

Topdanmark

Q1 2019 result



Highlights

Q1 2019

Post-tax profit

DKK 439m (Q1 2018: DKK 267m)

CR

80.1 (Q1 2018: 85.2)

CR excl. run-off

87.3 (Q1 2018: 88.0)

Premium growth

2.6% increase in non-life and 12.8% increase in life insurance

Profit on life insurance

DKK 111m (Q1 2018: DKK 44m)

Investment return

DKK 18m (Q1 2018: loss of DKK 19m)

- Including a one-off negative investment return of around DKK 200m due to change in the VA-component

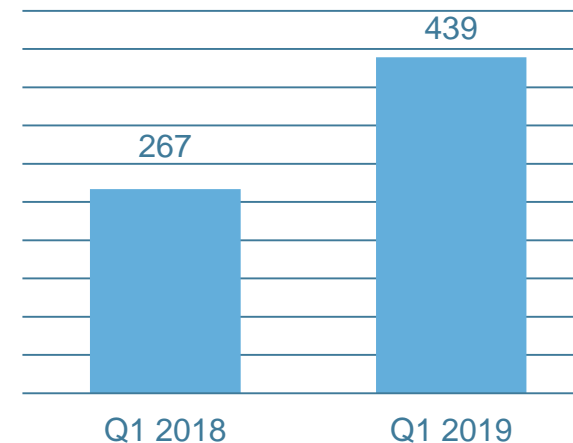
Profit forecast model for 2019

The assumed premium growth for non-life insurance in 2019 continues to be higher than the growth of 1.7% in 2018

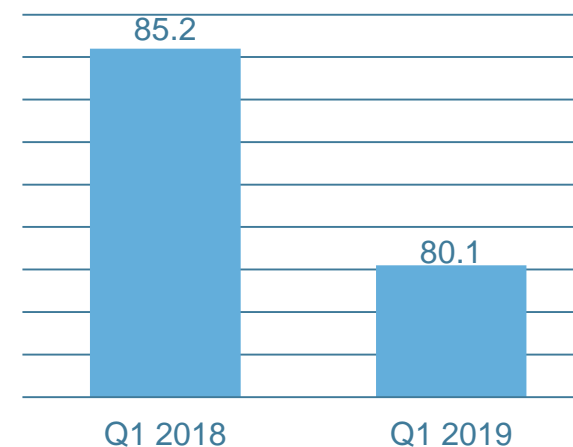
Compared to the profit forecast model for 2019 in the Q4 2018 interim report, the assumed combined ratio for 2019 has improved from 89-90 to 86-87 excl. run-off in Q2-Q4 2019

The post-tax profit forecast model for 2019 is upgraded from DKK 1,000-1,100m to DKK 1,250-1,350m excl. run-off in Q2-Q4 2019

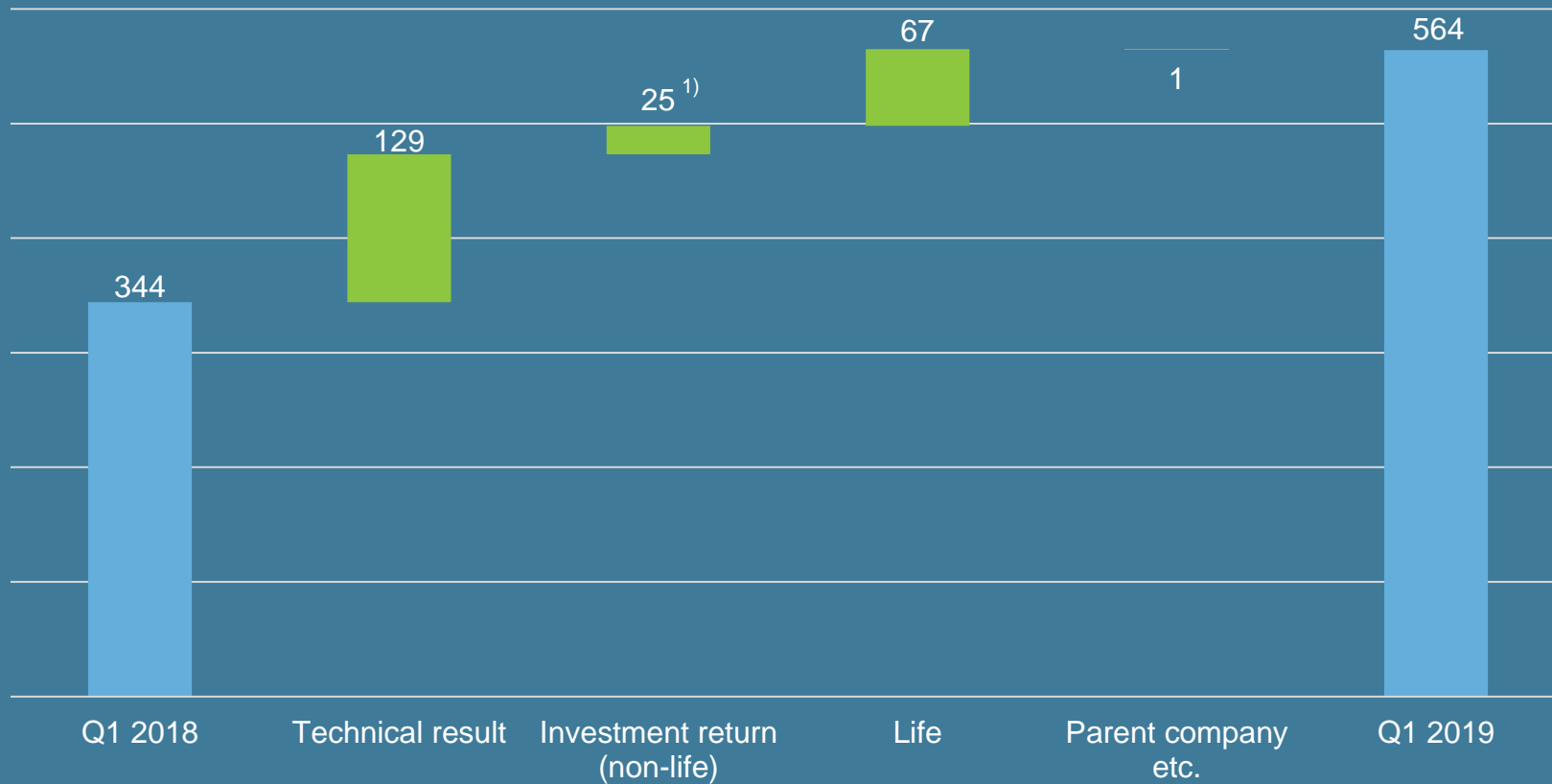
Post-tax profit (DKKm)



CR



Trend in pre-tax result Q1 2018-Q1 2019



¹⁾ Including a one-off negative impact of around DKK 200m due to the change in the method for calculation of the VA-component

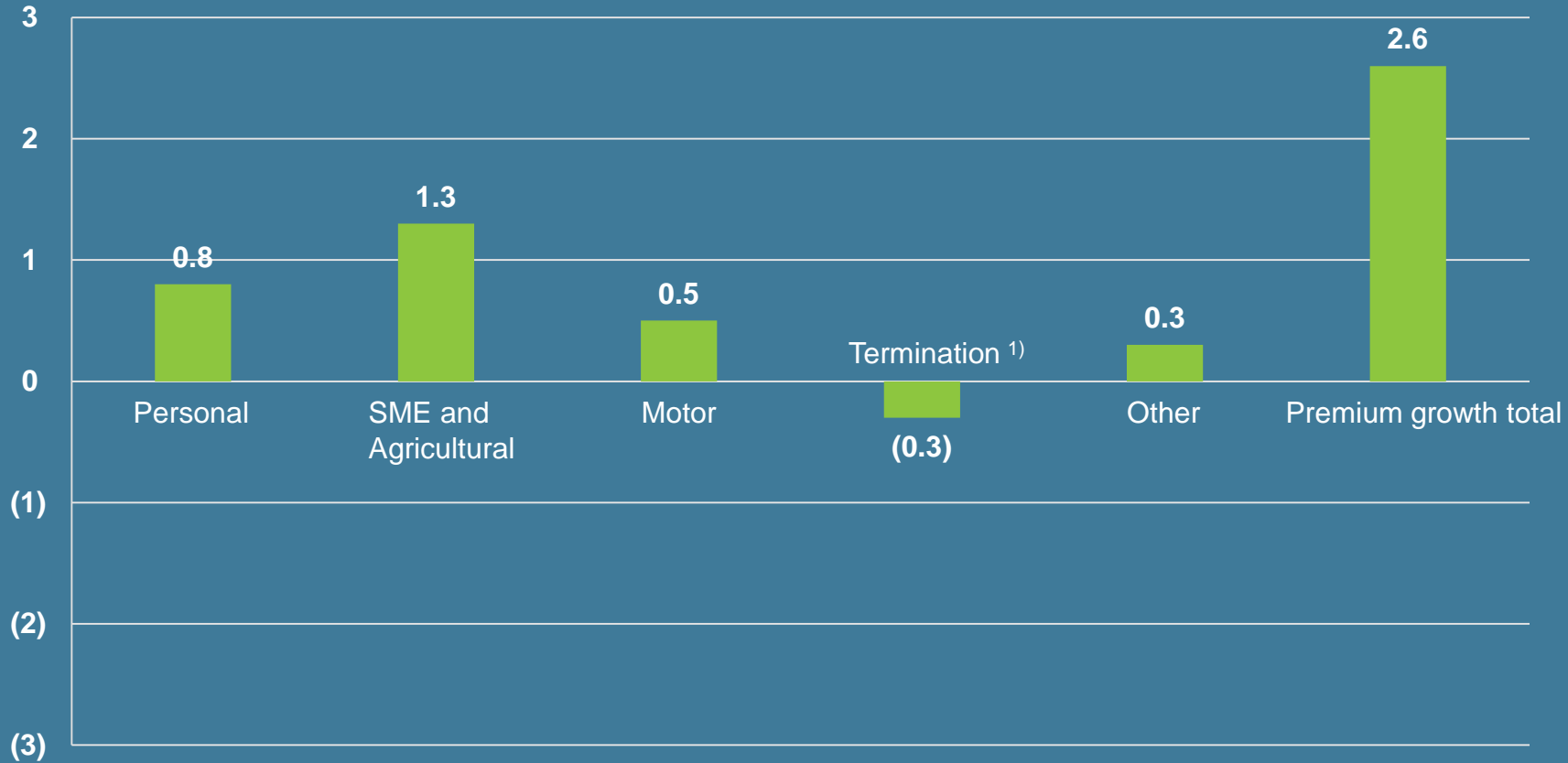


Claims trend

Claims trend	Full year 2018	Q1 2018	Q1 2019
Claims trend	67.5	67.9	63.0
Run-off	3.9	2.7	7.2
Weather-related claims	(0.1)	0.0	(0.6)
Large-scale claims	(1.4)	(0.4)	(1.5)
Other	0.3	(0.6)	0.5
Claims before run-off, weather, large-scale claims and other	70.2	69.6	68.7



Premium growth

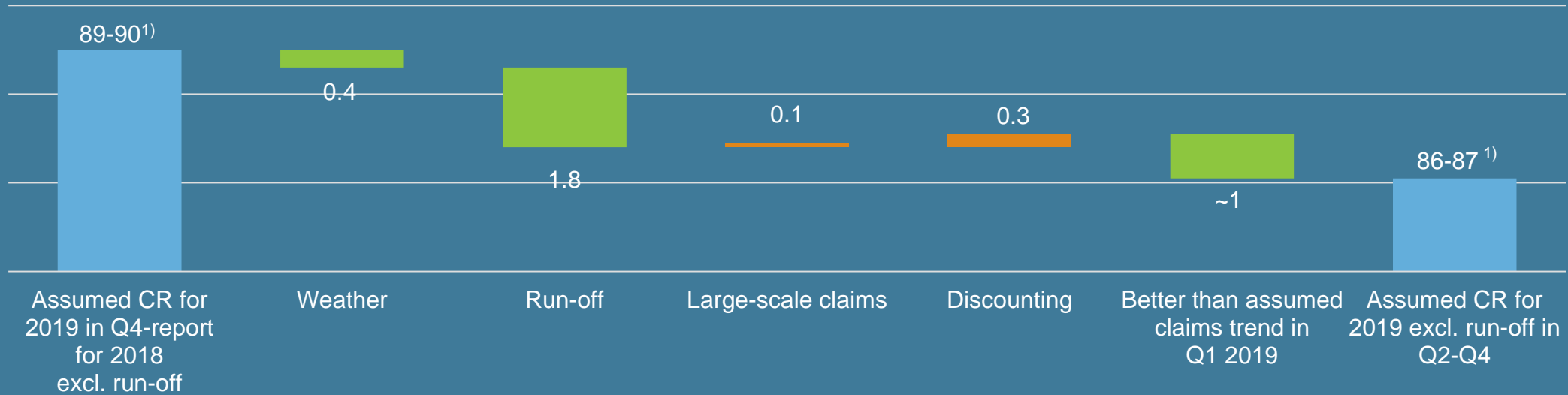


¹⁾ Termination of the distribution agreement with Nykredit (illness/accident)



Excl. run-off in Q2-Q4

Assumed CR for 2019 adjusted from 89-90 to 86-87



Assumptions for CR in 2019

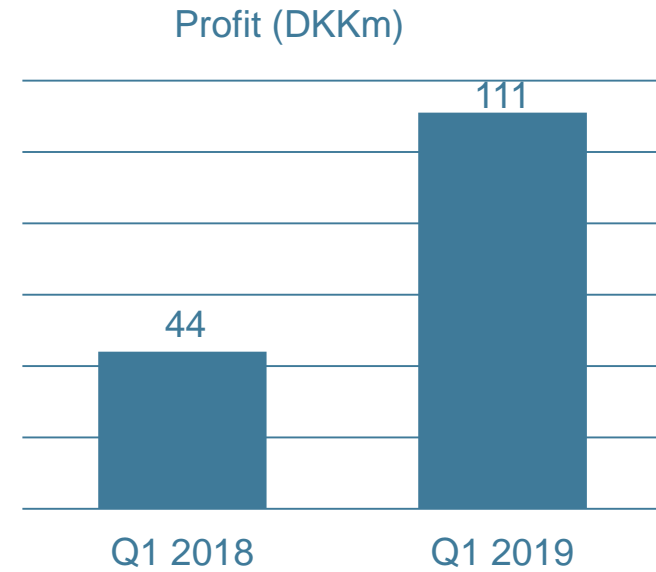
- A normal year for weather with weather-related claims of DKK 120m in Q2-Q4
- A level of interest rates corresponding to the interest rate curve on 29 March 2019
- An expense ratio of around 16

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

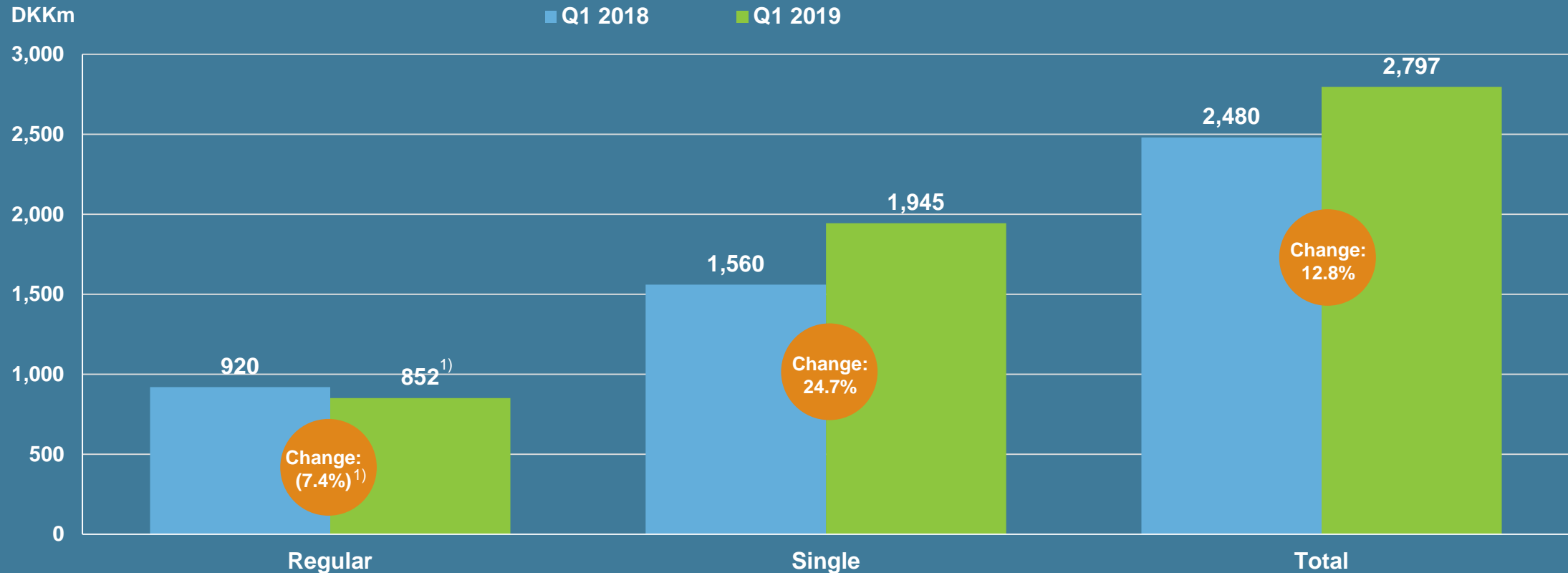


Result

Result of life insurance (DKK ^m)	Full year 2018	Q1 2018	Q1 2019
Investment return on shareholders' equity	110	24	56
Sales and administration	(20)	(10)	1
Insurance risk	(2)	(7)	19
Risk return on shareholders' equity	140	37	36
Profit on life insurance	228	44	111



Trend in gross premiums



¹⁾ Adjusted for the loss of the distribution agreement with Nykredit, the change in regular premiums were 3.9%

Investment return

Investment return	Portfolio 31 March		Return Q1 2018		Return Q1 2019	
	2018	2019	(DKKm)	%	(DKKm)	%
	(DKKbn)					
Danish equities	0.3	0.3	(1)	(0.2)	26	11.3
Foreign equities	0.7	0.7	(24)	(3.5)	81	13.4
Unlisted equities and hedge funds	0.3	0.3	3	0.7	0	0.1
Government and mortgage bonds	16.2	18.4	(19)	(0.1)	265	1.6
Credit bonds	0.0	0.0	(1)	(1.2)	2	4.7
Index linked bonds	0.3	0.3	0	0.1	8	3.1
CDOs	0.6	0.6	14	2.4	3	0.5
Properties	1.1	1.2	12	1.1	38	3.2
Money market etc.	3.9	1.5	(2)	(0.1)	3	0.1
Subordinated loan capital	(1.7)	(1.7)	(12)	(0.7)	(12)	(0.7)
	21.6	21.5	(29)	(0.1)	415	2.1
Asset management			27		20	
Investment return			(2)		435	
Return and revaluations of non-life insurance provisions			(18)		(418)	
Investment return after return and revaluations of non-life insurance provisions			(19)		18	

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 2019

Profit forecast 2019 (DKKm)	Results 2018	Forecast 2019 28 December 2018		Forecast 2019 29 March 2019	
Non-life insurance					
- Technical result	1,499	950	- 1,000	1,250	- 1,300
- Investment return after return and revaluations of non-life insurance provisions etc.	(79)	90	- 140	50	- 100
Profit on non-life insurance	1,420	1,040	- 1,140	1,300	- 1,400
Life insurance	228	200	- 230	250	- 280
Parent company etc.	54	40	- 50	40	- 50
Pre-tax profit	1,702	1,280	- 1,420	1,590	- 1,730
Taxation	(371)	(280)	- (320)	(340)	- (380)
Profit for the year	1,331	1,000	- 1,100	1,250	- 1,350

