

# Topdanmark

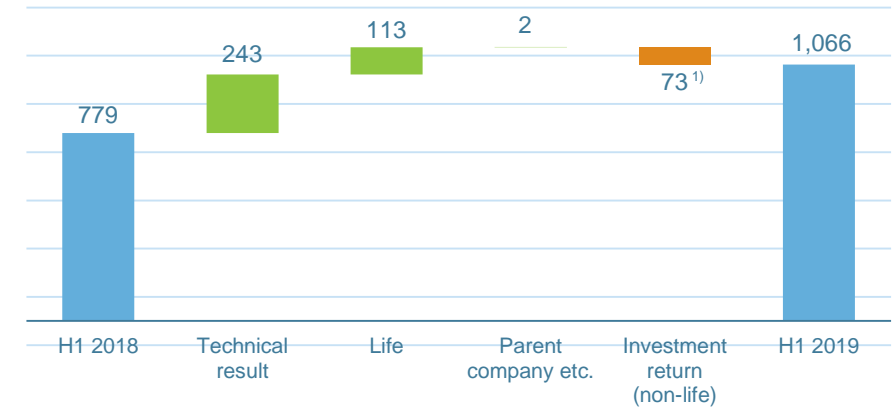
## H1 2019 result



# Financial Highlights

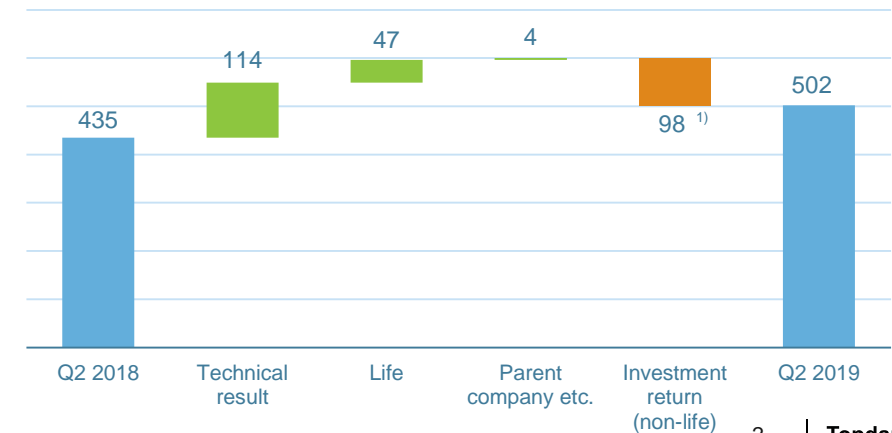
H1 2019	Q2 2019	Profit forecast model for 2019
<p><b>Post-tax profit</b> DKK 831m (H1 2018: DKK 613m)</p> <p><b>CR</b> 80.7 (H1 2018: 85.5)</p> <p><b>CR excl. run-off</b> 86.2 (H1 2018: 88.5)</p> <p><b>Premium growth</b> 2.6% increase in non-life and 2.6% increase in life insurance</p> <p><b>Profit on life insurance</b> DKK 219m (H1 2018: DKK 106m)</p> <p><b>Investment return</b> DKK 4m (loss) (H1 2018: DKK 41m)</p> <ul style="list-style-type: none"> <li>Including a one-off negative investment return of DKK 260m due to change in the VA</li> </ul>	<p><b>Post-tax profit</b> DKK 391m (Q2 2018: DKK 345m)</p> <p><b>CR</b> 81.4 (Q2 2018: 85.9)</p> <p><b>CR excl. run-off</b> 85.1 (Q2 2018: 89.0)</p> <p><b>Premium growth</b> 2.5% increase in non-life and 8.2% decline in life insurance</p> <p><b>Profit on life insurance</b> DKK 109m (Q2 2018: DKK 62m)</p> <p><b>Investment return</b> DKK 21m (loss) (Q2 2018: DKK 60m)</p>	<p>The assumed premium growth for non-life insurance in 2019 continues to be higher than the growth of 1.7% in 2018</p> <p>Compared to the profit forecast model for 2019 in the Q1 2019 interim report, the assumed combined ratio for 2019 has improved from 86-87 to 85-86 excl. run-off in H2 2019</p> <p>The post-tax profit forecast model for 2019 is unchanged DKK 1,250-1,350m excl. run-off in H2 2019</p>

Trend in pre-tax result H1 2018-H1 2019



<sup>1)</sup> Including a one-off negative impact of around DKK 260m due to the change in the method for calculation of the VA

Trend in pre-tax result Q2 2018-Q2 2019



<sup>1)</sup> Including a one-off negative impact of around DKK 60m due to the change in the method for calculation of the VA

# Claims Trend

Claims trend	Full year 2018	Q2 2018	Q2 2019	H1 2018	H1 2019
Claims trend	67.5	69.6	65.3	68.8	64.1
Run-off	3.9	3.2	3.8	3.0	5.5
Weather-related claims	(0.1)	0.0	(0.2)	0.0	(0.4)
Large-scale claims	(1.4)	(2.5)	(0.0)	(1.5)	(0.7)
Other	0.3	0.2	0.5	(0.2)	0.5
<b>Claims before run-off, weather, large-scale claims and other</b>	<b>70.2</b>	<b>70.5</b>	<b>69.3</b>	<b>70.0</b>	<b>69.0</b>

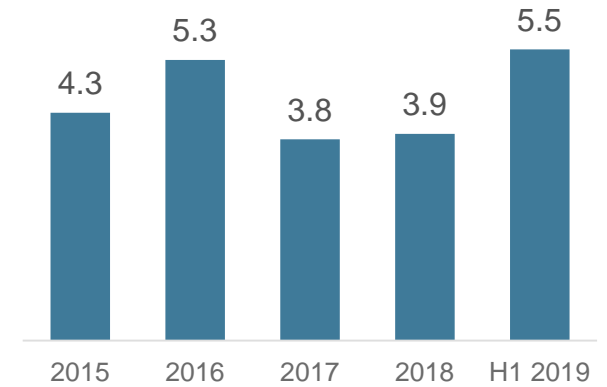
**Positively impacted by:**

- SME
- Agricultural
- Private segment (personal injury on motor and theft)

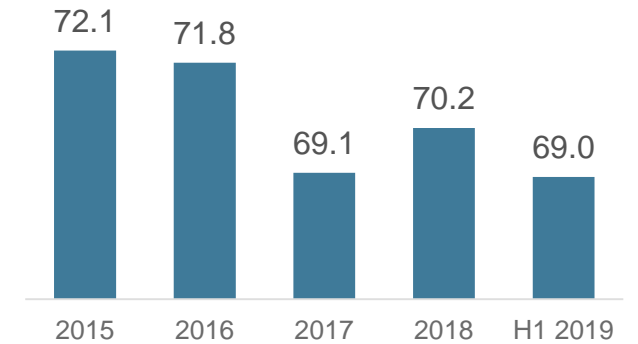
**Negatively impacted by:**

- House (fire)
- Burst waterpipes
- Workers' comp (lower real interest rates)
- Illness & Accident
- Discounting

Trend in run-off

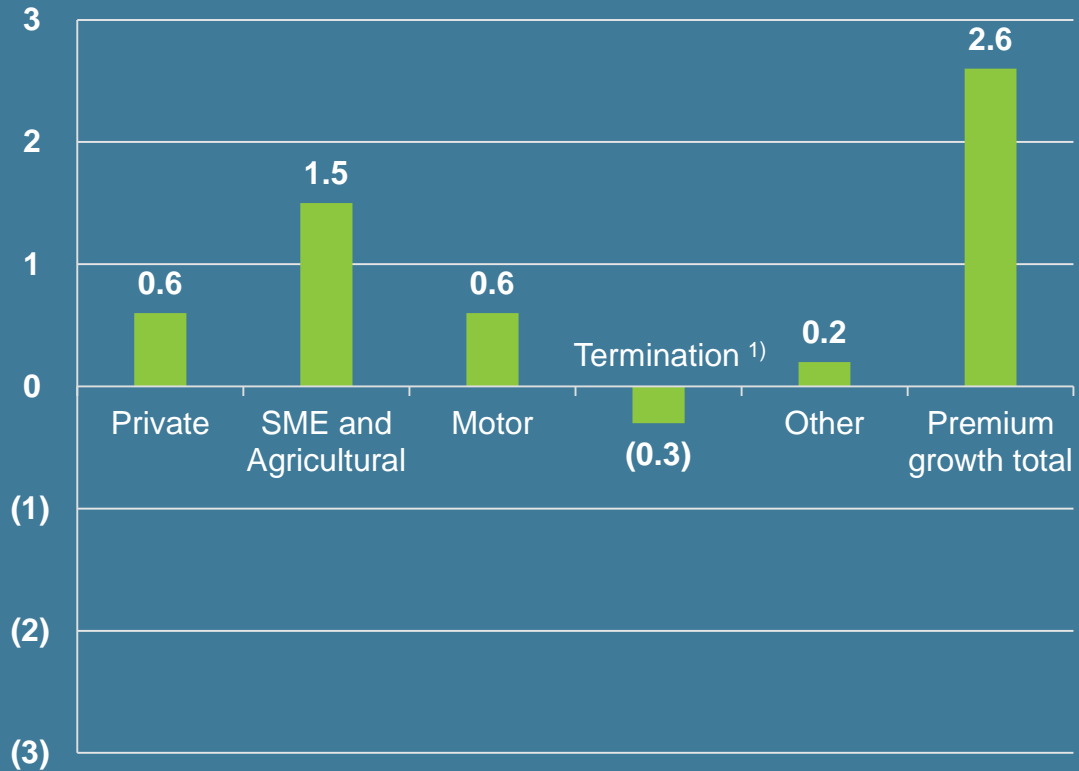


Trend in claims<sup>1)</sup>



<sup>1)</sup> Before run-off, weather, large-scale claims and other

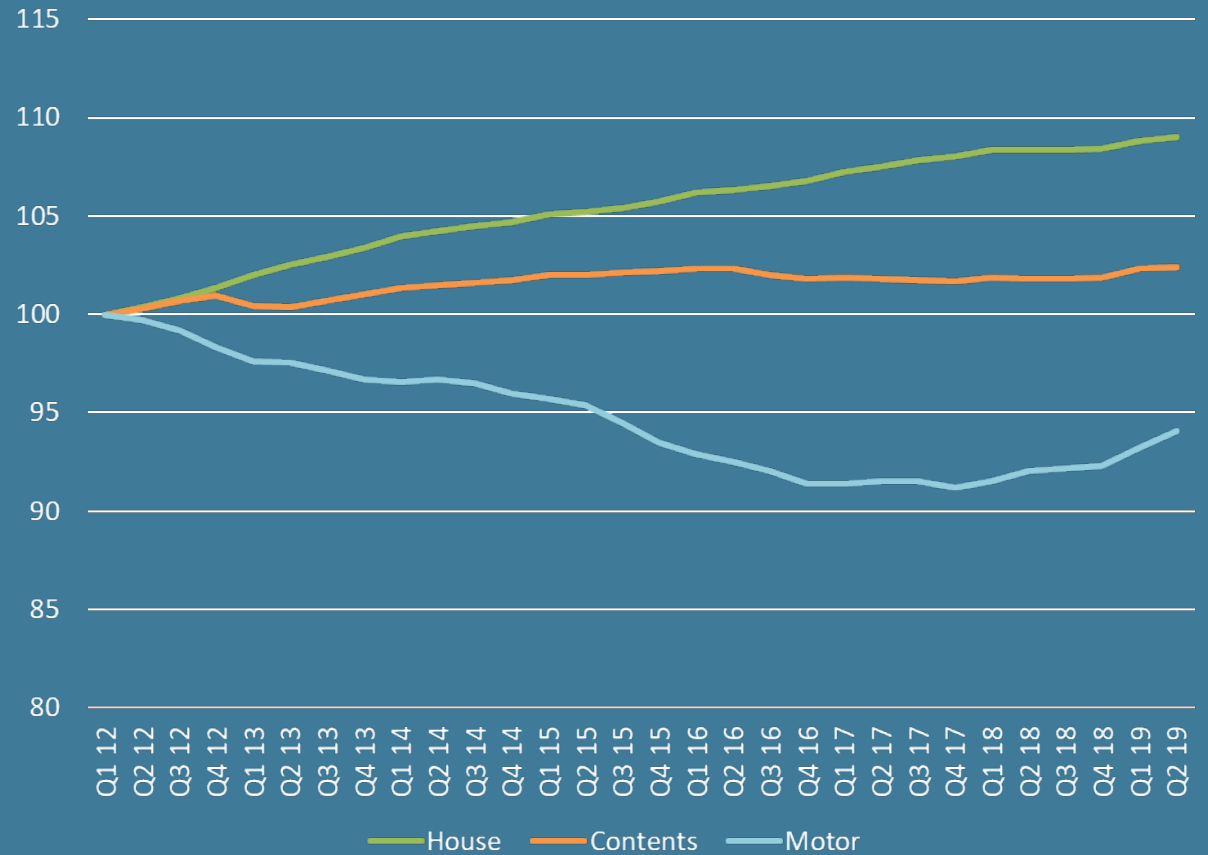
## Premium growth



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

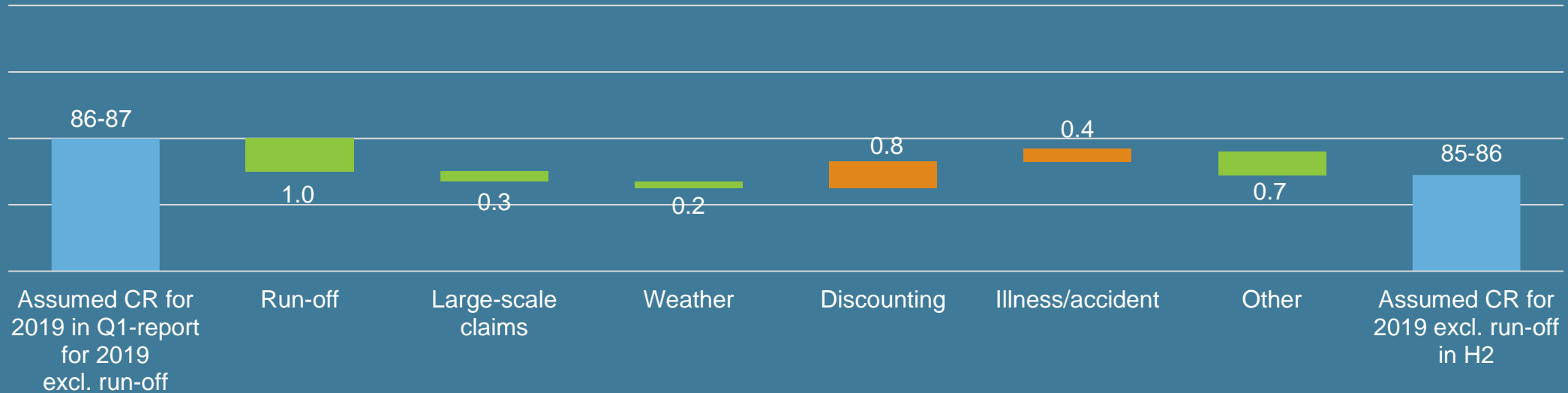
## Trend in average premiums

2012-2019



Excl. run-off in H2

# Assumed CR for 2019 Adjusted from 86-87 to 85-86



## Assumptions for CR in 2019

- A normal year for weather with weather-related claims of DKK 95m in H2
- A level of interest rates corresponding to the interest rate curve on 28 June 2019
- An expense ratio of around 16



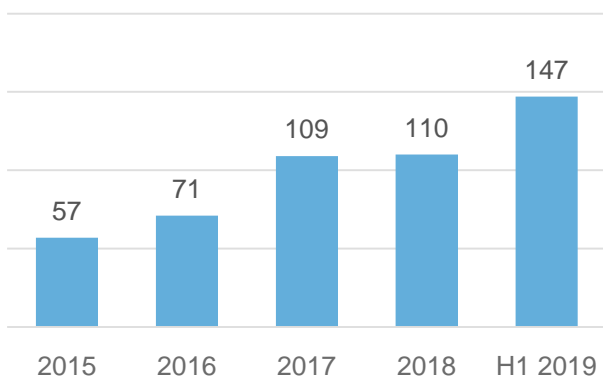
# Result

Result of life insurance (DKKm)	Full year 2018	Q2 2018	Q2 2019	H1 2018	H1 2019
Investment return on shareholders' equity	110	33	92	57	147
Sales and administration	(20)	(5)	(17)	(16)	(16)
Insurance risk	(2)	(2)	(1)	(9)	17
Risk return on shareholders' equity	140	36	35	73	71
<b>Profit on life insurance</b>	<b>228</b>	<b>62</b>	<b>109</b>	<b>106</b>	<b>219</b>

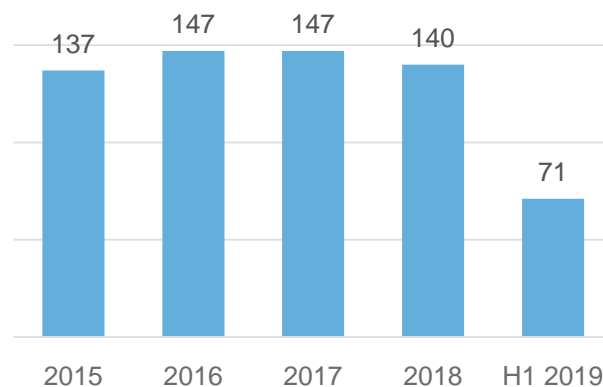
Profit Q2 2019:  
DKK 109m

Profit H1 2019:  
DKK 219m

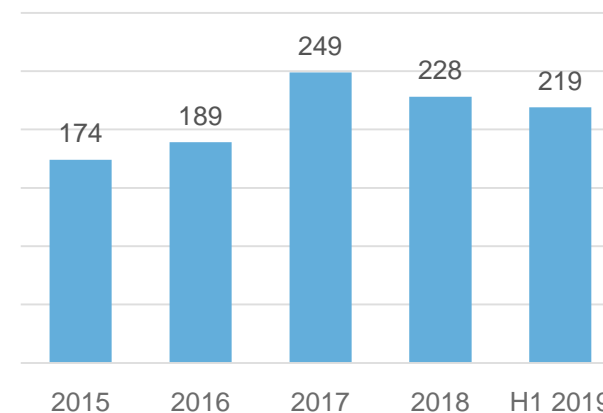
Investment return on shareholders' equity



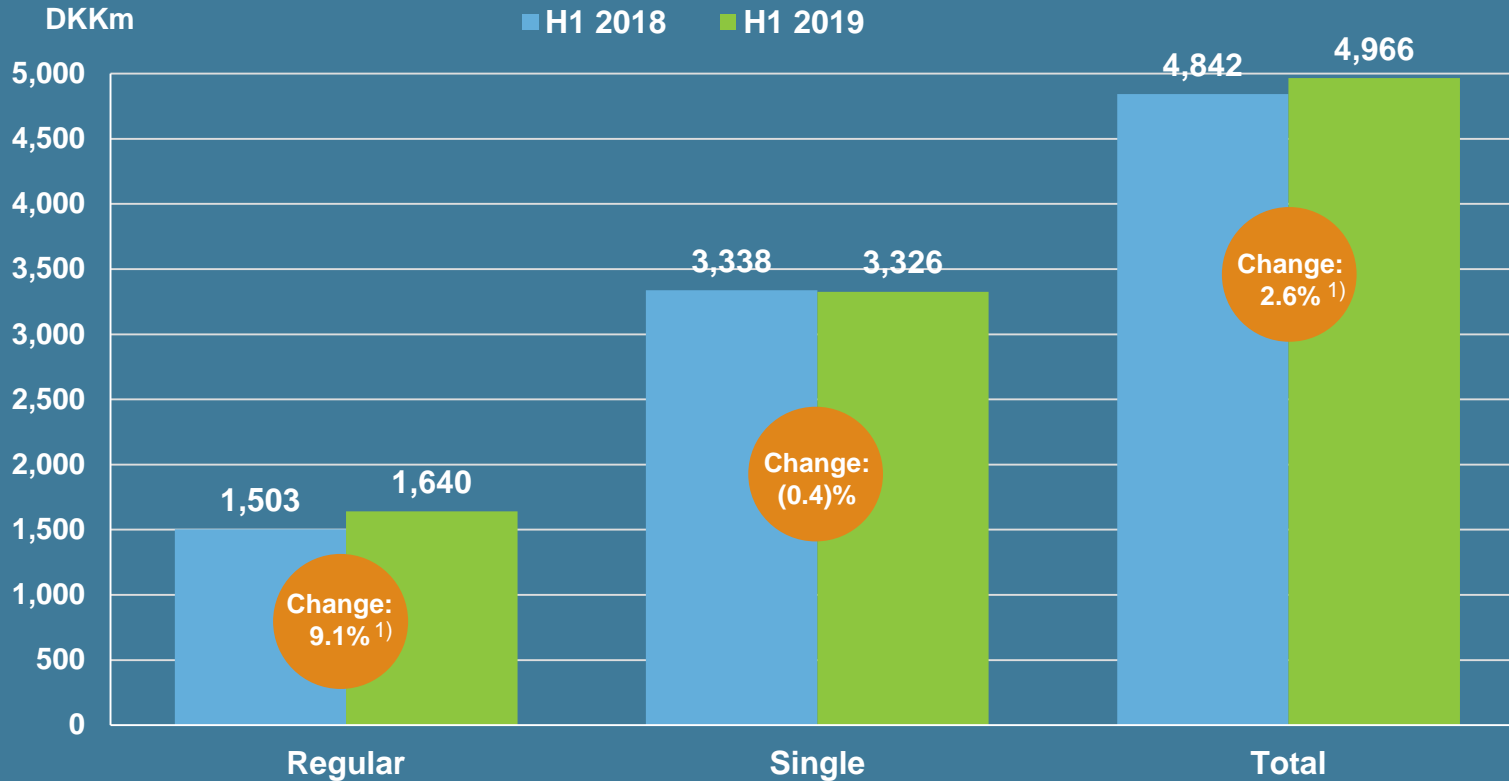
Risk return on shareholders' equity



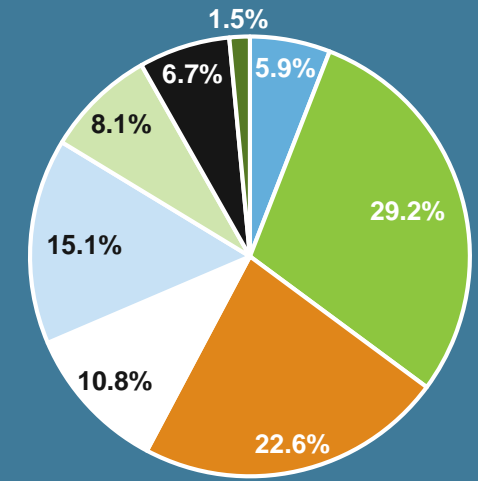
Profit on life insurance



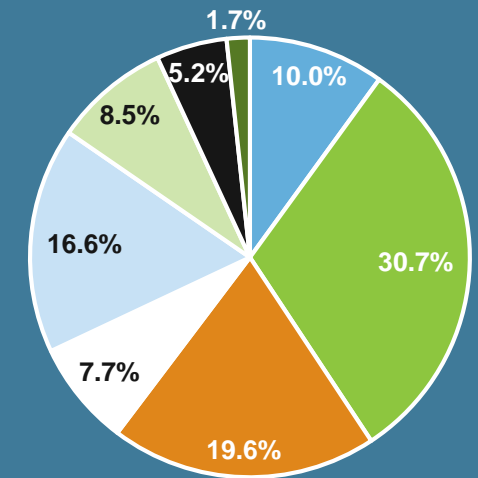
# Trend in Gross Premiums



## Market share 2014



## Market share 2018



- Topdanmark
- PFA Pension
- Danica Pension
- SEB Pension
- Velliv
- AP Pension
- Skandia
- Alm. Brand

<sup>1)</sup> Adjusted for the loss of the distribution agreement with Nykredit, the change in regular premiums were 13.8% and in total premiums 5.1 %

# Investment Return

Investment return	Portfolio 30 June											
	2018		2019		Return Q2 2018		Return Q2 2019		Return H1 2018		Return H1 2019	
	(DKKbn)	(DKKbn)	(DKKbn)	(DKKbn)	(DKKbn)	(DKKbn)	(DKKbn)	(DKKbn)	(DKKbn)	(DKKbn)	(DKKbn)	(DKKbn)
Danish equities	0.3	0.3	(5)	(1.8)	5	2.1	(6)	(2.1)	31	13.7		
Foreign equities	0.7	0.7	24	3.6	33	4.8	(0)	(0.1)	114	18.8		
Unlisted equities and hedge funds	0.3	0.3	4	1.5	11	3.2	7	2.2	11	3.3		
Government and mortgage bonds	16.2	17.8	56	0.3	146	0.8	36	0.2	412	2.4		
Credit bonds	0.0	0.0	0	0.9	0	0.6	(0)	(0.3)	2	5.3		
Index linked bonds	0.3	0.3	5	1.9	13	4.5	6	2.0	21	7.7		
CDOs	0.6	0.6	9	1.6	19	3.3	23	4.0	21	3.8		
Properties	1.1	1.3	11	1.0	26	2.1	24	2.2	64	5.4		
Money market etc.	2.1	0.7	(1)	(0.0)	(5)	(0.3)	(4)	(0.1)	(3)	(0.1)		
Subordinated loan capital	(1.7)	(1.7)	(12)	(0.7)	(12)	(0.7)	(23)	(1.3)	(23)	(1.3)		
	19.9	20.2	92	0.4	236	1.1	63	0.3	651	3.2		
Asset management			17		22		44		42			
Investment return			108		258		107		693			
Return and revaluations of non-life insurance provisions			(48)		(280)		(66)		(697)			
Investment return after return on non-life insurance provisions			60		(21)		41		(4)			

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.

**17,8bn**  
"Match"  
portfolio

**4.1bn**  
Free  
portfolio



# Profit Forecast Model for 2019

Profit forecast 2019 (DKKm)	Results		Forecast 2019		Forecast 2019		
	2018		29 March 2019		28 June 2019		
Non-life insurance							
- Technical result	1,499	1,250	–	1,300	1,300	–	1,350
- Investment return after return and revaluations of non-life insurance provisions etc.	(79)	50	–	100	(50)	–	0
Profit on non-life insurance	1,420	1,300	–	1,400	1,250	–	1,350
Life insurance	228	250	–	280	300	–	330
Parent company etc.	54	40	–	50	40	–	50
Pre-tax profit	1,702	1,590	–	1,730	1,590	–	1,730
Taxation	(371)	(340)	–	(380)	(340)	–	(380)
<b>Profit for the year</b>	<b>1,331</b>	<b>1,250</b>	<b>–</b>	<b>1,350</b>	<b>1,250</b>	<b>–</b>	<b>1,350</b>

