

Nordea Finansseminar

29 November 2018

Topdanmark

CEO Peter Hermann



Agenda

Introduction

Termination of the distribution agreement with Danske Bank

Strategic initiatives

Claims trend

Assumed combined ratio for 2019



CEO Peter Hermann

- Born 1973
- Master of Actuarial Science

- Feb 2018 CEO Topdanmark
- May 2016 CEO Topdanmark Life and Pension
- May 2014 Director, Actuarial Dept., Health PFA Pension

- May 2011 COO Nordea Life and Pension
- Nov 1995 Director, Actuary Service PFA Pension

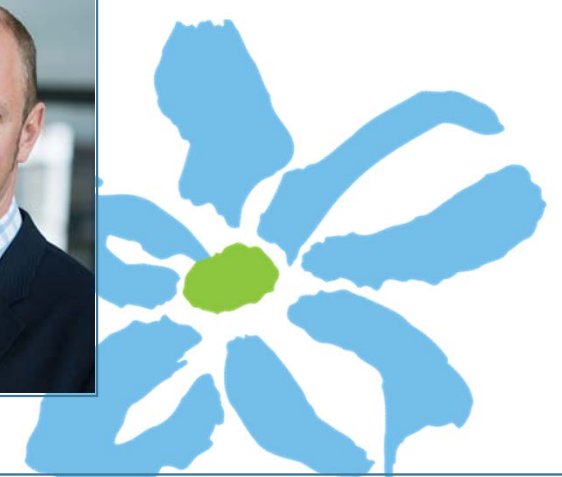


CEO Peter Hermann

Executive Board

**CEO
Peter
Hermann**

Responsible for HR, Communications, IR, CSR, Group Secretariat, Corporate Legal Matters and Topdanmark Life Insurance.



**CFO
Lars
Thykier**

Responsible for Asset Management, Finance, Accounts, Statistical Services, Reinsurance, Tax and Credits



**COO
Brian
Rothemejer
Jacobsen**

Responsible for Personal and Commercial, Claims Handling, customer service and Marketing



**CIO
Thomas
Erichsen**

Responsible for Digitisation, IT and Group Development.

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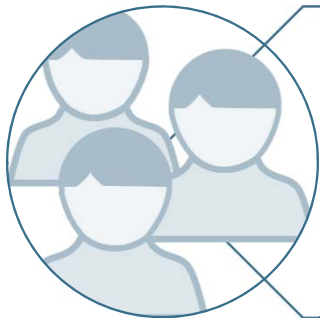
Assumed combined ratio for 2019



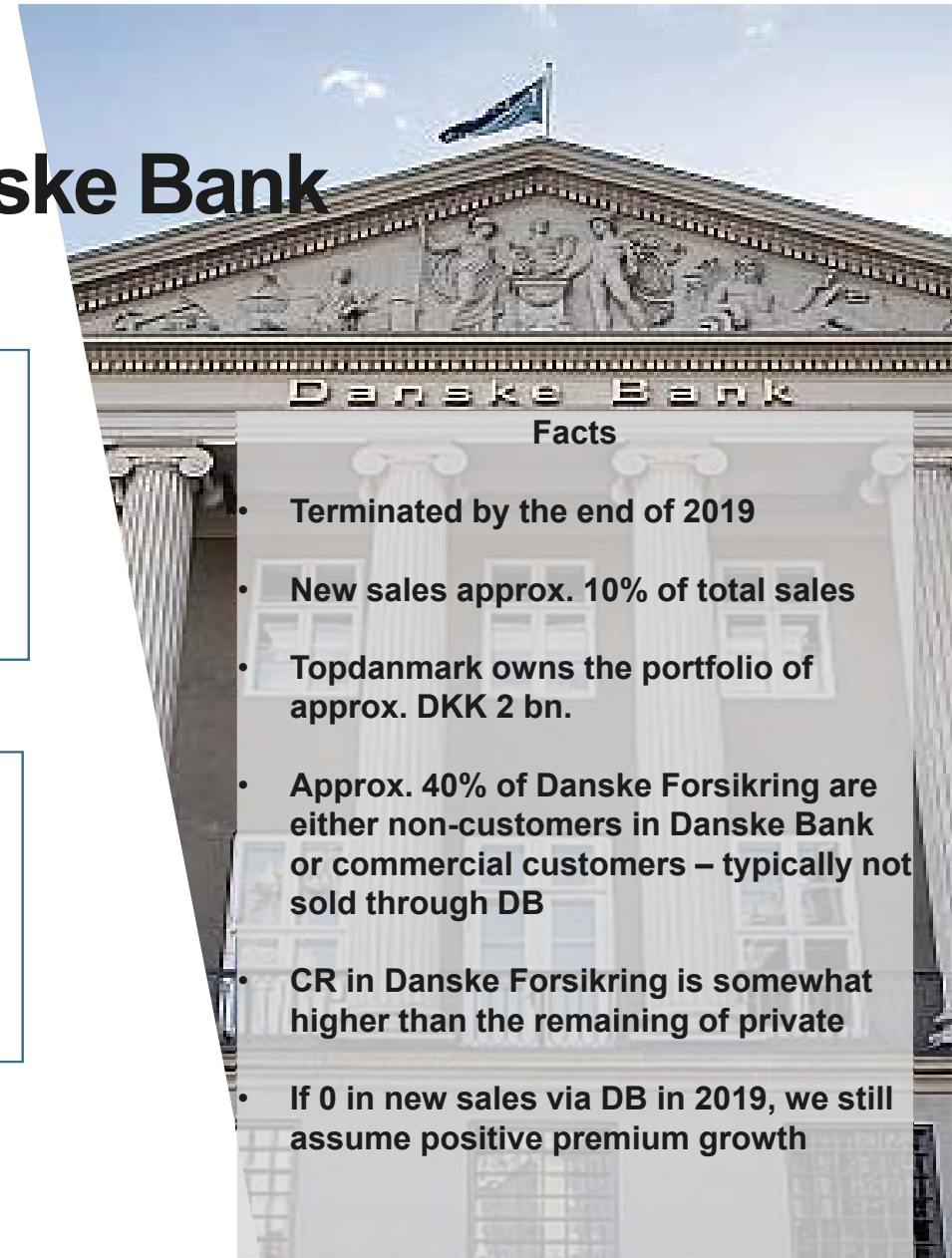
Distribution Agreement with Danske Bank



Replace the loss of new sales by further development of existing distribution agreements and new agreements
plus reallocation of sales resources



Retention of record low churn rate
plus continue net inflow of customers in private, agricultural and commercial lines



Danske Bank

Facts

- Terminated by the end of 2019
- New sales approx. 10% of total sales
- Topdanmark owns the portfolio of approx. DKK 2 bn.
- Approx. 40% of Danske Forsikring are either non-customers in Danske Bank or commercial customers – typically not sold through DB
- CR in Danske Forsikring is somewhat higher than the remaining of private
- If 0 in new sales via DB in 2019, we still assume positive premium growth

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Top 1 - 2 - 3

1 Topdanmark

More joint and more profitable synergies focusing on best practice within the Topdanmark Group

- Stronger execution power, across the entire Group (Life and Non-life)
- Economies of Scale – fewer meetings of prioritisation, more meetings of execution
- With time: one customer IT platform

2 Type of Customers

The customer journey within B2C and B2B must reflect the full experience across divisions

- Base proactive and personalised customer service on knowledge and data
- Base good customer loyalty on customer journeys and a joint approach to customer service for B2C and B2B, by building bridges between the two.

3 Distribution Channels

Direct sales, partner sales and digital sales

Focus on all distribution channels – to ensure growth, retention and additional sales



How to Differentiate Ourselves?

Non-life and Life

Any insurance requirements within Non-life, Life and Pension are covered by the Topdanmark Group – joint customers will experience advantages from this.

Customer Relation

We provide focused services (insurance and security) on time and proactively when customer requirements can be predicted, by use of experience and data.

Market Access

We offer purchase of insurance, through the most suitable channels:

- Distribution Partners
- Digitally
- Personal

Risk Management

We know the risk and quote the right price. We contribute to damage prevention and security.

Commitment and
Leadership

Future
Technology

Execution

Strategy Corridors

Long Term
Customer Relations



Strong
Distribution Power



Expert in Risk
Management



Non-life and Life
within One Group



Commitment
and Leadership



Future
Technology



Best at Execution



Customer Aspiration

As a Topdanmark customer, you need not worry about insurance and pension. We will take care of that for you.

Based upon your requirements, we make provisions for your security. Making sure, that being a Topdanmark customer is easy and simple. We are proactive and available when you need our assistance.

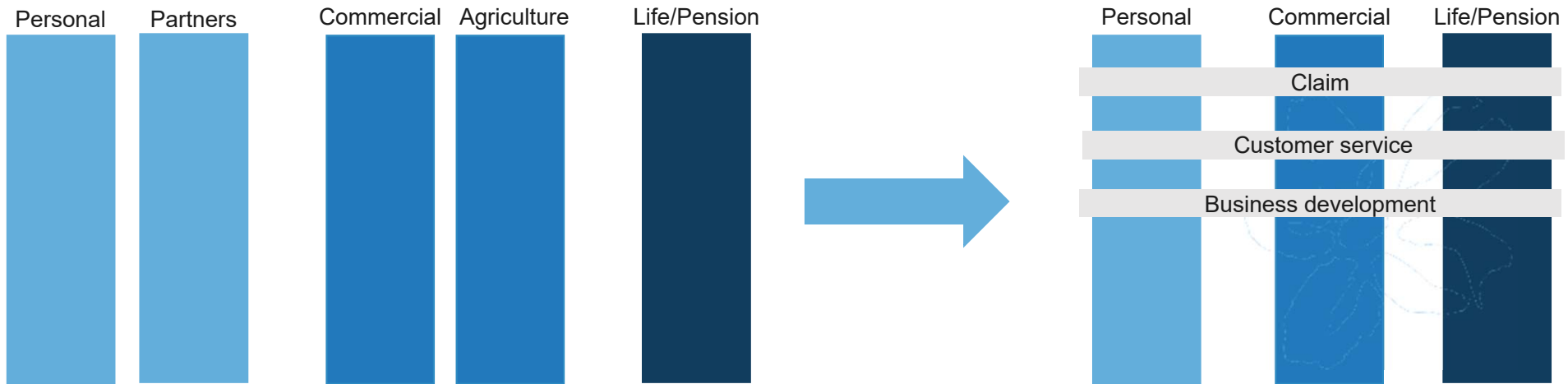
New Organisation to Ensure Flexibility and Synergy

Five divisions merge into three

- Focus on sales (on-line, partner and personal) and profitability

Shared service in claim, customer service and business development

- Focus on efficiency and development



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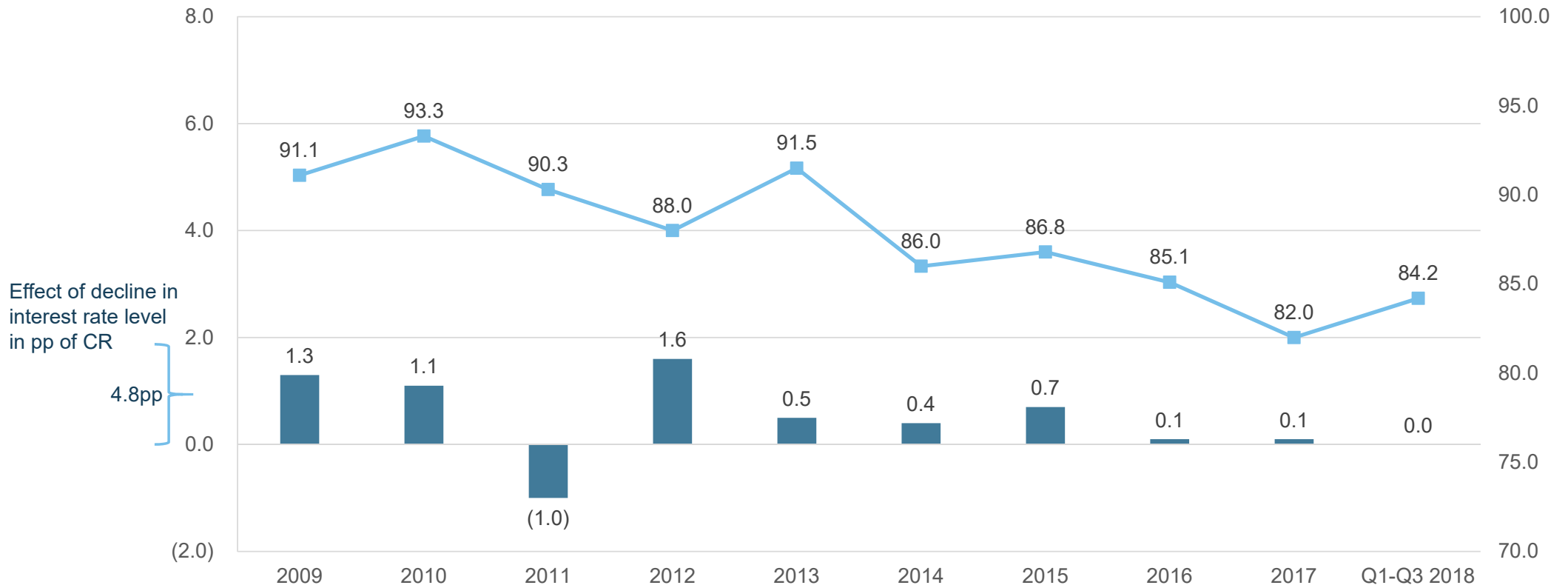
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Trend in Combined Ratio



Reasons for the Improved Trend in Combined Ratio

- Change in business mix
- Improved underwriting
- Loss preventing initiatives
- Screening for unprofitable customers
 - Customer scoring system
- Digitisation
 - Self-service
 - Robotics
- Outsourcing
- Improved purchasing power
- Improved churn rate



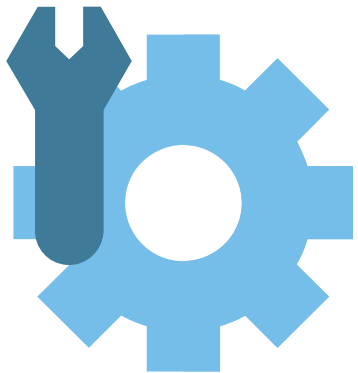
Efficiency



Digitisation

- Self-service
- Online purchase

- 17% of new sales are initiated digitally and processed digitally in full or partly
- 64% of claims are reported digitally via Topdanmark's website or glass portal
 - 18% are automated in full or partly
 - 10% are fully automated
- Pilot experiment:
 - Machine Learning
 - IoT



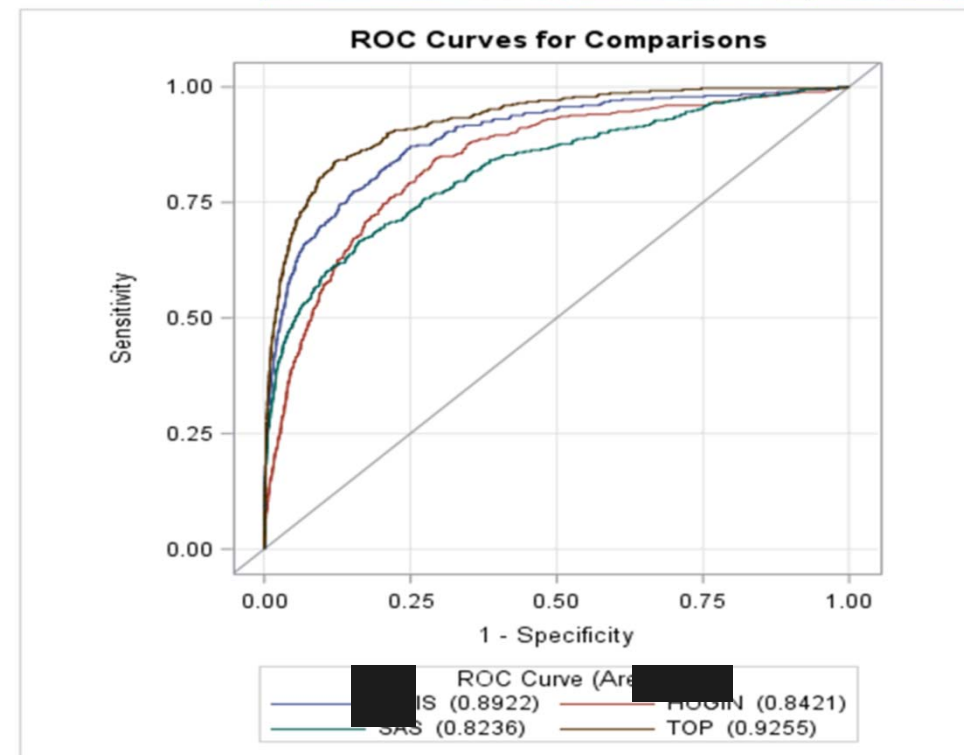
Efficiency

- Process optimisation and automation

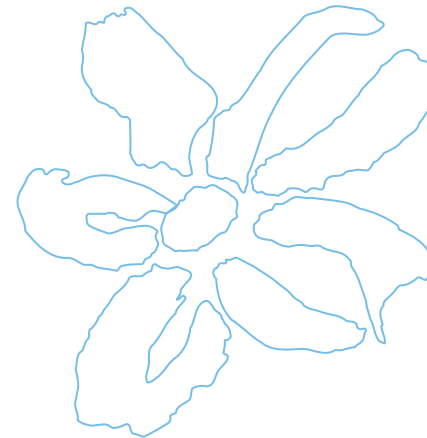
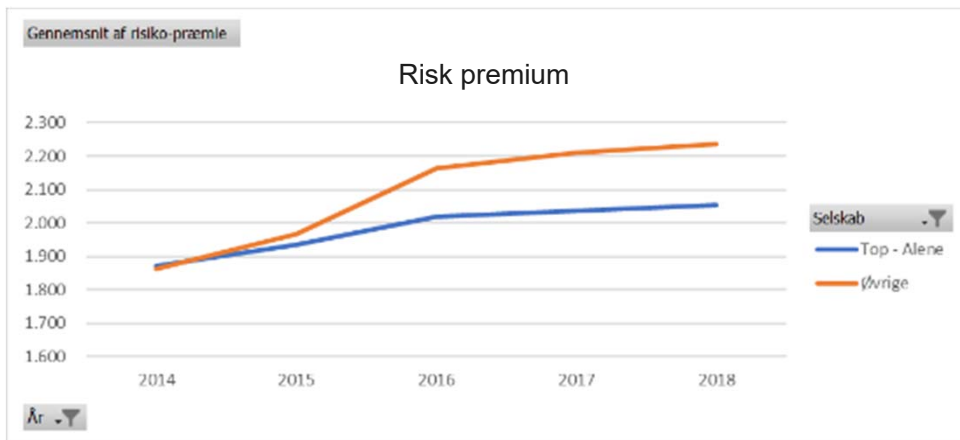
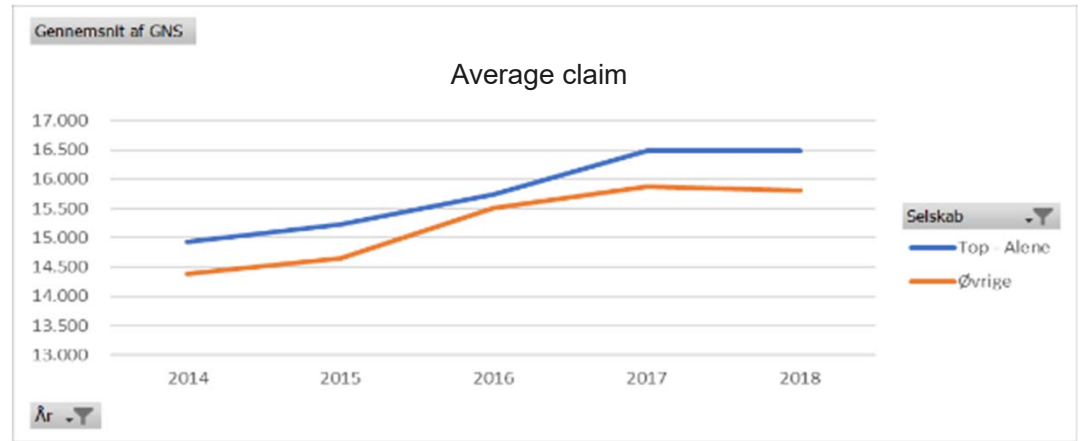
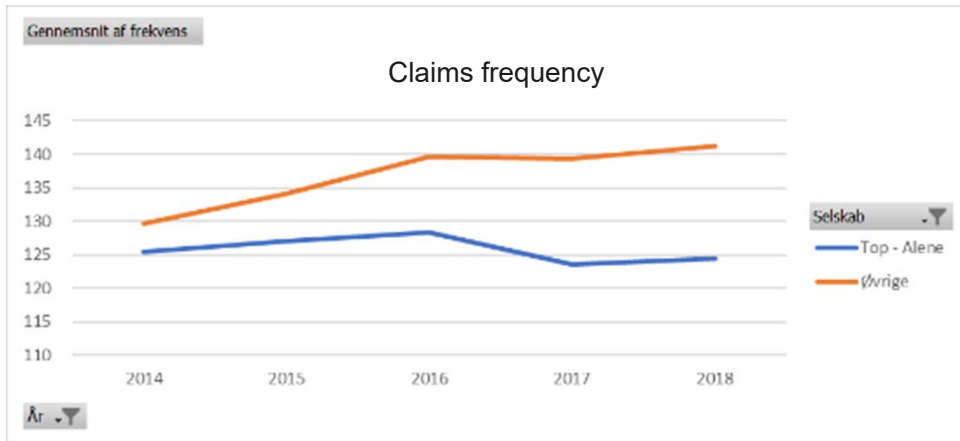
- 46 processes are executed via RPA (Robot Process Automation)
- Automation, digitisation and outsourcing of business processes and IT development in Topdanmark have reduced the number of FTEs by 14% since 2016

Topdanmark's Fraud Detection Model

- Fraud detection model based on structured data and realtime
- The first version launched this November
- Outperformed model of external vendors



Trend in Risk on Motor



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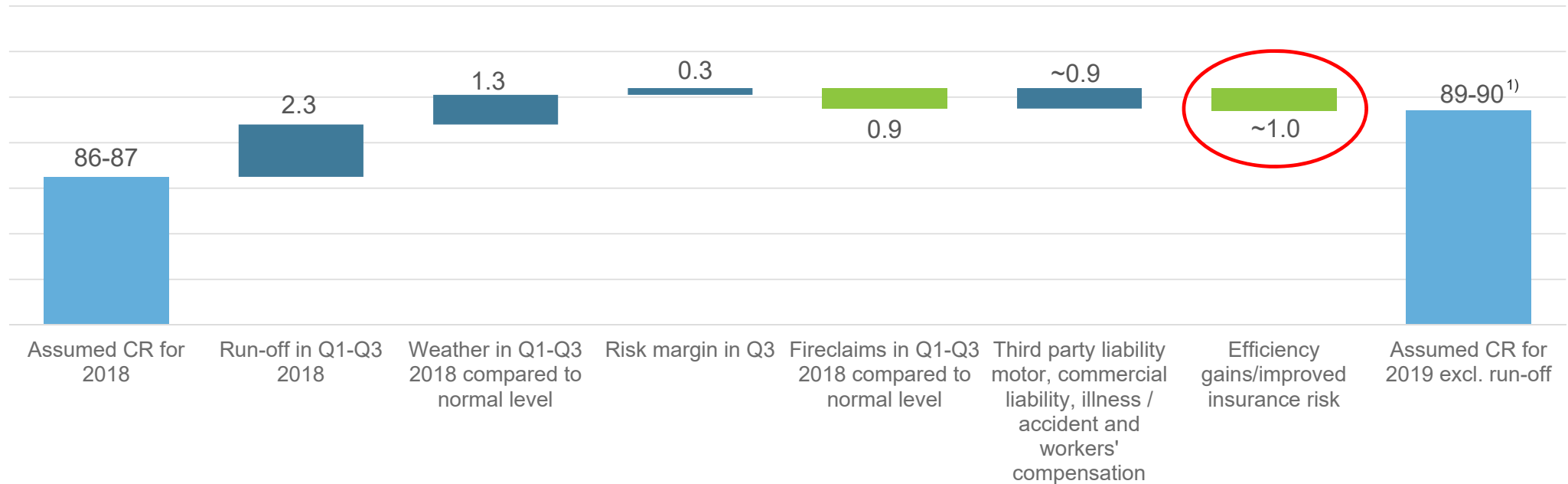
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Excl. run-off

Assumed CR of around 89-90 for 2019



¹⁾ Assumed normal level for i.a. fire and large-scale claims

Any Questions?