

TOPDANMARK

Q1 2018 RESULT



Q1 2018

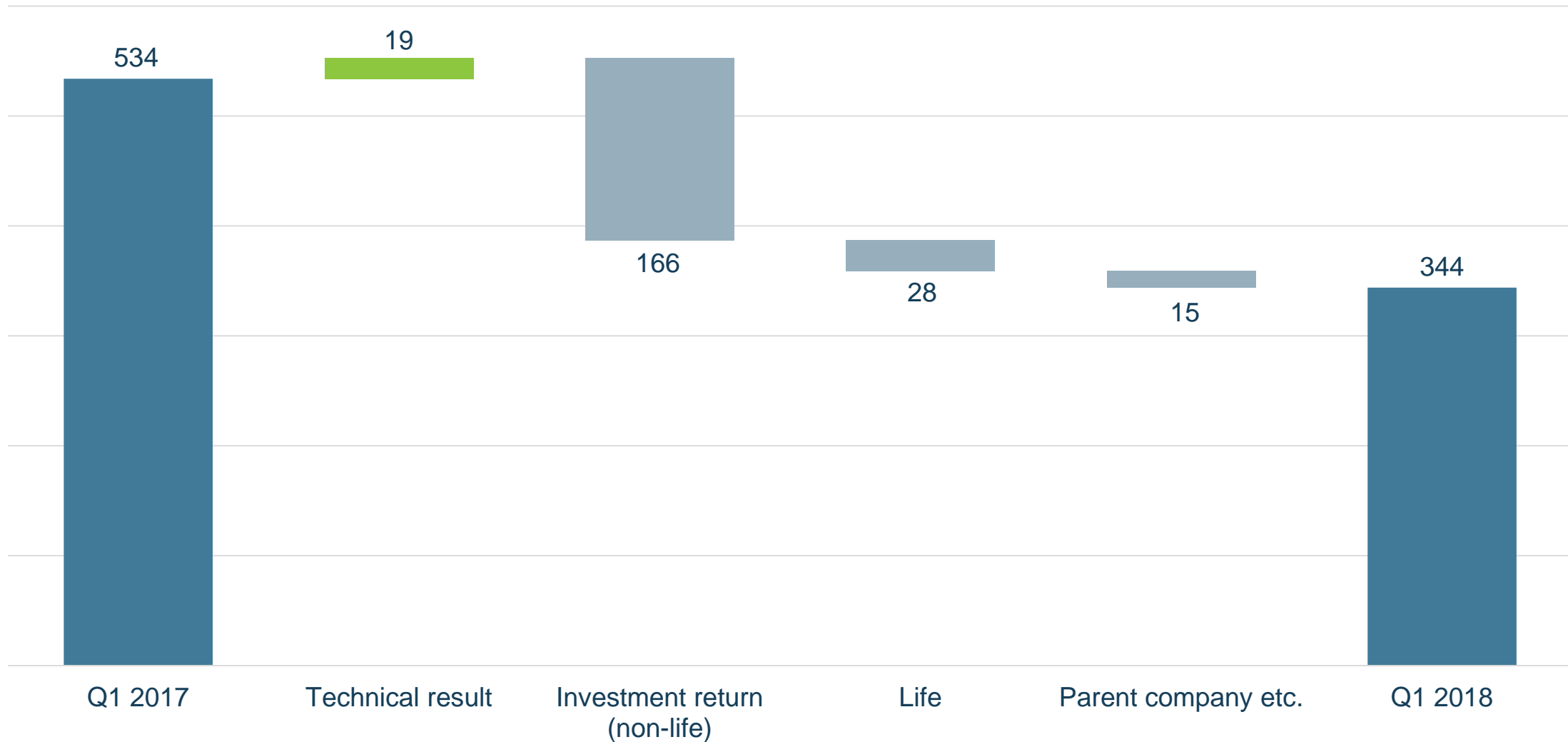
- Post-tax profit: DKK 267m (Q1 2017: DKK 415m)
- CR: 85.2 (Q1 2017: 85.8)
- CR excl. run-off: 88.0 (Q1 2017: 89.0)
- Premium growth: 1.7% increase in non-life and 18.6% in life insurance
- Profit in life insurance: DKK 44m (Q1 2017: DKK 72m)
- Investment return: DKK 19m loss (Q1 2017: DKK 152m)

Profit forecast model for 2018

- Topdanmark still expects a positive premium growth in non-life
- For the full year 2018, the assumed CR improves from 90-91 to 88-89 excl. run-off in Q2-Q4 2018
- Still incl. additional expenses of 0.5-1pp due to the investment in increased digitalisation and automation
- Profit forecast model for 2018 adjusted by DKK 100m to DKK 1,050-1,150m excl. run-off in Q2-Q4 2018



Trend in pre-tax result Q1 2017-Q1 2018

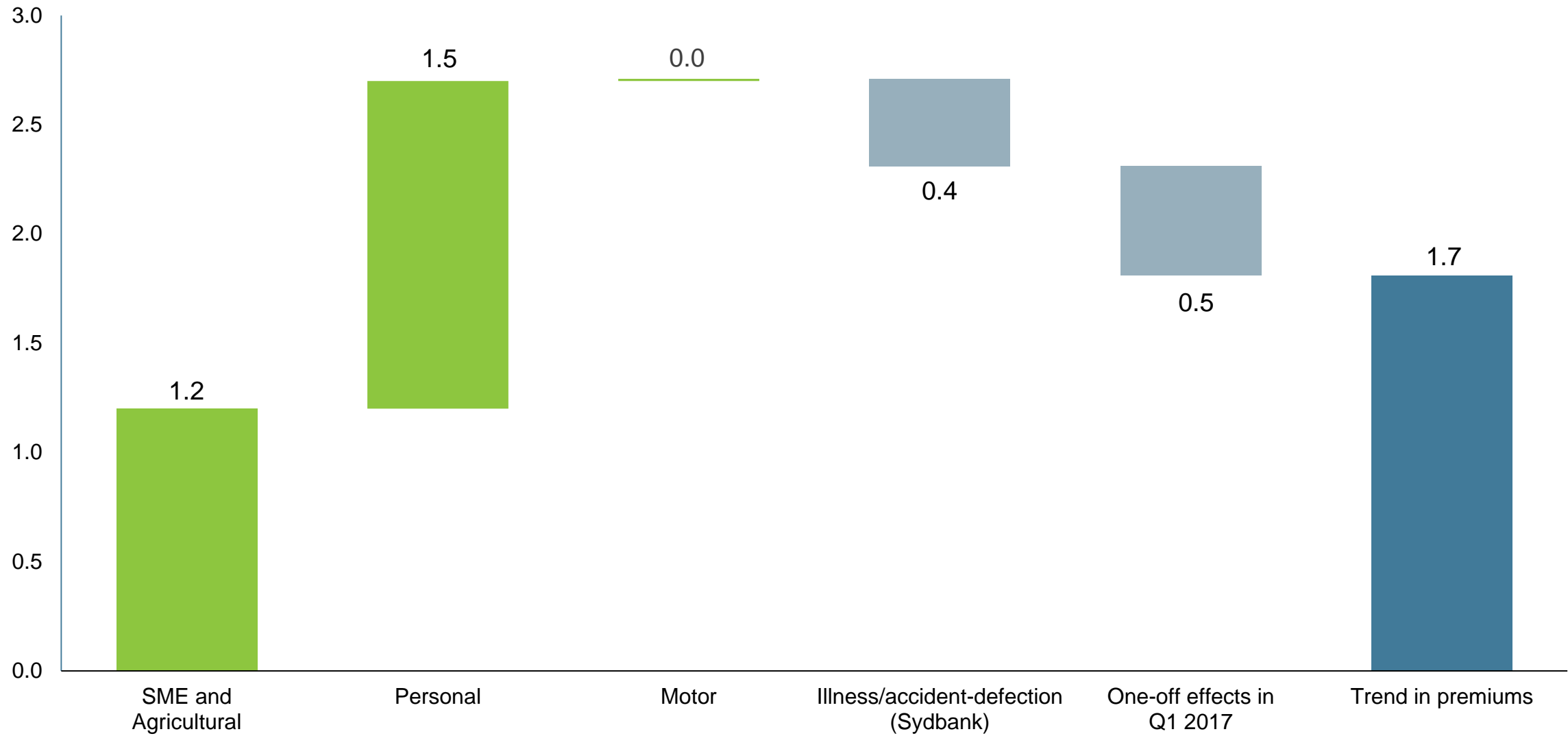


Claims trend excl. run-off, weather and large-scale claims

Claims trend	Full year 2017	Q1 2017	Q1 2018
Claims trend	65.8	68.5	67.9
Run-off	3.8	3.2	2.7
Weather-related claims	(0.4)	0.0	0.0
Large-scale claims	(0.2)	(0.1)	(0.4)
Claims before run-off, weather and large-scale claims	69.1	71.6	70.2

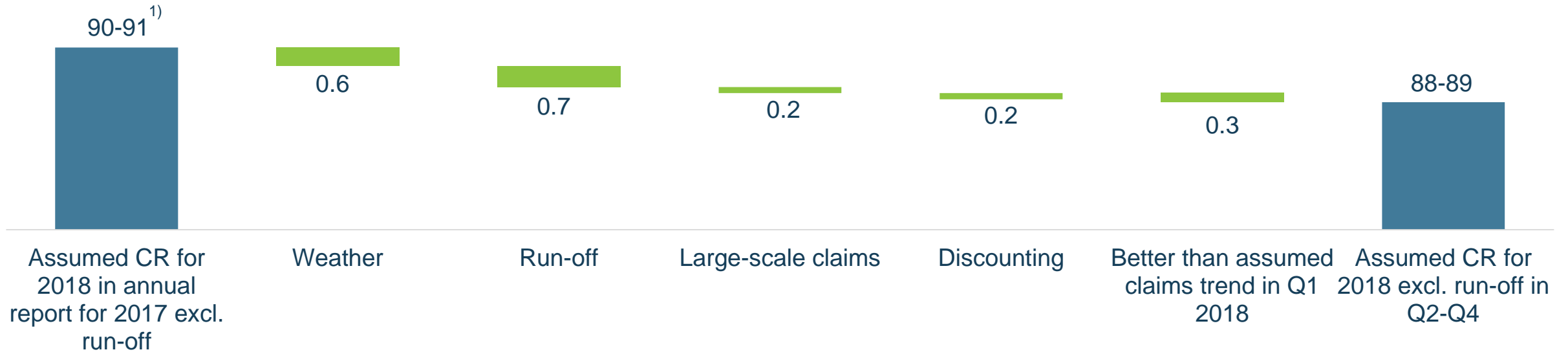


Trend in premiums (%) 2017-2018



Assumed CR adjusted from 90-91 to 88-89 for 2018

Excl. run-off in Q2-Q4



Assumptions for CR in 2018

- A normal year for weather with weather-related claims of DKK 120m in Q2-Q4
- A level of interest rates corresponding to the interest rate curve on 28 March 2018
- An expense ratio of around 16

¹⁾ Incl. additional expenses of 0.5-1pp due to an update in investments in digitalisation and automation

Cooperation agreement with Coop

Coop is the largest supermarket chain in Denmark counting 1,750,000 customers

- >800,000 customers use the Coop app

Digital set-up

- Simple, modular products
- Competitive prices
- Digital first in Sales, Service and Claims handling
 - Push strategy – insurances must be sold
- Fully integrated with Coop's bonus scheme for members

Launch

- Soft launch of Coop motor insurances in April 2018
- Other products to be launched later
 - Contents, accident, house etc.



Result – Life insurance

Result of life insurance (DKKm)	Full year 2017	Q1 2017	Q1 2018
Investment return on shareholders' equity	109	39	24
Sales and administration	(25)	(10)	(10)
Insurance risk	17	5	(7)
Risk return on shareholders' equity	147	37	37
Profit on life insurance	249	72	44



Prospects for life insurance 2018

- Assumed growth has improved from around 5% loss to slightly positive
 - Despite the termination of the distribution agreement with Sydbank
- Assumptions:
 - Full recognition as income of risk return
 - No recognition as income from shadow account
- Assumed pre-tax result for 2018 continues to be DKK 240-270m



Investment return for the Topdanmark Group excl. Life insurance

Investment return	Portfolio 31 March		Return Q1 2017		Return Q1 2018	
	2017 (DKKbn)	2018	(DKKm)	%	(DKKm)	%
Danish equities	0.3	0.3	26	8.7	(1)	(0.2)
Foreign equities	0.6	0.7	35	5.7	(24)	(3.5)
Unlisted equities and hedge funds	0.3	0.3	16	5.1	3	0.7
Government and mortgage bonds	12.0	13.6	17	0.1	(14)	(0.1)
Credit bonds	0.1	0.0	5	2.7	(1)	(1.2)
Index linked bonds	0.4	0.3	6	1.6	0	0.1
CDOs	0.6	0.6	25	4.5	14	2.4
Properties	1.0	1.1	13	1.3	12	1.1
Assets related to I/A	2.5	2.6	3	0.1	(6)	(0.2)
Money market etc.	4.1	3.9	(3)	(0.1)	(2)	(0.1)
Subordinated loan capital	(1.8)	(1.7)	(11)	(0.6)	(12)	(0.7)
Interest-bearing debt	(0.3)	0.0	(2)	(1.3)	0	0.0
	20.0	21.6	130	0.7	(29)	(0.1)
Asset management			35		27	
Investment return			165		(2)	
Return and revaluations of non-life insurance provisions			(13)		(18)	
Investment return after return and revaluations of non-life insurance provisions			152		(19)	

The exposure in foreign equities and credit bonds has been adjusted by the use of derivatives. The return percentages are calculated as the ratio between the return on financial instruments and the size of the exposure of the underlying asset. The return on properties includes revaluation of owner-occupied property, which has been included in other comprehensive income.



Profit forecast model for 2018

Profit forecast 2018 (DKKm)	Results		Forecast 2018		Forecast 2018		
	2017		31 December 2017		31 March 2018		
Non-life insurance							
- Technical result	1,622		850	- 900	1,000	-	1,050
- Investment return after return and revaluations of non-life insurance provisions etc.	288		100	- 150	50	-	100
Profit on non-life insurance	1,909		950	- 1,050	1,050	-	1,150
Life insurance	249		240	- 270	240	-	270
Parent company etc.	77		40	- 50	40	-	50
Pre-tax profit	2,235		1,230	- 1,370	1,330	-	1,470
Taxation	(502)		(280)	- (320)	(280)	-	(320)
Profit for the year	1,733		950	- 1,050	1,050	-	1,150

