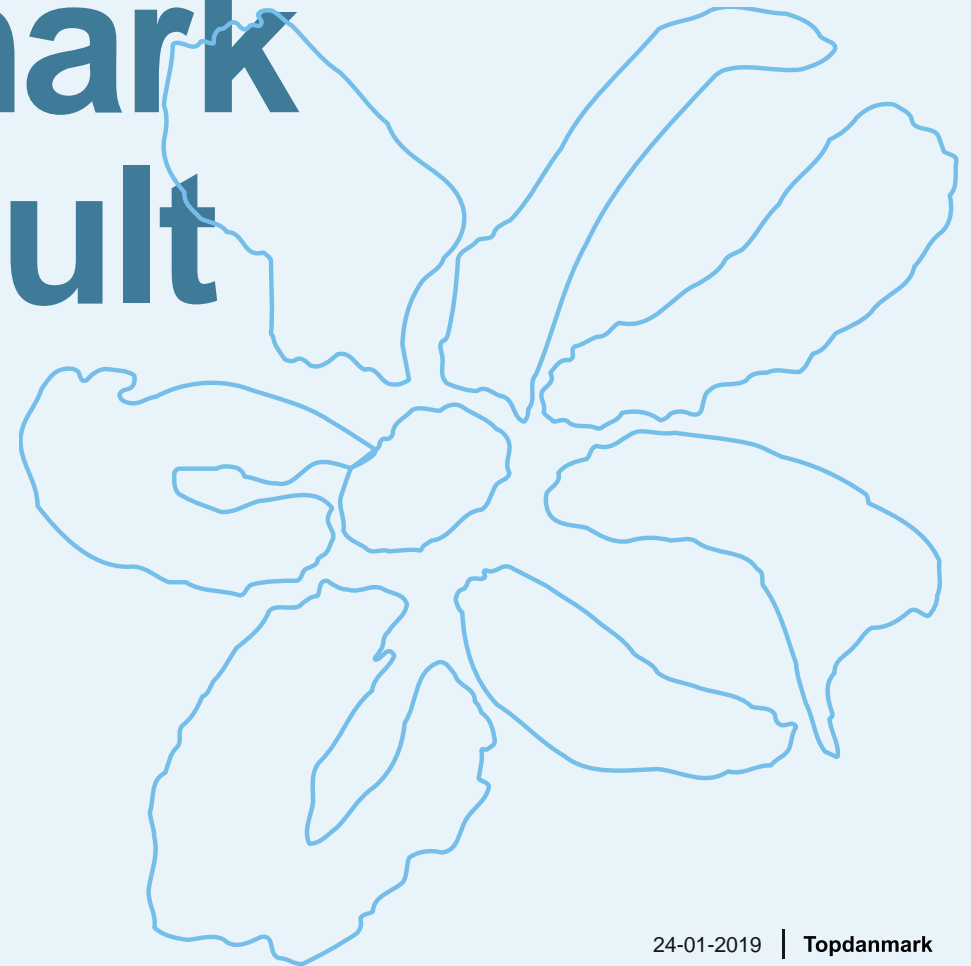


Topdanmark 2018 Result



Highlights



2018

Post-tax profit

DKK 1,331m (2017: DKK 1,733m)

The result for 2018 was better than assumed in the interim report for Q1-Q3 2018 of DKK 1,200-1,300m

CR

83.6 (2017: 82.0)

CR excl. run-off

87.5 (2017: 85.8)

Premium growth

1.7% increase in non-life and 18.6% increase in life insurance

Profit on life insurance

DKK 228m (2017: DKK 249m)

Investment return

DKK 16m (2017: DKK 396m)

Q4

Q4 2018

Post-tax profit

DKK 259m (Q4 2017: DKK 379m)

CR

81.7 (Q4 2017: 82.1)

CR excl. run-off

88.1 (Q4 2017: 86.3)

Premium growth

0.2% increase in non-life and 31.2% increase in life insurance

Profit on life insurance

DKK 45m (Q4 2017: DKK 42m)

Investment return

DKK 116m (loss) (Q4 2017: DKK 65m)



Earnings distribution for 2018

- The Board of Directors will recommend to the AGM that dividend of DKK 1,350m will be distributed for 2018
 - This represents a payout ratio of 101.5 and a dividend yield of 5.2

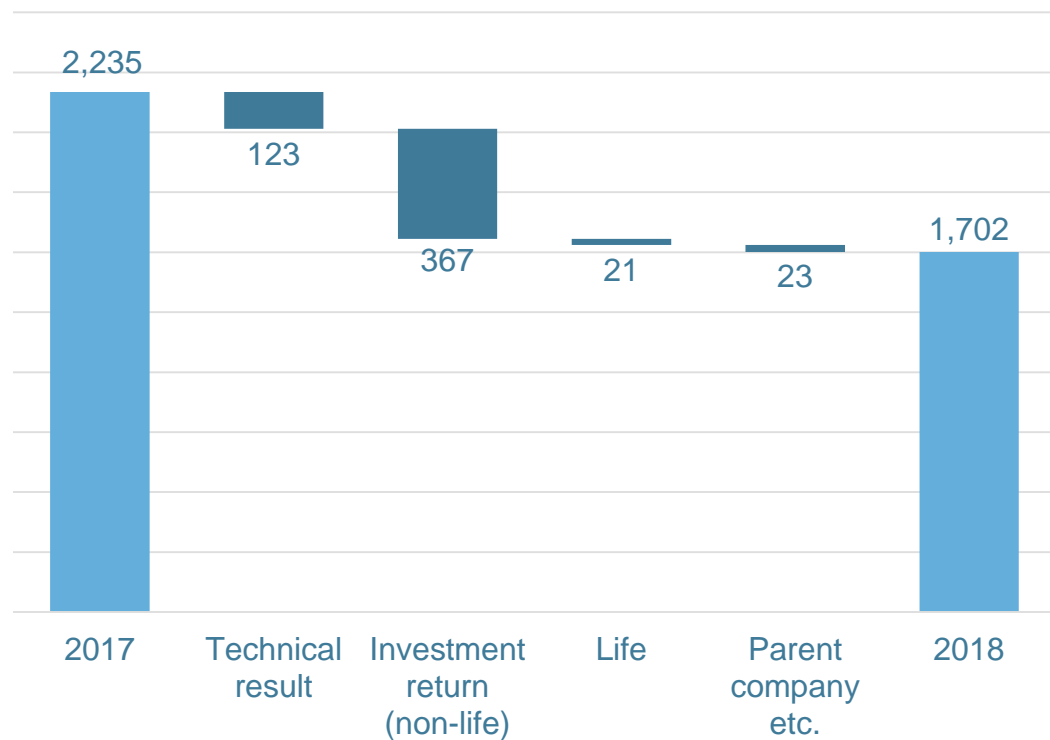


Profit forecast model for 2019

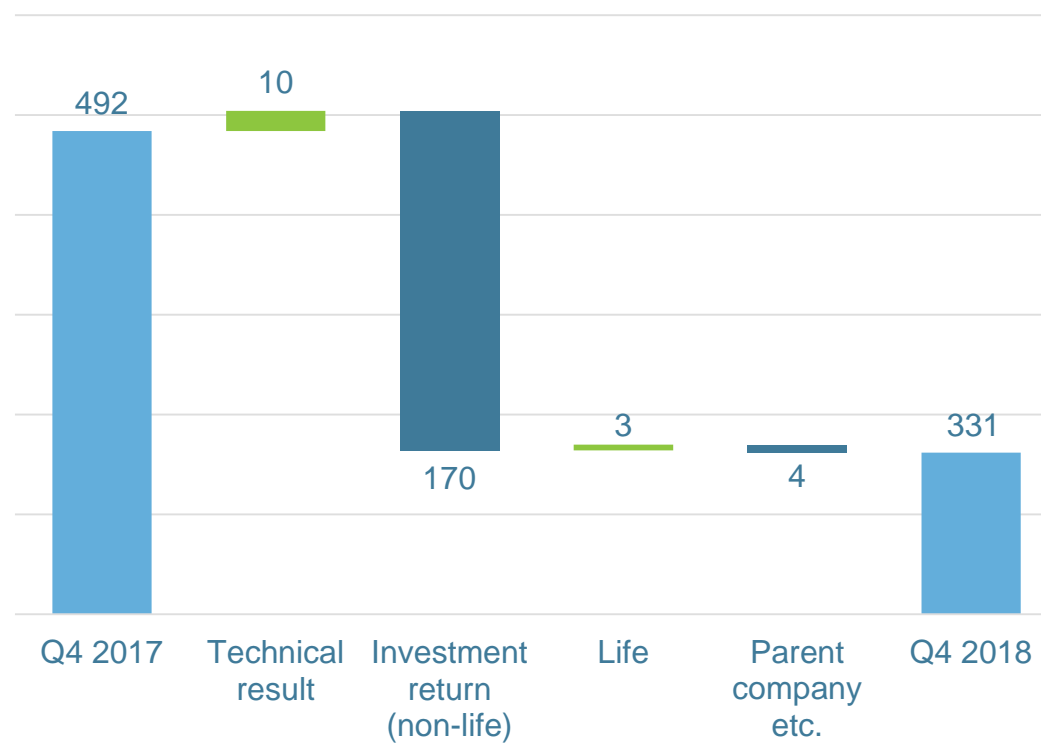
- The assumed premium growth for non-life insurance in 2019 is higher than the growth of 1.7% in 2018
- Compared to the profit forecast model for 2019 in the Q1-Q3 2018 interim report, the assumed combined ratio for 2019 remains unchanged at 89-90 excl. run-off
- Profit forecast model of DKK 1,000-1,100m excl. run-off

Trend in pre-tax result

2017-2018



Q4 2017-Q4 2018



Excl. run-off, weather, large-scale claims and other

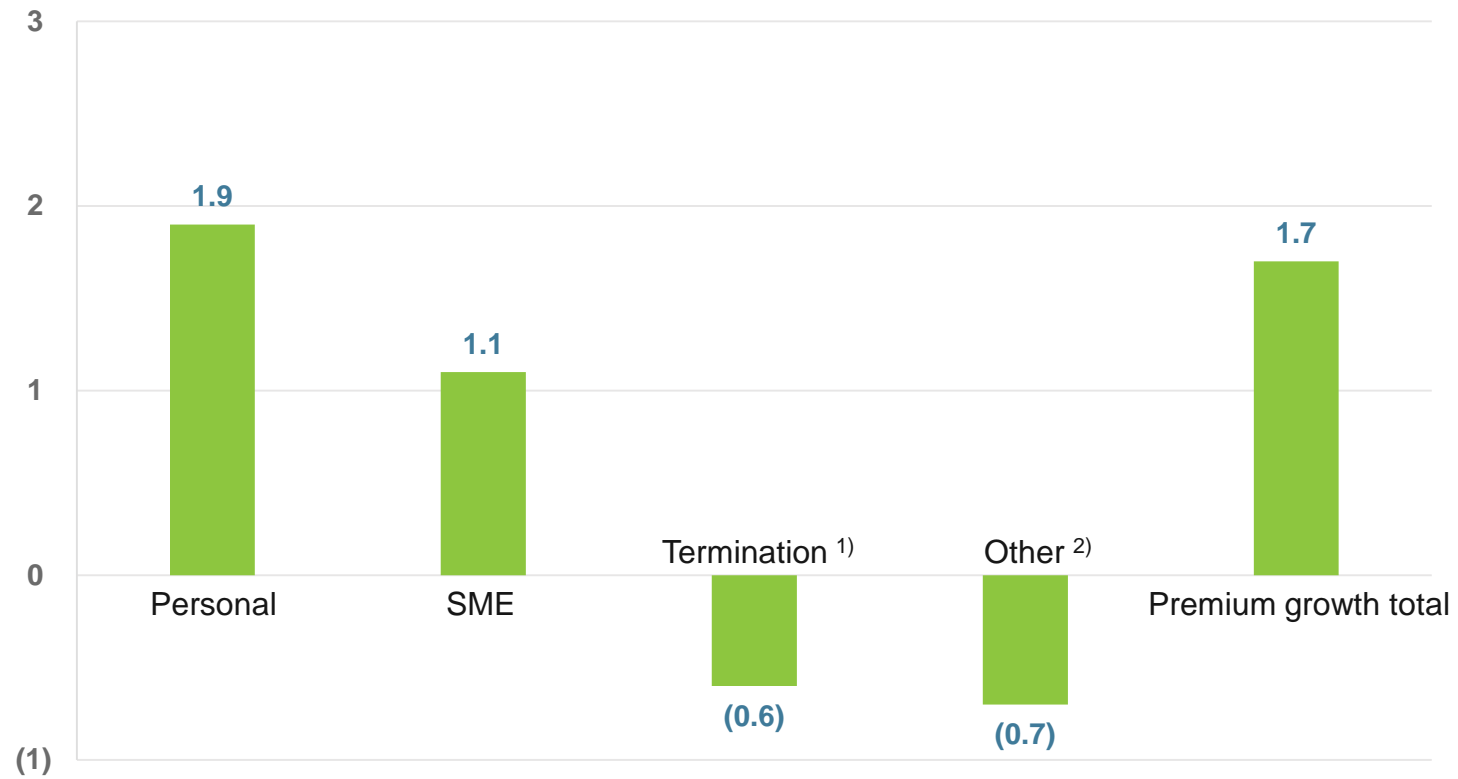
Claims trend

Claims trend	Q4	Q4	2017	2018
	2017	2018		
Claims trend	65.6	65.0	65.8	67.5
Run-off	4.2	6.4	3.8	3.9
Weather-related claims	(0.6)	(0.4)	(0.4)	(0.1)
Large-scale claims	(0.2)	(1.1)	(0.2)	(1.4)
Other	(0.2)	0.6	0.0	0.3
Claims before run-off, weather, large-scale claims and other	68.8	70.5	69.1	70.2



2018

Premium growth



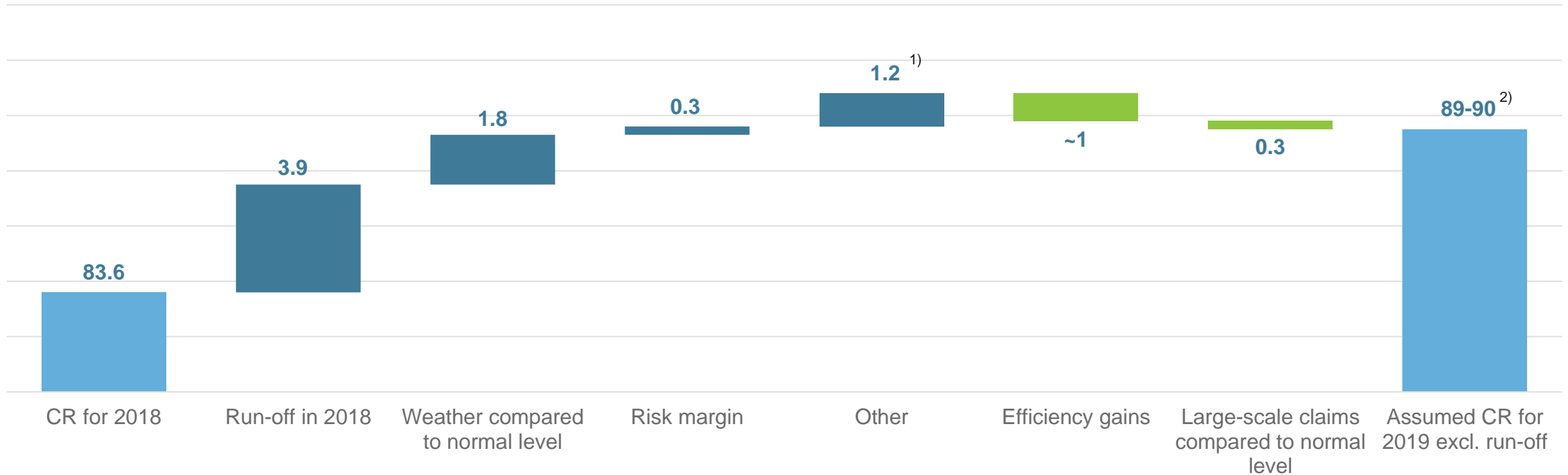
¹⁾ Termination of the distribution agreement with Sydbank and Nykredit within life insurance (illness/accident)

²⁾ Accounting adjustments primarily concerning unexpired risk



Excl. run-off

Assumed CR for 2019 unchanged 89-90



¹⁾ Better claims trend than assumed for 2018 on SME, motor due to good weather, content etc.

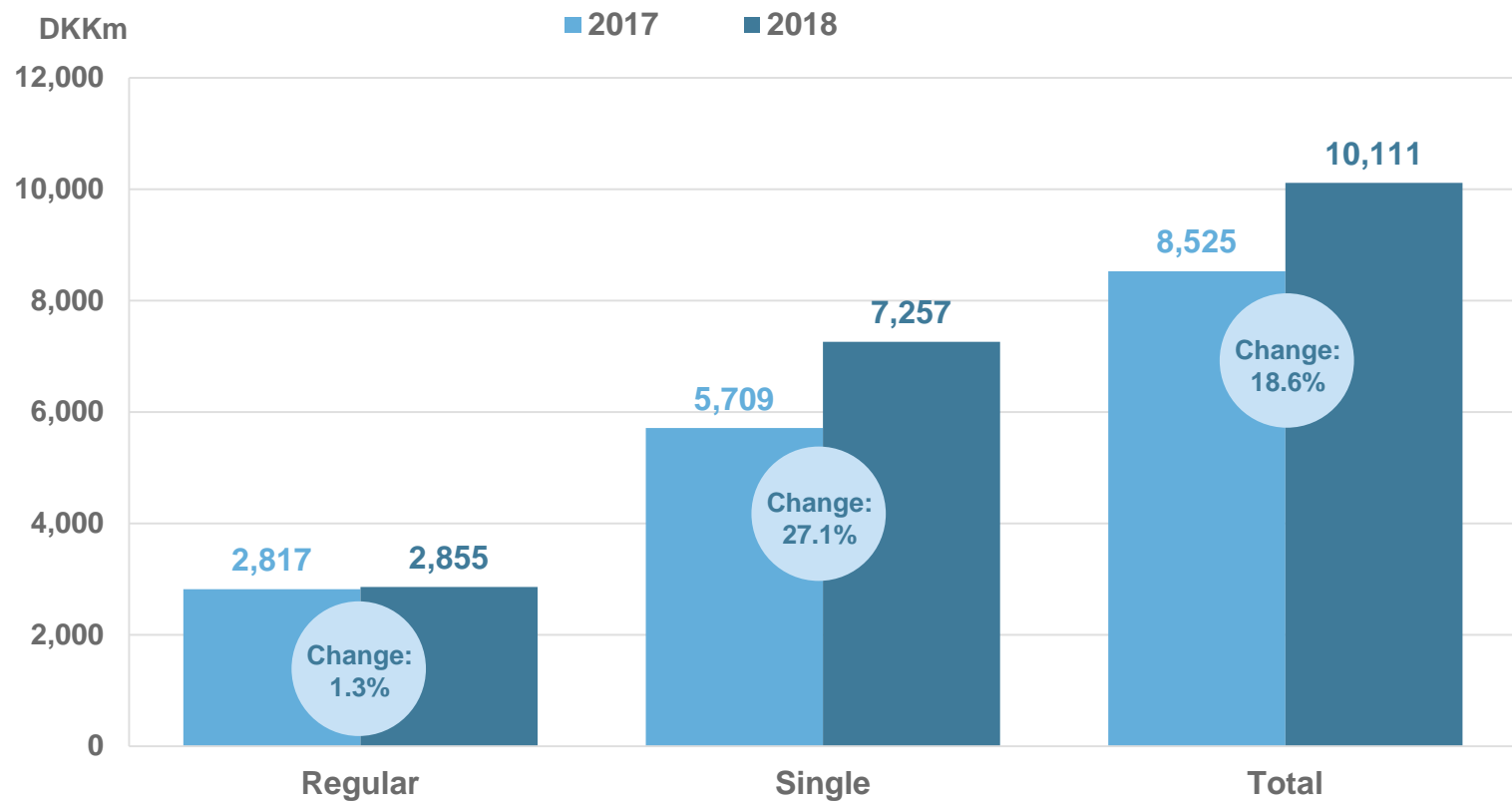
²⁾ Assumed normal level for i.a. fire and large-scale claims

Result

Result of life insurance (DKKm)	Q4	Q4	2017	2018
	2017	2018		
Investment return on shareholders' equity	10	21	109	110
Sales and administration	(5)	(9)	(25)	(20)
Insurance risk	0	3	17	(2)
Risk return on shareholders' equity	36	30	147	140
Profit on life insurance	42	45	249	228



Trend in gross premiums



Investment return

Investment return	Portfolio 31 Dec											
	2017		2018		Return Q4 2017		Return Q4 2018		Return 2017		Return 2018	
	(DKKbn)		(DKKbn)		%		%		(DKKbn)		%	
Danish equities	0.3	0.2	(4)	(1.5)	(33)	(12.8)	55	18.7	(34)	(13.1)		
Foreign equities	0.7	0.6	30	4.5	(105)	(15.0)	102	17.1	(73)	(10.8)		
Unlisted equities and hedge funds	0.3	0.3	3	0.8	(0)	(0.1)	30	9.7	15	4.7		
Government and mortgage bonds	16.4	14.4	58	0.4	43	0.3	157	1.0	71	0.4		
Credit bonds	0.0	0.0	0	(0.1)	(2)	(5.0)	9	7.1	(3)	(6.1)		
Index linked bonds	0.3	0.3	3	0.5	4	1.3	24	6.0	9	3.3		
CDOs	0.6	0.6	14	2.3	(14)	(2.6)	70	12.5	29	4.7		
Properties	1.1	1.2	7	0.6	12	1.0	30	2.9	47	4.2		
Money market etc.	1.7	3.2	(2)	(0.1)	(11)	(0.4)	(23)	(0.7)	(15)	(0.6)		
Subordinated loan capital	(1.7)	(1.7)	(10)	(0.7)	(12)	(0.7)	(43)	(2.8)	(47)	(2.6)		
Interest-bearing debt	0.0	(0.2)	0	0.0	0	0.0	0	0.1	0	0.0		
	19.5	18.9	98	0.5	(118)	(0.6)	409	2.1	(2)	0.0		
Asset management			49		39		130		104			
Investment return			147		(79)		539		102			
Return and revaluations of non-life insurance provisions			(81)		(37)		(143)		(86)			
Investment return after return and revaluations of non-life insurance provisions			65		(116)		396		16			

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.

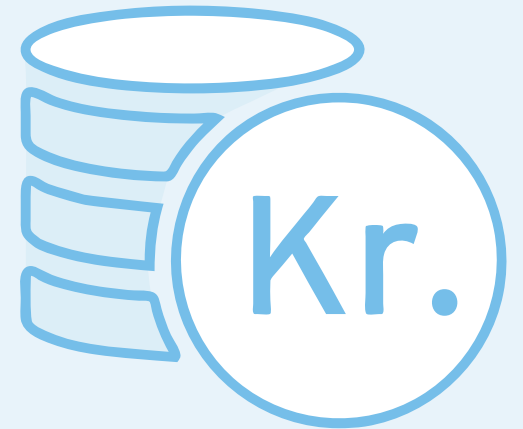


Profit forecast model for 2019

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

Dividend yield of 5.2 for 2018

- The Board of Directors will recommend to the AGM that dividend of DKK 1,350m be distributed for 2018
 - Represents a payout ratio of 101.5
 - Dividend yield of 5.2
 - Dividend per share issued of DKK 15



Disclaimer

This presentation includes statements relating to the future. Such statements are uncertain and involve both general and specific risks.

Many factors may cause a significant deviation from the forecasts and assumptions set out in the presentation. Such factors could be, for example, cyclical movements, changes in the financial markets, the financial effect of unexpected events like acts of terror or exceptional weather conditions, changes in Danish and EU rules, competitive factors in the insurance industry and trends in the reinsurance market. See also

www.topdanmark.com → [Investor](#) → [Risk management](#).

The above description of risk factors is not exhaustive. Investors and others, who may base decisions relating to Topdanmark on statements relating to the future, should give their own careful consideration to these and other factors of uncertainty.

Topdanmark's statements relating to the future are solely based on information known at the time of the preparation of the announcement of the 2018 Annual Result.

