regulated market of Nasdaq Copenhagen A/S shall not be considered a guarantee that an active secondary market for the Notes will develop and, if such an active market were to develop, neither Topdanmark nor the Lead Manager will have a duty to maintain such market.

#### 3.5.2 *Paying agent and depository agent*

The paying agent is Danske Bank A/S in its capacity as VP Agent.

For information on the depository agent, please refer to section 3.4.4 of this Securities Note.

### **3.6 Expenses of the Admission to Trading**

The Issuer estimates that the total expenses related to the admission to trading and official listing on the regulated market of Nasdaq Copenhagen A/S of the Notes will amount to DKK 35,000.00.

### **3.7 Additional Information**

#### **3.7.1 Advisers**

Legal advisor to the Issuer:

Kromann Reumert  
Company registration number (CVR-no.): 62 60 67 11  
Sundkrogsgade 5  
DK-2100 Copenhagen Oe  
Denmark

#### **3.7.2 Audit of the securities note**

The external auditor of Topdanmark, Deloitte Statsautoriseret Revisionspartnerselskab, company registration number (CVR-no.): 33 96 35 56, Weidekampsgade 6, DK-2300 Copenhagen S, has not audited, reviewed or produced a report on any information in this Prospectus other than on certain of the financial information incorporated by reference into this Prospectus (see Section 6 ("*List of Documents/Information incorporated into this prospectus by reference*")).

#### **3.7.3 Statements or reports attributed to an expert**

No statement or report attributed to a person as an expert is included in this Prospectus.

#### **3.7.4 Information from third parties**

With respect to information in this Prospectus sourced from third parties, reference is made to Section 2.13.

#### **3.7.5 Credit rating**

The Notes are, at the date of the Prospectus, not rated and is not expected to be rated by a rating agency.

### **3.8 Taxes**

The following is a summary description of the taxation in Denmark of the Notes according to the Danish tax laws in force at the date of this Prospectus and is subject to any changes in law and the interpretation and application thereof, which changes could be made with retroactive effect. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold or dispose of the Notes, and does not purport to deal with the tax consequences applicable to all categories of Noteholders, some of which may be subject to special rules. Potential Noteholders are under all circumstances strongly recommended to contact their own tax advisor to clarify the individual consequences of their investment in, holding of and disposal of the Notes. The Issuer makes no representations regarding the tax consequences of purchase, holding or disposal of the Notes.

*Taxation at source*

Under existing Danish tax law no withholding tax is levied on payments of interest or principal or other amounts due on the Notes to the owner of such payment, except if the owner is a corporate entity that is "related to" the Issuer within the meaning of Section 3B of the Danish Tax Inspection Act (consolidated act No. 1264 of 31 October 2013 as amended). If the owner is related to the Issuer, then a withholding tax may in certain circumstances apply (22 % withholding tax).

This will not have any impact on holders of Notes who are not "related to" the Issuer.

*Resident holders of notes*

Under existing Danish tax laws, private individuals and companies, funds and other entities that are considered separate taxable entities for Danish tax purposes and who are domiciled in Denmark for tax purposes, are (save for certain exceptions) liable to pay tax on capital gains and payments on interest on the Notes.

As a starting point, capital gains are for individuals taxed pursuant to a realisation-principle, while a mark-to-market principle as a starting point applies for companies.

*Non-resident holders of notes*

Under existing Danish tax laws, payments of interest or principal amounts to any non-resident holders of Notes are not subject to taxation in Denmark. No withholding tax will be payable with respect to such payments and any capital gain realised upon the sale, exchange or retirement of a Bond will not be subject to taxation in Denmark, except as set out in the Section entitled Taxation at source above.

This tax treatment applies solely to holders of Notes who are not subject to full tax liability in Denmark or included in a Danish joint taxation scheme and do not carry on business in Denmark through a permanent establishment.

#### 4. TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions of the Notes which will be applicable to each Note. The Notes will not be evidenced by any physical bond, note or document of title other than statements of account made by the Securities Depository. Ownership of the Notes will be recorded and transfer effected only through the book entry system and register maintained by the Securities Depository.*

The DKK400,000,000 Floating Rate Restricted Tier 1 Perpetual Notes (*kapitalbeviser*) (the "**Notes**") are issued by Topdanmark A/S, CVR no. 78040017 (the "**Issuer**"). The issue of the Notes was authorised by a resolution of the Board of Directors of the Issuer on 17 November 2017. A VP agency agreement dated 21 November 2017, as amended or supplemented from time to time (the "**VP Agency Agreement**"), has been entered into in relation to the Notes between the Issuer and Danske Bank A/S as agent (the "**VP Agent**"). A tri-partite agreement dated 27 October 2017, as amended or supplemented from time to time (the "**Tri-partite Agreement**"), has been entered into in relation to the Notes between the Issuer, the VP Agent and VP Securities A/S, the Danish central securities depository (the "**Securities Depository**"). The Notes will be created and held in uncertificated book entry form in accounts with the Securities Depository. The VP Agent will act as agent of the Issuer in respect of all dealings with the Securities Depository in respect of the Notes.

References to "**Conditions**" are, unless the context otherwise requires, to the numbered paragraphs of these terms and conditions.

##### 1. Form, Specified Denomination and Title

The Notes are issued in uncertificated book entry form and in the denomination(s) of DKK 0.01.

Each Note in the Securities Depository, will be registered with a minimum settlement unit of DKK 1,000,000 (the "**Minimum Settlement Unit**"), meaning that the Notes can only be traded in portions having an aggregate nominal amount of DKK 1,000,000 or, if greater, an even multiple of DKK 1,000,000.

Title to the Notes shall pass by registration at the Securities Depository in accordance with the rules and procedures of the Securities Depository. The holder of a Note (each a "**Noteholder**") will be the person evidenced as such by a book entry in the records of the Securities Depository. Where a nominee is so evidenced, it shall be treated by the Issuer as Noteholder.

##### 2. Transfer of Notes

The Notes will be transferable only in accordance with the rules and procedures for the time being of the Securities Depository and Danish law.

##### 3. Status of the Notes

The Notes on issue constitute Tier 1 Own Funds of the Issuer and the Group under the Relevant Rules.

Subject to Condition 6 (*Loss Absorption Following a Trigger Event and Reinstatement of the Notes*), the Notes constitute direct, unsecured and subordinated obligations of the Issuer, and shall at all times rank:

- (A) senior to payments to holders of present or future outstanding Junior Obligations of the Issuer;
- (B) *pari passu* without any preference among themselves;
- (C) *pari passu* with payments to holders of present or future outstanding Parity Obligations of the Issuer;
- (D) junior to Tier 2 Capital and Tier 3 Capital of the Issuer; and
- (E) junior to present or future claims of (i) all policyholders and beneficiaries and any other unsubordinated creditors of the Issuer and (ii) creditors in respect of any other obligations or instruments of the Issuer that

rank or are expressed to rank senior to the Notes.

By acceptance of the Notes, each Noteholder will be deemed to have waived any right of set-off or counterclaim that such Noteholder might otherwise have against the Issuer in respect of or arising under the Notes whether prior to or in bankruptcy (*konkurs*) or liquidation (*likvidation*).

#### 4. Interest

##### 4.1 Interest Rate

(A) The interest rate in respect of the Notes for each Interest Period (the "**Interest Rate**") shall be the aggregate of:

- (i) the Screen Rate; and
- (ii) the Margin.

If the Screen Rate is unavailable, the VP Agent will request each of the Reference Banks to provide the VP Agent with the rate at which deposits in DKK are offered by it to prime banks in the Danish interbank market for three months at approximately 11.00 a.m. (Copenhagen time) on the second Business Day prior to the start of each Interest Period and for a Representative Amount. If at least two of the Reference Banks provide such rates, the Interest Rate shall be the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) as established by the VP Agent of such rates, plus the Margin. If fewer than two rates are provided as requested, the Interest Rate for that Interest Period will be the arithmetic mean of the rates quoted by major banks in Denmark selected by the VP Agent, at approximately 11.00 a.m. (Copenhagen time) on the first day of such Interest Period for loans in DKK to leading Danish banks for a period of three months commencing on the first day of such Interest Period and for a Representative Amount, plus the Margin. If the Interest Rate cannot be determined in accordance with the above provisions, the Interest Rate shall be the Interest Rate applicable to the preceding Interest Period, all as determined by the VP Agent. The Interest Rate cannot in any event be less than zero.

(B) Each Note bears interest on its Outstanding Principal Amount at the applicable Interest Rate from (and including) the Issue Date in accordance with the provisions of this Condition 4.

Subject to Condition 5 (*Interest Cancellation*), interest shall be payable on the Notes quarterly in arrear on each Interest Payment Date, in each case as provided in this Condition 4.

(C) In respect of each Interest Period, the amount of interest payable shall be equal to the product of the Outstanding Principal Amount and the Interest Rate and the Day Count Fraction.

The Interest Payment to each Noteholder shall be rounded to the nearest øre (half an øre being rounded upwards).

In these Conditions, "**Day Count Fraction**" means, in respect of any relevant period, the actual number of days in the period from and including the date from which interest begins to accrue to but excluding the date on which it falls due divided by 360.

##### 4.2 Interest Accrual

Without prejudice to Condition 5 (*Interest Cancellation*), interest shall cease to accrue on each Note from (and including) the date of redemption thereof pursuant to Condition 7 (*Redemption, Substitution, Variation and Purchase*) unless payment is improperly withheld or refused, in which event interest shall continue to accrue.

##### 4.3 Determination of the Interest Rate

Subject as provided in Condition 4.1 (*Interest Rate*), the VP Agent will, as soon as practicable after 11:00 a.m. (Copenhagen time) on the second Business Day prior to the start of each Interest Period, determine the applicable Interest Rate in respect of such Interest Period.

#### **4.4 Publication of the Interest Rate**

The Issuer shall cause notice of the Interest Rate to be given to the Noteholders in accordance with Condition 12 (*Notices*) as soon as reasonably practicable after the determination of such Interest Rate in accordance with Condition 4.3 (*Determination of the Interest Rate*) and in any event no later than the commencement of the relevant Interest Period.

#### **4.5 Determinations of Interest Rate binding**

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 4, by the VP Agent and the Issuer, shall (in the absence of manifest error) be binding on the Issuer, the VP Agent and all Noteholders and (in the absence of wilful default and gross negligence) no liability to the Noteholders shall attach to the Issuer or the VP Agent in connection with the exercise or non-exercise by it of any of its powers, duties and discretions.

### **5. Interest Cancellation**

#### **5.1 Interest Payments Discretionary**

Interest on the Notes is due and payable only at the sole and absolute discretion of the Issuer and is subject to the provision of Condition 5.2 (*Mandatory Cancellation of Interest Payments*). Accordingly, the Issuer may at any time elect to cancel any Interest Payment (or any part thereof) which would otherwise be payable on any Interest Payment Date.

#### **5.2 Mandatory Cancellation of Interest Payments**

To the extent required by the Relevant Rules from time to time and save as otherwise permitted pursuant to Condition 5.3 (*Waiver of Cancellation of Interest Payments by Relevant Regulator*), the Issuer shall cancel any Interest Payment on the Notes in accordance with this Condition 5 if:

- (A) there is non-compliance with the Solvency Capital Requirement at the time for payment of such Interest Payment, or non-compliance with the Solvency Capital Requirement would occur immediately following, and as a result of making, such Interest Payment;
- (B) there is non-compliance with the Minimum Capital Requirement at the time for payment of such Interest Payment, or non-compliance with the Minimum Capital Requirement would occur immediately following, and as a result of making, such Interest Payment;
- (C) the amount of such Interest Payment when aggregated together with any interest payments or distributions which have been paid or made or which are scheduled simultaneously to be paid or made on all Tier 1 Own Funds (excluding any such payments which do not reduce the Issuer's Distributable Items and any payments already accounted for in determining the Issuer's Distributable Items) since the end of the latest financial year of the Issuer and prior to, or on, such Interest Payment Date, would exceed the amount of the Issuer's Distributable Items as at the Interest Payment Date in respect of such Interest Payment; or
- (D) the Issuer is otherwise required by the Relevant Regulator or under the Relevant Rules (on the basis that the Notes are intended to qualify as Tier 1 Capital) to cancel the relevant Interest Payment,

each of the events or circumstances described in paragraphs (A) to (D) (inclusive) above being a "**Mandatory Interest Cancellation Event**".

### 5.3 Waiver of Cancellation of Interest Payments by Relevant Regulator

Notwithstanding Condition 5.2 (*Mandatory Cancellation of Interest Payments*), the Issuer shall not be required to cancel an Interest Payment where a Mandatory Interest Cancellation Event has occurred and is continuing, or would occur if payment of interest on the Notes were to be made (to the extent permitted by the Relevant Rules) where:

- (A) the Mandatory Interest Cancellation Event is of the type described in paragraph (A) of Condition 5.2 (*Mandatory Cancellation of Interest Payments*) only;
- (B) the Relevant Regulator has exceptionally waived the cancellation of the Interest Payment;
- (C) the Relevant Regulator has confirmed to the Issuer that it is satisfied that payment of the Interest Payment would not further weaken the solvency position of the Issuer or the Group; and
- (D) the Minimum Capital Requirement will be complied with immediately following such Interest Payment, if made.

### 5.4 Effect of Cancellation of Interest Payments

Any Interest Payment (or relevant part thereof) which is cancelled in accordance with this Condition 5 shall not become due and shall not accumulate or be payable at any time thereafter, and Noteholders shall have no rights in respect thereof and any such cancellation or non-payment shall not constitute a default or event of default on the part of the Issuer for any purpose.

### 5.5 Notice of Cancellation of Interest Payments

If practicable, the Issuer shall provide notice of any cancellation of any Interest Payment pursuant to Condition 5.1 (*Interest Payments Discretionary*) or Condition 5.2 (*Mandatory Cancellation of Interest Payments*) to Noteholders in accordance with Condition 12 (Notices), at least five (5) Business Days prior to the relevant Interest Payment Date. However, any failure to provide such notice will not invalidate the cancellation of the relevant Interest Payment.

## 6. Loss Absorption Following a Trigger Event and Reinstatement of the Notes

### 6.1 Loss Absorption Following a Trigger Event

If at any time a Trigger Event occurs, the Issuer shall immediately notify the Relevant Regulator, the VP Agent and, in accordance with Condition 12 (*Notices*), the Noteholders and the Outstanding Principal Amount shall be reduced as described below on the relevant Write Down Effective Date. Notwithstanding the foregoing, failure to give any such notice shall not prejudice the right of the Issuer to reduce the Outstanding Principal Amount pursuant to this Condition 6.1.

If a Trigger Event occurs after a notice of redemption has been given pursuant to Condition 7.6 (*Redemption at the Option of the Issuer*), Condition 7.7 (*Redemption, substitution or variation at the option of the Issuer for taxation reasons*) or Condition 7.8 (*Redemption, substitution or variation at the option of the Issuer due to a Capital Disqualification Event*) but before the relevant redemption date, such notice of redemption shall automatically be revoked and the relevant redemption shall be suspended in accordance with Condition 7.4 (*Suspension of Redemption*).

The reduction of the Outstanding Principal Amount shall occur without delay on such date selected by the Issuer in consultation with the Relevant Regulator (the "**Write Down Effective Date**") but no later than one month following the occurrence of the relevant Trigger Event.

The Outstanding Principal Amount shall be reduced in such a way that all of the following are reduced (i) the claim of the holder of the Notes in the event of a bankruptcy (*konkurs*) or liquidation (*likvidation*) of the Issuer; (ii) the amount required to be paid on redemption of Notes; and (iii) the interest paid on the Notes.

Subject to compliance with the Relevant Rules, the amount of the reduction of the Outstanding Principal Amount on the Write Down Effective Date shall be:

- (A) the amount of reduction of the Outstanding Principal Amount that (taking into account any utilisation and conversion or utilisation and write down (to the extent possible) of any other Loss Absorbing Instruments in accordance with the Relevant Rules) would be sufficient to restore compliance with the Solvency Capital Requirement or the Minimum Capital Requirement (as applicable); or
- (B) if that write down pursuant to paragraph (A) above would be insufficient to restore compliance with the Solvency Capital Requirement, or the Solvency Capital Requirement is not capable of being so restored, the amount that would reduce the total nominal amount of Notes held by the Noteholder holding the least number of Notes at the Write Down Effective Date to DKK 0.01 or so that the Issuer's payment obligations in respect of the nominal amount of Notes held by such Noteholder is reduced to DKK 0.01; or
- (C) if that write down pursuant to paragraph (B) is not compliant with the Relevant Rules, the amount that would reduce the Outstanding Principal Amount to zero.

The Issuer's determination of the relevant amount of a reduction to the Outstanding Principal Amount pursuant to this Condition 6.1 shall be binding on the Noteholders.

Any interest on any principal amount that is to be written down on the relevant Write Down Effective Date, in respect of an Interest Period ending on any Interest Payment Date falling between the date of a Trigger Event and the Write Down Effective Date shall also be deemed to have been cancelled upon the occurrence of such Trigger Event and shall not be due and payable.

Any reduction of the Outstanding Principal Amount pursuant to this Condition 6.1 must be made on a pro rata basis between the Noteholders by reducing the number of Notes held by each Noteholder on a likewise pro rata basis.

Following a reduction of the Outstanding Principal Amount as described above, interest will continue to accrue on the Outstanding Principal Amount following such reduction, and will be subject to Condition 5 (*Interest Cancellation*) and Condition 6.2 (*Discretionary Reinstatement*) as described herein.

The Issuer may determine that a Trigger Event has occurred on more than one occasion and the Outstanding Principal Amount may be reduced pursuant this Condition 6.1 on more than one occasion.

Any reduction of the Outstanding Principal Amount pursuant to this Condition 6.1 shall not constitute an event of default or a breach of the Issuer's obligations or duties or a failure to perform by the Issuer in any manner whatsoever and shall not, of itself, entitle the Noteholders to petition for the insolvency or dissolution of the Issuer or otherwise.

For the avoidance of doubt, any Outstanding Principal Amount, which has been reduced according to this Condition 6.1 will not be reinstated or restored by the Issuer except if the Issuer opts to effect a Discretionary Reinstatement as per Condition 6.2 (*Discretionary Reinstatement*).

## **6.2 Discretionary Reinstatement**

Following any reduction of the Outstanding Principal Amount pursuant to Condition 6.1 (*Loss Absorption Following a Trigger Event*), the Issuer may, at its discretion, increase the Outstanding Principal Amount of the Notes (a "**Discretionary Reinstatement**") provided that such Discretionary Reinstatement:

- (A) is permitted only after the Issuer has achieved compliance with the Solvency Capital Requirement;
- (B) is not activated by reference to own fund items issued or increased in order to restore compliance with the Solvency Capital Requirement;
- (C) occurs only on the basis of profits which contribute to Distributable Items made subsequent to the restoration

of compliance with the Solvency Capital Requirement in a manner that does not undermine the loss absor-  
bency intended by Article 71(5) of the Solvency II Regulation;

- (D) does not result in a Trigger Event;
- (E) will not result in the Outstanding Principal Amount being greater than the Initial Principal Amount; and
- (F) is approved by the Relevant Regulator, provided that any such approval is required pursuant to the Relevant Rules.

The Issuer shall immediately notify the VP Agent and, in accordance with Condition 12 (*Notices*) the Noteholders of any Discretionary Reinstatement pursuant this Condition 6.2.

A Discretionary Reinstatement may occur on one or more occasions until the Outstanding Principal Amount of the Notes has been reinstated to the Initial Principal Amount. Any decision by the Issuer to effect or not to effect any Discretionary Reinstatement on any occasion shall not preclude it from effecting or not effecting any Discretionary Reinstatement on any other occasion.

## **7. Redemption, Substitution, Variation and Purchase**

### **7.1 No Redemption Date**

The Notes are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall only have the right to redeem or purchase the Notes in accordance with the following provisions of this Condition 7. The Notes are not redeemable at the option of the Noteholders at any time.

### **7.2 Conditions to Redemption and Purchase**

To the extent required pursuant to the Relevant Rules from time to time, and save as otherwise permitted pursuant to Condition 7.3 (*Waiver of Redemption and Purchase Condition relating to Solvency Capital Requirement by Relevant Regulator*), the Issuer may not redeem or purchase any Notes unless each of the following conditions is satisfied:

- (A) the relevant date of any redemption or purchase of the Notes pursuant to Condition 7.7 (*Redemption, substitution or variation at the option of the Issuer for taxation reasons*), Condition 7.8 (*Redemption, substitution or variation at the option of the Issuer due to a Capital Disqualification Event*) or Condition 7.10 (*Purchases*) is after the fifth (5<sup>th</sup>) anniversary of the Issue Date unless such redemption or purchase is funded out of the proceeds of a new issuance of, or the Notes are exchanged into, Tier 1 Own Funds of the same or a higher quality than the Notes;
- (B) in respect of any redemption or purchase of the Notes occurring after the fifth (5<sup>th</sup>) anniversary of the Issue Date and before the tenth (10<sup>th</sup>) anniversary of the Issue Date, the Relevant Regulator has confirmed to the Issuer that it is satisfied that the Solvency Capital Requirement is exceeded by an appropriate margin (taking into account the solvency position of the Issuer and/or the Group including the Issuer's and/or the Group's medium-term capital management plan) unless such redemption or purchase is funded out of the proceeds of a new issuance of, or the Notes are exchanged into, Tier 1 Own Funds of the same or a higher quality than the Notes;
- (C) the Solvency Capital Requirement is met immediately prior to the redemption or purchase of the Notes (as applicable) and the redemption or purchase (as applicable) would not cause the Solvency Capital Requirement to be breached;
- (D) the Minimum Capital Requirement is met immediately prior to the redemption or purchase of the Notes (as applicable) and the redemption or purchase (as applicable) would not cause the Minimum Capital Requirement to be breached;

- (E) no Insolvent Insurer Winding-up has occurred and is continuing;
- (F) the Regulatory Clearance Condition is satisfied; and
- (G) any other requirements or pre-conditions to which the Issuer is otherwise subject and which may be imposed by the Relevant Regulator or the Relevant Rules (on the basis that the Notes are intended to qualify as Tier 1 Capital) have been complied with (and shall continue to be complied with following the proposed redemption or purchase),

the conditions set out in paragraphs (A) to (G) (inclusive) above being the "**Redemption and Purchase Conditions**".

If on the proposed date for redemption of the Notes the Redemption and Purchase Conditions are not met, redemption of the Notes shall instead be suspended and such redemption shall occur only in accordance with Condition 7.4 (*Suspension of Redemption*).

### **7.3 Waiver of Redemption and Purchase Condition relating to Solvency Capital Requirement by Relevant Regulator**

Notwithstanding Condition 7.2 (*Conditions to Redemption and Purchase*), the Issuer shall be entitled to redeem the Notes (to the extent permitted by the Relevant Rules) where:

- (A) all Redemption and Purchase Conditions are met other than that described in paragraph (C) of Condition 7.2 (*Conditions to Redemption and Purchase*);
- (B) the Relevant Regulator has exceptionally waived the cancellation of redemption of the Notes;
- (C) all (but not some only) of the Notes are exchanged for a new issue of Tier 1 Own Funds of the same or higher quality than the Notes; and
- (D) the Minimum Capital Requirement will be complied with immediately following such redemption, if made.

### **7.4 Suspension of Redemption**

The Issuer shall notify the Noteholders in accordance with Condition 12 (*Notices*) no later than five (5) Business Days prior to any date set for redemption of the Notes if such redemption is to be suspended in accordance with this Condition 7.4, provided that if an event occurs less than five (5) Business Days prior to the date set for redemption that results in the Redemption and Purchase Conditions ceasing to be met, the Issuer shall notify the Noteholders in accordance with Condition 12 (*Notices*) as soon as reasonably practicable following the occurrence of such event.

If redemption of the Notes does not occur on the date specified in the notice of redemption by the Issuer under Condition 7.6 (*Redemption at the Option of the Issuer*), Condition 7.7 (*Redemption, substitution or variation at the option of the Issuer for taxation reasons*) or Condition 7.8 (*Redemption, substitution or variation at the option of the Issuer due to a Capital Disqualification Event*) as a result of the operation of Condition 7.2 (*Conditions to Redemption and Purchase*), the Issuer shall redeem such Notes at their then Outstanding Principal Amount together with any accrued and unpaid interest (in each case, to the extent that such amounts have not previously been cancelled pursuant to these Conditions), upon the earlier of:

- (A) the date falling ten (10) Business Days after the date on which the Redemption and Purchase Conditions are met or redemption of the Notes is otherwise permitted pursuant to Condition 7.3 (*Waiver of Redemption and Purchase Condition relating to Solvency Capital Requirement by Relevant Regulator*) (unless on such tenth (10<sup>th</sup>) Business Day redemption of the Notes on such date would result in the Redemption and Purchase Conditions ceasing to be met, in which case the provisions of Condition 7.2 (*Conditions to Redemption and Purchase*) and this paragraph (A) of this Condition 7.4 will apply *mutatis mutandis* to determine the

rescheduled due date for redemption of the Notes); or

- (B) the date on which an effective resolution is passed for a liquidation (*likvidation*) of the Issuer.

The Issuer shall notify the Noteholders in accordance with Condition 12 (*Notices*) no later than five (5) Business Days prior to any such date set for redemption pursuant to (A) or (B) above.

#### **7.5 Suspension of Redemption Not a Default**

Notwithstanding any other provision in these Conditions, the suspension of redemption of the Notes in accordance with Condition 7.2 (*Conditions to Redemption and Purchase*) and Condition 7.4 (*Suspension of Redemption*) will not constitute a default by the Issuer and will not give Noteholders any right to accelerate the Notes or take any enforcement action under the Notes.

#### **7.6 Redemption at the Option of the Issuer**

Provided that the Redemption and Purchase Conditions are met, the Issuer may, having given:

- (A) not less than fifteen (15) nor more than thirty (30) days' notice to the Noteholders in accordance with Condition 12 (*Notices*) (which notice shall (save as provided in Condition 7.12 below) be irrevocable and shall specify the date fixed for redemption); and
- (B) notice to the VP Agent on the earlier of (i) not less than three (3) days before the giving of the notice referred to in (A) and (ii) not less than thirty (30) days before the date fixed for redemption,

redeem all (but not some only) of the Notes, on the First Call Date or on any Interest Payment Date thereafter at their then Outstanding Principal Amount together with (to the extent that such interest has not been cancelled in accordance with these Conditions) any accrued and unpaid interest to (but excluding) the date of redemption.

#### **7.7 Redemption, substitution or variation at the option of the Issuer for taxation reasons**

Provided that the Redemption and Purchase Conditions are met, and subject to Condition 7.9 (*Preconditions to redemption, variation or substitution for taxation reasons or Capital Disqualification Event*), if

- (A) as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction, or any change in the application or official interpretation of the laws or regulations of a Relevant Jurisdiction (a "**Tax Event**"), which change or amendment becomes effective after the Issue Date, on the next Interest Payment Date either: (i) the Issuer would be required to pay Additional Amounts; or (ii) the payment of interest would no longer be deductible for Danish tax purposes; and
- (B) the effect of the foregoing cannot be avoided by the Issuer taking reasonable measures available to it,

the Issuer may at its option (without any requirement for the consent or approval of the Noteholders) and having given not less than thirty (30) nor more than sixty (60) days' notice in writing to the VP Agent and, in accordance with Condition 12 (*Notices*), the Noteholders (which notice shall (save as provided in Condition 7.12 below) be irrevocable) either (at its sole discretion):

- (i) redeem all (but not some only) of the Notes, on any Interest Payment Date at their then Outstanding Principal Amount together with (to the extent that such interest has not been cancelled in accordance with these Conditions) any accrued and unpaid interest to (but excluding) the date of redemption, provided that no such notice of redemption shall be given earlier than ninety (90) days prior to the earliest date on which: (i) with respect to (A)(i), the Issuer would be obliged to pay such Additional Amounts; and (ii) with respect to (A)(ii), the payment of interest would no longer be deductible for Danish tax purposes, in each case were a payment in respect of the Notes then due;
- (ii) substitute at any time all (but not some only) of the Notes for, or amend or vary the terms of the Notes

so that they become or remain, Qualifying Tier 1 Notes.

#### **7.8 Redemption, substitution or variation at the option of the Issuer due to a Capital Disqualification Event**

- (A) Provided that the Redemption and Purchase Conditions are met, and subject to Condition 7.9 (*Preconditions to redemption, variation or substitution for taxation reasons or Capital Disqualification Event*), if at any time a Capital Disqualification Event has occurred and is continuing, or, as a result of any change in, or amendment to, or any change in the application or official interpretation of, any applicable law, regulation or other official publication, a Capital Disqualification Event will occur within the forthcoming period of six (6) months, then the Issuer may, having given not less than thirty (30) nor more than sixty (60) days' notice to the Noteholders in accordance with Condition 12 (*Notices*), and the VP Agent in writing, which notice must be given during the Notice Period and shall (save as provided in Condition 7.12 below) be irrevocable, either (at its sole discretion):
- (i) redeem all (but not some only) of the Notes on any Interest Payment Date at their principal amount outstanding together with (to the extent that such interest has not been cancelled in accordance with these Conditions) any accrued and unpaid interest to (but excluding) the date of redemption; or
  - (ii) substitute at any time all (but not some only) of the Notes for, or amend or vary the terms of the Notes so that they become or remain, Qualifying Tier 1 Notes.
- (B) For the purposes of this Condition 7.8, "**Notice Period**" means the period commencing on the date on which the relevant Capital Disqualification Event first occurs (or, as applicable, the date on which the Issuer certifies that the same will occur within a period of six (6) months) and ending on the thirtieth (30<sup>th</sup>) calendar day following satisfaction of the Regulatory Clearance Condition in respect of the redemption, substitution or variation which is the subject of the notice to which the Notice Period relates.

#### **7.9 Preconditions to redemption, variation or substitution for taxation reasons or Capital Disqualification Event**

Prior to the publication of any notice of redemption, variation or substitution pursuant to Condition 7.7 (*Redemption, substitution or variation at the option of the Issuer for taxation reasons*), or Condition 7.8 (*Redemption, substitution or variation at the option of the Issuer due to a Capital Disqualification Event*), the Issuer shall deliver a certificate signed by two (2) Executive Officers stating that, as the case may be, a Tax Event or a Capital Disqualification Event has occurred and is continuing as at the date of the certificate or, as the case may be (in the case of a Capital Disqualification Event), will occur within a period of six (6) months and that it would have been reasonable for the Issuer to conclude, judged at the Issue Date, that such Tax Event or Capital Disqualification Event was unlikely to occur.

The Issuer shall not be entitled to amend or otherwise vary the terms of the Notes or substitute the Notes unless:

- (A) it has notified the Relevant Regulator in writing of its intention to do so not less than one (1) month (or such other period as may be required by the Relevant Regulator or the Relevant Rules (on the basis that the Notes are intended to qualify as Tier 1 Capital) from time to time) prior to the date on which such amendment, variation or substitution is to become effective; and
- (B) the Regulatory Clearance Condition has been satisfied in respect of such proposed amendment, variation or substitution.

#### **7.10 Purchases**

The Issuer and any of its Subsidiaries may at any time purchase or procure others to purchase for its own account Notes in any manner and at any price subject to the Redemption and Purchase Conditions being met prior to, and at the time of, such purchase.

## **7.11 Cancellations**

All Notes redeemed or substituted by the Issuer pursuant to this Condition 7, and all Notes purchased pursuant to Condition 7.10 (*Purchases*) may be held, reissued, resold or, at the option of the Issuer, cancelled when the Issuer holds title to them. The Notes shall be cancelled by causing such Notes to be deleted of the records of the Securities Depository so that the cancelled Notes may not be reissued or resold, and subsequently the Issuer has no obligations in respect of the cancelled Notes.

## **7.12 Notices Final**

Subject and without prejudice to Condition 7.2 (*Conditions to Redemption and Purchase*) and Condition 7.4 (*Suspension of Redemption*), any notice of redemption as is referred to in Condition 7.6 (*Redemption at the Option of the Issuer*), Condition 7.7 (*Redemption, substitution or variation at the option of the Issuer for taxation reasons*) and Condition 7.8 (*Redemption, substitution or variation at the option of the Issuer due to a Capital Disqualification Event*) above shall be irrevocable and on the redemption date specified in such notice, the Issuer shall be bound to redeem, or as the case may be, amend, vary or substitute, the Notes in accordance with the terms of the relevant Condition.

## **8. Payments**

### **8.1 Payments in respect of Notes**

Payments of principal and interest in respect of the Notes will be made to the Noteholders shown in the relevant records of the Securities Depository in accordance with and subject to the rules and regulations from time to time governing the Securities Depository.

### **8.2 Payment on Business Days**

Where payment is to be made by transfer to a registered account, payment instructions (for value the due date or, if that is not a Business Day, for value the first following day which is a Business Day) will be initiated on the Business Day preceding the due date for payment. If the date for payment of any amount in respect of any Note is not a Business Day, the holder of such Note shall not be entitled to payment until the next following Business Day and shall not be entitled to further interest or other payment in respect of such delay.

### **8.3 VP Agent**

In acting under the VP Agency Agreement and in connection with the Notes, the VP Agent acts solely as agent of the Issuer and does not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders. The Issuer reserves the right at any time to vary or terminate the appointment of the VP Agent and to appoint a successor and additional or successor agent in respect of its dealings with the Securities Depository.

There will at all times be a VP Agent authorised to act as an account holding institution with the Securities Depository. Notice of any change in the VP Agent or in its specified office shall promptly be given to the Noteholders in accordance with Condition 12 (*Notices*).

## **9. Prescription**

Claims against the Issuer for payment in respect of the Notes shall be prescribed and become void unless made within ten years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

## **10. Taxation**

### **10.1 Payment without withholding**

All payments in respect of the Notes by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed or levied by or on behalf of the Relevant Jurisdiction unless the withholding or deduction of the Taxes is required by law. In any such event, the Issuer will pay such additional amounts in respect of Interest Payments but not in respect of any payments of principal ("**Additional Amounts**") as may be necessary in order that the net amounts received by the Noteholders after the withholding or deduction shall equal the respective amounts which would have been received in respect of the Notes in the absence of the withholding or deduction; except that no Additional Amounts shall be payable in relation to any payment in respect of any Note:

- (A) the holder of which is liable to the Taxes in respect of the Note by reason of his having some connection with the Relevant Jurisdiction other than the mere holding of the Note; or
- (B) in circumstances where such withholding or deduction would not be required if the Noteholder or any person acting on its behalf had obtained and/or presented any form or certificate or had made a declaration of non-residence or similar claim for exemption to the relevant tax authority upon the making of which the Noteholder would have been able to avoid such withholding or deduction; or
- (C) where a claim for payment is made by the Noteholder more than thirty (30) days after the Relevant Date except to the extent that a holder would have been entitled to Additional Amounts on claiming payment on the last day of the period of thirty (30) days assuming (whether or not such is in fact the case) that day to have been a Business Day.

## 10.2 Additional Amounts

Any reference in these Conditions to any amounts payable in respect of the Notes shall be deemed also to refer to any Additional Amounts which may be payable under this Condition 10.

## 11. Enforcement

There are no events of default in respect of the Notes. No Noteholder shall be entitled at any time to file for bankruptcy (*konkurs*) or liquidation (*likvidation*) of the Issuer.

If an order is made or an effective resolution is passed for the bankruptcy or liquidation of the Issuer (an "**Enforcement Event**"), the Noteholders may prove or claim in such proceedings in respect of the Notes, such claim being for payment of the Outstanding Principal Amount of the Notes at the time of commencement of such bankruptcy or liquidation of the Issuer together with interest accrued (excluding any interest cancelled in accordance with Condition 5 (*Interest Cancellation*)) from (and including) the Interest Payment Date immediately preceding the occurrence of such Enforcement Event and any other amounts payable in respect of the Notes (including any damages payable in respect thereof). Such claim shall rank as provided for in Condition 3 (*Status of the Notes*).

## 12. Notices

The Issuer shall ensure that notices to the Noteholders are given in accordance with the procedures of the Securities Depository and that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading.

Any such notices to the Noteholders will be deemed to have been given on the date it is published in accordance with the procedures of the Securities Depository or, if so published more than once or on different dates, on the date of the first publication.

Notices to be given by a Noteholder to the Issuer may be given by such holder through the Securities Depository or by registered mail to the specified office of the Issuer with a copy to the VP Agent.

### **13. Meetings of Noteholders, Modification, Waiver and Authorisation**

#### **13.1 Meeting of Noteholders**

A meeting of Noteholders shall, subject to the Conditions of the Notes and, if applicable, to the satisfaction of the Regulatory Clearance Condition, have power by Extraordinary Resolution:

- (A) to sanction any proposal by the Issuer for any modification, abrogation, variation or compromise of, or arrangement in respect of, the rights of the Noteholders against the Issuer, whether or not those rights arise under the Notes;
- (B) to sanction the substitution of the Notes for other obligations or securities of the Issuer or any other entity;
- (C) to assent to any modification of the Notes or the Conditions of the Notes proposed by the Issuer;
- (D) to authorize anyone to concur in and do anything necessary to carry out and give effect to an Extraordinary Resolution;
- (E) to give any authority, direction or sanction required to be given by Extraordinary Resolution;
- (F) to approve the substitution of any entity for the Issuer (or any previous substitute) as principal debtor under the Notes or the Conditions of the Notes.

The agreement or approval of the Noteholders shall not be required in the case of any variation of these Conditions required to be made in connection with the substitution or variation of the Notes pursuant to Condition 7.7 (*Redemption, substitution or variation at the option of the Issuer for taxation reasons*) or Condition 7.8 (*Redemption, substitution or variation at the option of the Issuer due to a Capital Disqualification Event*).

#### **13.2 Convening Meetings of Noteholders**

The Issuer may at any time convene a meeting of the Noteholders and shall convene such a meeting if required in writing by Noteholders holding Notes in principal amount equal to at least 10 per cent of the Outstanding Principal Amount.

The meeting shall be called by the Issuer in accordance with Condition 12 (*Notices*) by giving at least 8 days' but not more than 30 days' notice to the Noteholders.

The Issuer shall call the meeting no later than 14 days after having received request to convene a meeting from the relevant Noteholders containing the subject of such meeting. If the Issuer does not call the meeting within the deadline, the Noteholders shall be entitled to call the meeting.

The notice of a Noteholders' meeting shall specify the day, time and place of meeting and the nature of the resolutions to be proposed and shall explain how Noteholders may appoint proxies.

All meetings shall be held at the Issuer's registered address or in the Greater Copenhagen Area (*Storkøbenhavn*).

#### **13.3 Attendance**

At the meeting, each Noteholder must document its holdings of Notes by presenting a custody account statement from the Securities Depository or an authorized institution that is dated no earlier than seven (7) Business Days prior to the meeting, or any other reasonable proof of holding.

The following may attend and speak at a meeting:

- (A) Noteholders and proxies;
- (B) the chairman; and

- (C) the Issuer and the VP Agent (through their respective representatives) and their respective financial and legal advisers.

No one else may attend or speak.

#### **13.4 Chairman**

The chairman of the meeting shall be such person as the Issuer may nominate or, if no nomination is made, the person elected by the Noteholders present at such meeting.

#### **13.5 Quorum**

No business (except choosing a chairman) shall be transacted at a meeting unless a quorum is present at the commencement of business. If a quorum is not present within 15 minutes from the time initially fixed for the meeting, it shall, if convened on the requisition of Noteholders, be dissolved. In any other case it shall be adjourned until such date, not less than 8 and not more than 30 days later, and at a time and place as the chairman may decide. If a quorum is not present within 15 minutes from the time fixed for a meeting so adjourned, the meeting shall be dissolved.

The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding Notes or representing Noteholders holding Notes in principal amount of not less than 50 per cent of the Outstanding Principal Amount, or at any adjourned meeting one or more persons being or representing Noteholders whatever the principal amount of the Notes so held or represented, unless the business of such meeting includes consideration of proposals:

- (A) to change any date fixed for payment interest in respect of the Notes, to reduce the amount of interest payable in respect of the Notes or to alter the method of calculating the amount of any payment in respect of the Notes on redemption;
- (B) to change the currency of payment of the Notes; or
- (C) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass an Extraordinary Resolution,

in which case the quorum shall be one or more persons holding Notes or representing Noteholders holding Notes in principal amount of not less than two-thirds (2/3) of the Outstanding Principal Amount, or at any adjourned such meeting not less than one-third (1/3) of the Outstanding Principal Amount.

No resolution may be passed if it is clear that that resolution is likely to give certain Noteholders or others an undue advantage over other Noteholders.

#### **13.6 Voting**

Each Noteholder holds one vote in respect of each DKK 0.01 of such Note. No voting rights shall attach to Notes held by the Issuer and/or its Subsidiaries and any Notes held by the Issuer and/or its Subsidiaries shall not be deemed to be outstanding for the purposes of determining a quorum at any meeting of Noteholders or for the purposes of Condition 13.5 (*Quorum*).

#### **13.7 Effect and publication of an Extraordinary Resolution**

An Extraordinary Resolution shall be binding on all the Noteholders, whether or not present at the meeting, and each of them shall be bound to give effect to it accordingly. The passing of such a resolution shall be conclusive evidence that the circumstances justify its being passed. The Issuer shall give notice of the passing of an Extraor-

dinary Resolution to the Noteholders in accordance with Condition 12 (*Notices*) but failure to do so shall not invalidate the resolution. For the avoidance of doubt, an Extraordinary Resolution passed by the Noteholders shall only be binding on the Issuer where the Issuer has consented to the relevant resolution.

### **13.8 Minutes**

Minutes shall be made of all resolutions and proceedings at every meeting and, if purporting to be signed by the chairman of that meeting or of the next succeeding meeting, shall be conclusive evidence of the matters in them. Until the contrary is proved, every meeting for which minutes have been so made and signed shall be deemed to have been duly convened and held and all resolutions passed or proceedings transacted at it to have been duly passed and transacted.

### **13.9 Written resolutions**

In addition, a resolution in writing signed by or on behalf of 90 per cent of the Noteholders who for the time being are entitled to receive notice of a meeting of Noteholders and vote on such Notes, will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders. Condition 13.7 shall apply *mutatis mutandis* to any such written resolutions.

### **13.10 Modifications**

The Issuer and the VP Agent may, without the consent of the Noteholders, agree to any modification to the Notes or the Conditions to correct a formal, minor, technical or manifest error. Any such modification shall be binding on the Noteholders and any such modification shall be notified to the Noteholders in accordance with Condition 12 (*Notices*) as soon as practical thereafter.

## **14. Governing law and jurisdiction**

Disputes arising out of or in connection with these Conditions, which are not resolved amicably, shall be resolved in accordance with Danish law and before the Copenhagen City Court (*Københavns Byret*).

## **15. Defined terms**

In these Conditions:

"**Additional Amounts**" has the meaning given to such term in Condition 10.1 (*Payment without withholding*);

"**Business Day**" means a day which is both a day on which commercial banks are open for general business in Copenhagen;

a "**Capital Disqualification Event**" is deemed to have occurred if, as a result of any replacement of or change to (or change to the interpretation by the Relevant Regulator or any court or authority entitled to do so of) the Relevant Rules, the whole or any part of the Notes are no longer capable of counting as Tier 1 Capital for the purposes of the Issuer or the Group, whether on a solo, group or consolidated basis, except where such non-qualification is only as a result of any applicable limitation on the amount of such capital;

"**Conditions**" has the meaning given to such term in the preamble to these Conditions;

"**Danish Companies Act**" means the Danish Companies Act (*selskabsloven*), Consolidated Act no. 1089 of 14 September 2015 (as amended);

**"Danish Financial Business Act"** means the Danish Financial Business Act (*lov om finansiel virksomhed*), Consolidated Act no. 1140 of 26 September 2017 (as amended);

**"Day Count Fraction"** has the meaning given to such term in Condition 4.1 (*Interest Rate*);

**"Discretionary Reinstatement"** means any write-up of the Outstanding Principal Amount as defined in Condition 6.2 (*Discretionary Reinstatement*);

**"Distributable Items"** shall have the meaning assigned to such term in the Relevant Rules then applicable to the Issuer;

**"DKK", "Danish Krone" and "øre"** means the lawful currency of Denmark;

**"Executive Officer"** means any member of the executive board of the Issuer from time to time;

**"Extraordinary Resolution"** means a resolution passed at a meeting of Noteholders (whether originally convened or resumed following an adjournment) duly convened and held in accordance with Condition 13 (*Meetings of Noteholders, Modification, Waiver and Authorisation*) by a majority of at least 75 per cent of the votes cast.

**"First Call Date"** means the Interest Payment Date falling on or nearest to 23 November 2022;

**"Group"** means the Issuer and its Subsidiaries;

**"Group Insurance Undertaking"** means an insurance undertaking whose data is included for the purposes of the calculation of the Solvency Capital Requirement of the Group pursuant to the Relevant Rules;

**"Insolvent Insurer Winding-up"** means:

- a) any liquidation (*likvidation*) or bankruptcy (*konkurs*) of any Group Insurance Undertaking; or
- b) the appointment of an administrator of any Group Insurance Undertaking,

in each case where the Issuer has determined, acting reasonably, that all Policyholder Claims of the policyholders or beneficiaries under contracts of insurance of that Group Insurance Undertaking may or will not be met;

**"Interest Payment"** means, in respect of any Interest Payment Date, the amount of interest due and payable on such Interest Payment Date;

**"Interest Payment Date"** means 23 February, 23 May, 23 August and 23 November in each year, commencing on 23 February 2018, save that if any Interest Payment Date would otherwise fall on a day which is not a Business Day it shall be postponed to the next day which is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day.

**"Interest Period"** means the period from (and including) one Interest Payment Date (or in the case of the first Interest Period, from the Issue Date) to (but excluding) the next (or in the case of the first Interest Period, the first) Interest Payment Date (or, if earlier, the date on which accrued interest otherwise becomes due and payable pursuant to these Conditions);

**"Initial Principal Amount"** means DKK400,000,000 equal to the aggregate nominal amount of the Notes issued on the Issue Date;

**"Interest Rate"** has the meaning given to such term in paragraph (A) of Condition 4.1 (*Interest Rate*);

**"ISIN"** means the identification number of the Notes (International Securities Identification Number), being DK0030405931;

**"Issue Date"** means 23 November 2017;

**"Issuer"** has the meaning given to such term in the preamble to these Conditions;

**"Junior Obligations"** means the paid-in ordinary share capital of the Issuer and any other obligation of the Issuer ranking or expressed to rank junior to the Notes or to Parity Obligations;

**"Loss Absorbing Instruments"** means at any time any obligation or instrument (other than the Notes) of the Issuer which include a loss absorption mechanism that is activated by an equivalent to the Trigger Event in all material respects and/or has a different threshold for such activation and has been activated on or prior to the relevant Trigger Event;

**"Mandatory Interest Cancellation Event"** has the meaning given to such term in Condition 5.2 (*Mandatory Cancellation of Interest Payments*);

**"Margin"** means 2.75 per cent. per annum;

**"Minimum Capital Requirement"** means the Minimum Capital Requirement of the Issuer, the Minimum Capital Requirement of the Group or the Group minimum Solvency Capital Requirement (as applicable) referred to in the Relevant Rules;

**"Minimum Settlement Unit"** has the meaning given to such term in Condition 1 (*Form, Specified Denomination and Title*);

**"Noteholder"** has the meaning given to such term in Condition 1 (*Form, Specified Denomination and Title*);

**"Notes"** has the meaning given to such term in the preamble to these Conditions;

**"Outstanding Principal Amount"** means:

- a) in respect of each Note outstanding, DKK 0.01; and
- b) in respect of all Notes, the Initial Principal Amount as reduced from time to time by any reduction of the Outstanding Principal Amount pursuant to these Conditions or any other write-down or cancellation, as the case may be, and, if applicable, as subsequently increased from time to time by any Discretionary Reinstatement in accordance with these Conditions.

**"Parity Obligations"** means any obligations of the Issuer ranking or expressed to rank *pari passu* with the Notes.

**"Policyholder Claims"** means claims of policyholders or beneficiaries under contracts of insurance in a winding-up, liquidation or administration of a Group Insurance Undertaking to the extent that those claims relate to any debt to which the Group Insurance Undertaking is, or may become, liable to a policyholder or such a beneficiary pursuant to a contract of insurance, including all amounts to which policyholders or such beneficiaries are entitled under applicable legislation or rules relating to the winding-up or administration of insurance companies to reflect any right to receive, or expectation of receiving, benefits which such policyholders or such beneficiaries may have;

**"Qualifying Tier 1 Notes"** means securities issued by the Issuer that:

- a) have terms not materially less favourable to an investor than the terms of the Notes (as reasonably determined by the Issuer in consultation with a bank or financial advisor of international standing), provided that (without prejudice to the foregoing) they shall:
  - (i) contain terms which comply with the then current requirements of the Relevant Regulator in relation to Tier 1 Capital;
  - (ii) bear at least the same rate of interest from time to time applying to the Notes;
  - (iii) have the same currency of payment, denomination, Initial Principal Amount and Outstanding Principal Amount as the Notes;
  - (iv) not at such time be subject to a Tax Event and/or a Capital Disqualification Event;
  - (v) contain terms providing for the cancellation and/or suspension of payments of interest or principal only if such terms are not materially less favourable to an investor than the cancellation and/or suspension provisions, respectively, contained in the terms of the Notes;
  - (vi) rank senior to, or *pari passu* with, the Notes;
  - (vii) preserve the obligations (including the obligations arising from the exercise of any right) of the Issuer as to redemption of the Notes, including (without limitation) as to timing of, and amounts payable upon, such redemption, provided that such Qualifying Tier 1 Notes may not be redeemed by the Issuer prior to the First Call Date (save for redemption, exchange or variation on terms analogous with Condition 7.7 (*Redemption, substitution or variation at the option of the Issuer for taxation reasons*) or Condition 7.8 (*Redemption, substitution or variation at the option of the Issuer due to a Capital Disqualification Event*)); and
- b) are listed or admitted to trading on Nasdaq Copenhagen A/S or other stock exchange qualifying as a regulated market as selected by the Issuer;

**"Redemption and Purchase Conditions"** has the meaning given to such term in Condition 7.2 (*Conditions to Redemption and Purchase*);

**"Reference Banks"** means the principal Danish office of four major banks engaged in the Copenhagen interbank market as selected by the Issuer on the advice of an investment bank of international repute;

**"Regulatory Clearance Condition"** means, in respect of any proposed act on the part of the Issuer, the Relevant Regulator having approved or consented to such act (in any case only if and to the extent required by the Relevant Regulator or the Relevant Rules (on the basis that the Notes are intended to qualify as Tier 1 Capital) from time to time);

**"Relevant Date"** means the date on which the payment first becomes due but, if the full amount of the money payable has not been received by the VP Agent on or before the due date, it means the date on which, the full amount of the money having been so received, notice to that effect has been duly given to the Noteholders by the Issuer in accordance with Condition 12 (*Notices*);

**"Relevant Jurisdiction"** means Denmark or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer becomes subject in respect of payments made by it of principal and interest on the Notes;

**"Relevant Regulator"** means the Danish Financial Supervisory Authority (*Finanstilsynet*) and any successor or replacement thereto, or other authority having primary responsibility for the prudential oversight and supervision of the Issuer in accordance with the Relevant Rules;

**"Relevant Rules"** means the regulatory capital rules from time to time as applied to the Issuer or the Group (whether having the force of law or otherwise) by the Relevant Regulator, including Solvency II and any legislation, rules or regulations of the Relevant Regulator relating to such matters;

**"Representative Amount"** means an amount that is representative for a single transaction in the relevant market at the relevant time;

**"Screen Rate"** means the Copenhagen Inter-bank Offered Rate ("**CIBOR**") for three-month deposits in Danish Krone which appears on the website of Nasdaq Copenhagen A/S at the webpage <http://www.nasdaqomxnordic.com/bonds/denmark/cibor> (or such other page as may replace it on that service or, as the case may be, on such other information service that may replace that service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates comparable to the relevant rate);

**"Solvency Capital Requirement"** means the Solvency Capital Requirement for the Issuer and the Solvency Capital Requirement for the Group (as applicable) referred to in, or any other capital requirement howsoever described in the Relevant Rules;

**"Solvency II"** means the Solvency II Directive and any implementing measures adopted pursuant to the Solvency II Directive (for the avoidance of doubt, whether implemented by way of regulation, implementing technical standards or by further directives, guidelines published by the European Insurance and Occupational Pensions Authority (or any successor entity) or otherwise) including, without limitation, the Solvency II Regulation;

**"Solvency II Directive"** means Directive 2009/138/EC of the European Union of 25 November, 2009 on the taking-up and pursuit of the business of insurance and reinsurance (Solvency II) (as amended);

**"Solvency II Regulation"** means Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking up and pursuit of the business of Insurance and Reinsurance (Solvency II);

**"Subsidiary"** has the meaning provided to the term "*dattervirksomhed*" in the Danish Companies Act;

**"Taxes"** has the meaning given to such term in Condition 10.1 (*Payment without withholding*);

**"Tax Event"** has the meaning given to such term in paragraph (A) of Condition 7.7 (*Redemption, substitution or variation at the option of the Issuer for taxation reasons*);

**"Tier 1 Capital"** has the meaning given to such term by the Relevant Rules from time to time;

**"Tier 2 Capital"** has the meaning given to such term by the Relevant Rules from time to time;

**"Tier 3 Capital"** has the meaning given to such term by the Relevant Rules from time to time;

**"Tier 1 Own Funds"** means subordinated notes, ordinary shares or any other share capital of any class which constitute Tier 1 Capital for the purposes of the Issuer or the Group, whether on a solo, group or consolidated basis;

a **"Trigger Event"** shall occur at any time in case any of the following conditions are met for the Issuer and/or the

Group:

- a) the amount of own-fund items eligible to cover the Solvency Capital Requirement is equal to or less than 75 % of the Solvency Capital Requirement; or
- b) the amount of own-fund items eligible to cover the Minimum Capital Requirement is equal to or less than the Minimum Capital Requirement; or
- c) compliance with the Solvency Capital Requirement is not re-established within a period of three months of the date when non-compliance with the Solvency Capital Requirement was first observed;

**"VP Agent"** has the meaning given to such term in the preamble to these Conditions;

**"VP Agency Agreement"** has the meaning given to such term in the preamble to these Conditions; and

**"Write Down Effective Date"** has the meaning given to such term in Condition 6.1 (*Loss Absorption Following a Trigger Event*).

## 5. DEFINITIONS

Terms defined in Section 4 ("*Terms and Conditions of the Notes*") above have the same meaning when used elsewhere in this Prospectus.

In addition to the terms defined in Section 4 ("*Terms and Conditions of the Notes*"), the following terms shall have the following meaning when used in this Prospectus.

**"2015 Annual Report"** means the English version of the audited consolidated annual report of the Issuer for the financial year ended 31 December 2015.

**"2016 Annual Report"** means the English version of the audited consolidated annual report of the Issuer for the financial year ended 31 December 2016.

**"Annual Reports"** means the 2015 Annual Report and the 2016 Annual Report.

**"Board of Directors"** means the board of directors of the Issuer.

**"Condition"** means a term and condition of the Notes set out in Section 4 ("*Terms and Conditions of the Notes*").

**"Danish FSA"** means the Danish Financial Supervisory Authority (*Finanstilsynet*).

**"Danish Securities Trading Act"** means the Danish Consolidated Act No. 251 of 21 March 2017, as amended, on securities trading, etc. (*lov om værdipapirhandel mv.*).

**"EUR"** means Euro.

**"Executive Board"** means the executive board of the Issuer.

**"Interim Reports"** means the Q3 2016 Interim Report and the Q3 2017 Interim Report.

**"Lead Manager"** means Danske Bank A/S.

**"Prospectus"** means this prospectus dated 21 November 2017.

**"Prospectus Directive"** means Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC, as amended by Directive 2010/73/EU.

**"Q3 2016 Interim Report"** means the English version of the non-audited consolidated interim report of the Issuer for the financial quarter ended 30 September 2016.

**"Q3 2017 Interim Report"** means the English version of the non-audited consolidated interim report of the Issuer for the financial quarter ended 30 September 2017.

**"Relevant Member State"** means a member state of the European Economic Area that has implemented the Prospectus Directive.

**"Terms and Conditions"** means the terms and conditions of the Notes set out in Section 4 ("*Terms and Conditions of the Notes*").

"**Topdanmark**" means Topdanmark A/S.

"**Topdanmark Group**" or "**Group**" means the Issuer and its subsidiaries from time to time.

"**UK FSMA**" means the United Kingdom Financial Services and Markets Act 2000.

"**US Securities Act**" means the United States Securities Act of 1933, as amended.

"**VP Agent**" means Danske Bank A/S.

## 6. LIST OF DOCUMENTS/INFORMATION INCORPORATED INTO THIS PROSPECTUS BY REFERENCE

Document/Information	Date of publication	References
<p><b>2015 Annual Report, pages 1-91</b></p> <p>Statement by the Board of Directors and the Executive Board, page 89            Independent auditor's report, page 91            Consolidated income statement, page 33            Consolidated statement of comprehensive income, page 34            Consolidated statement of financial position, pages 35-36            Consolidated statement of cash flows, page 37            Notes to the financial statements, pages 39-71            Income statement (Topdanmark A/S), page 81            Statement of comprehensive income (Topdanmark A/S), page 81            Statement of financial position (Topdanmark A/S), page 82            Notes to the financial statements (Topdanmark A/S), pages 84-87            Issuer's accounting policies, pages 23-24 and 72-80</p>	11 February 2016	Sections 2.11.1, 2.11.3.1, 2.13.1, 2.14
<p><b>Q3 2016 Interim Report, pages 1-24</b></p>	15 November 2016	Section 2.11.1
<p><b>2016 Annual Report, pages 1-98</b></p> <p>Statement by the Board of Directors and the Executive Board, page 93            Independent auditor's report, page 95            Consolidated income statement, page 32            Consolidated statement of comprehensive income, page 33            Consolidated statement of financial position, pages 34-35            Consolidated statement of cash flows, page 36            Notes to the financial statements, pages 38-70            Income statement (Topdanmark A/S), page 84            Statement of comprehensive income (Topdanmark A/S), page 84            Statement of financial position (Topdanmark A/S), page 85            Notes to the financial statements (Topdanmark A/S), pages 87-91            Issuer's accounting policies, pages 71-83</p>	23 February 2017	Sections 2.11.1, 2.11.3.1, 2.13.1, 2.14
<p><b>Q3 2017 Interim Report, pages 1-23</b></p>	26 October 2017	Sections 2.4.1.5, 2.7, 2.11.1, 2.11.6

## 7. SUBSCRIPTION AND SALE (SELLING AND TRANSFER RESTRICTIONS)

The Lead Manager has in a subscription agreement dated 21 November 2017 and made between the Issuer and the Lead Manager (the "**Subscription Agreement**") upon the terms and subject to the conditions therein, agreed to subscribe for the Notes at the issue price of 100.00 per cent of their principal amount less the fees to be paid by the Issuer to the Lead Manager pursuant to the Subscription Agreement. The Issuer has also agreed to reimburse the Lead Manager for certain of its expenses in connection with the management of the issue of the Notes. The Lead Manager is entitled in certain circumstances to be released and discharged from its obligations under the Subscription Agreement prior to the closing of the issue of the Notes.

In certain jurisdictions, the distribution of this Prospectus and the offering or sale of Notes may be restricted by law. This Prospectus may not be distributed or otherwise made available and the Notes may not be offered or sold, directly or indirectly, in any jurisdiction, unless such distribution, offering or sale is permitted under applicable laws in the relevant jurisdiction.

### Denmark

The Notes may not be offered or sold in Denmark by way of a public offering, unless in compliance with the Danish Securities Trading Act and any executive orders issued thereunder as well as the Danish Executive Order No. 623 of 24 April 2015 (to be replaced by Executive Order No. 747 of 7 June 2017 with effect from 3 January 2018) on investor protection in connection with securities trading (*bekendtgørelse om investorbekyttelse ved værdipapirhandel*) issued pursuant to the Danish Consolidated Act No. 174 of 31 January 2017, as amended, on financial business (*lov om finansiel virksomhed*).

### European Economic Area

This Prospectus has been prepared on the basis that any offer of the Notes in any member state of the European Economic Area which has implemented the Prospectus Directive (each a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive (including any implementing measure in the Relevant Member State) from the requirement to publish a prospectus for offers of the Notes. Accordingly, any person making or intending to make an offer in that Relevant Member State of Notes may only do so in circumstances in which no obligation arises for a member of the Topdanmark Group or the Lead Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive in relation to such offer or supplement a prospectus pursuant to Article 16 of the Prospectus Directive. Neither members of the Topdanmark Group nor the Lead Manager have authorised the making of any offer of the Notes in circumstances in which an obligation arises for the Topdanmark Group or the Lead Manager to publish a prospectus or supplement a prospectus for such offer.

In relation to each Relevant Member State, the Lead Manager has represented and agreed that, with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State, it has not made and will not make an offer of the Notes to the public in that Relevant Member State other than:

- (a) to any person or entity which is a "qualified investor" as defined in the Prospectus Directive;
- (b) to fewer than 150 natural or legal persons (other than "qualified investors" as defined in the Prospectus Directive);
- (c) of securities whose denomination per unit amounts to at least EUR 100,000; or
- (d) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (a)-(d) above shall require the Issuer or the Lead Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or a supplement pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of the Notes to the public" in relation to any of the Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offering and the Notes to be offered so as to enable a person or entity who acquires or intends to acquire Notes to decide to purchase or subscribe for the Notes, as the same may be varied in that member state by any measure implementing the Prospectus Directive in that member state.

#### United Kingdom

An invitation or inducement to engage in investment activity (within the meaning of Section 21 of the United Kingdom Financial Services and Markets Act 2000 (the "**UK FSMA**") in connection with the issue or sale of the Notes may only be communicated or caused to be communicated in circumstances in which Section 21(1) of the UK FSMA does not, if the Issuer was not an authorised person, apply to the Issuer.

Further, anything done by any person or entity in relation to the Notes in, from or otherwise involving the United Kingdom may only be done in compliance with all applicable provisions of the UK FSMA.

#### United States of America

The Notes have not been and will not be registered under the US Securities Act, and may not be offered or sold within the United States of America or to, or for the account or benefit of, US persons, except in accordance with Regulation S under the US Securities Act or pursuant to any other exemption from the registration requirements of the US Securities Act. In addition, until 40 days after the Issue Date (as defined below), an offer or sale of the Notes within the United States by a dealer may violate the registration requirement of the US Securities Act if such offer or sale is made otherwise than pursuant to an exemption from registration under the US Securities Act.

Terms used in this Section entitled "*United States of America*" have the meanings given to them by Regulation S under the US Securities Act.

**8. PARTIES**

**ISSUER**

Topdanmark A/S  
Borupvang 4  
DK-2750 Ballerup  
Denmark

**LEAD MANAGER**

Danske Bank A/S  
Holmens Kanal 2-12  
DK-1092 Copenhagen K  
Denmark

**VP AGENT**

Danske Bank A/S  
Holmens Kanal 2-12  
DK-1092 Copenhagen K  
Denmark

**LEGAL ADVISOR**

*To the Issuer*  
Kromann Reumert  
Sundkrogsgade 5  
DK-2100 Copenhagen Oe  
Denmark