

# TOPDANMARK

## H1 2017 RESULT



## H1 2017

- Post-tax profit: DKK 889m (H1 2016: DKK 586m)
- EPS: DKK 10.4 (H1 2016: DKK 6.3)
- CR: 81.8 (H1 2016: 86.2)
- CR excl. run-off: 85.3 (H1 2016: 90.3)
- Premium growth: 1.2% increase in non-life and 0.4% decline in life insurance
- Profit in life insurance: DKK 128m (H1 2016: DKK 66m)
- Investment return: DKK 221m (H1 2016: DKK 108m)

## Q2 2017

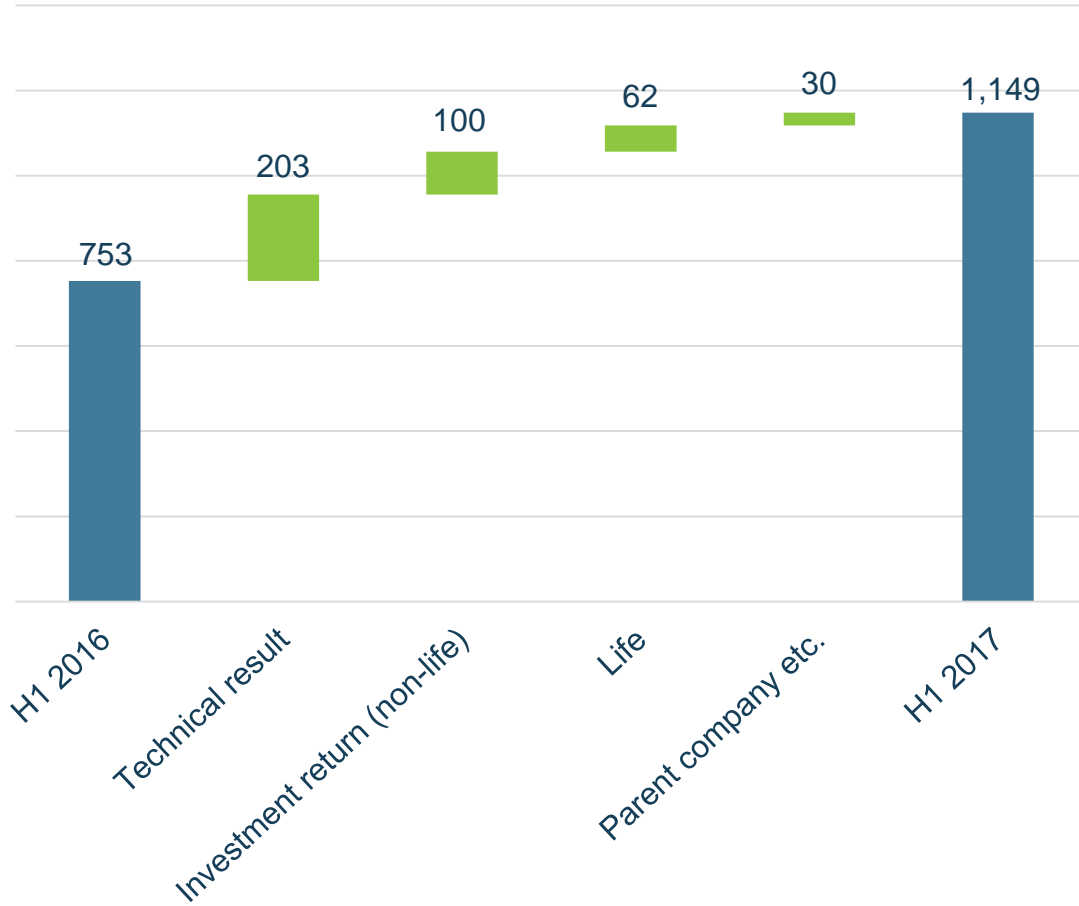
- Post-tax profit: DKK 474m (Q2 2016: DKK 425m)
- EPS: DKK 5.6 (Q2 2016: DKK 4.6)
- CR: 77.8 (Q2 2016: 86.4)
- CR excl. Run-off: 81.6 (Q2 2016: 88.8)
- Premium growth: 0.6% increase in non-life and 5.0% increase in life insurance
- Profit in life insurance: DKK 56m (Q2 2016: DKK 58m)
- Investment return: DKK 69m (Q2 2016: DKK 199m)

## Profit forecast model for 2017

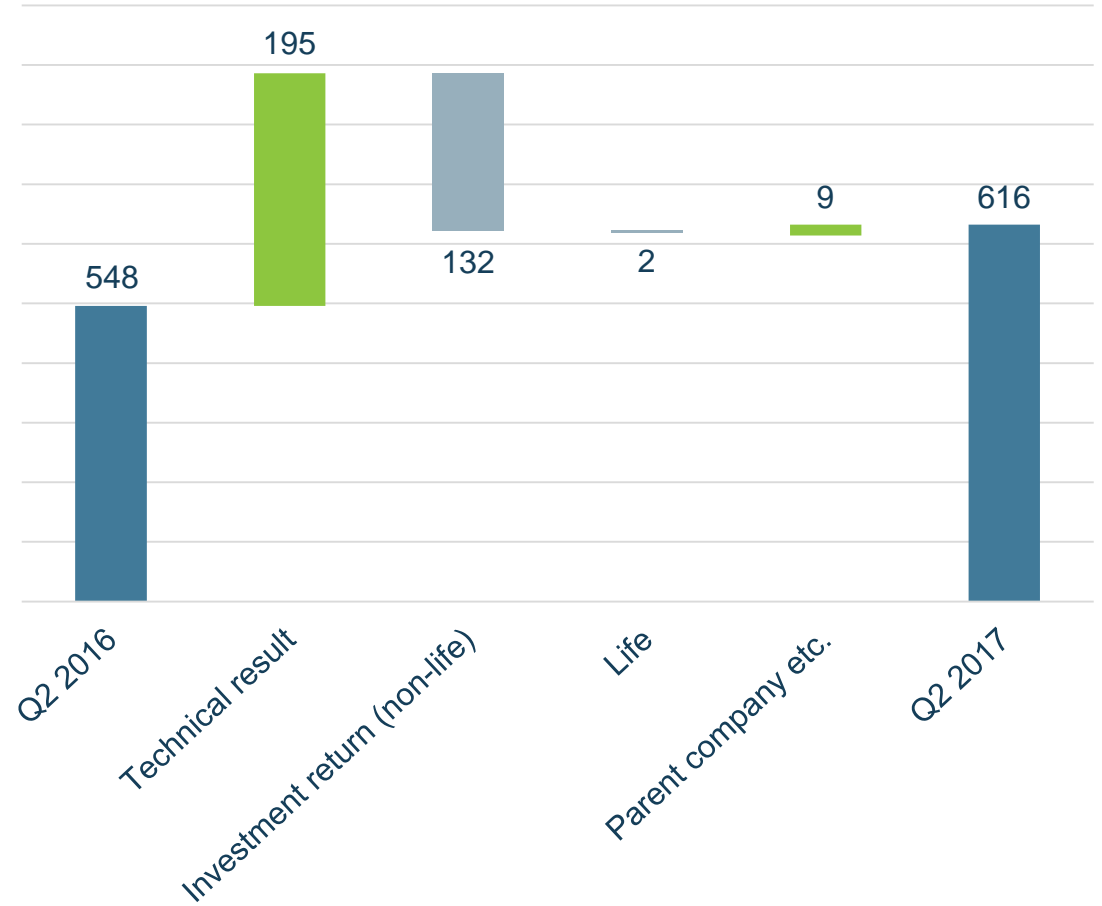
- Assumed premium growth still slightly positive
- Assumed premium growth in regular premiums in life insurance remains unchanged at 0-5%
- For the full year 2017, the assumed CR improves from around 89 to around 87 excl. run-off in H2 2017
  - Still including additional expenses of 0.5-1 pp due to investment in increased digitalisation and automation
- The profit forecast model for 2017 is upgraded by DKK 150m to 1,250-1,350m excl. run-off in H2 2017
  - Representing EPS of DKK 15.2

# Trend in pre-tax result

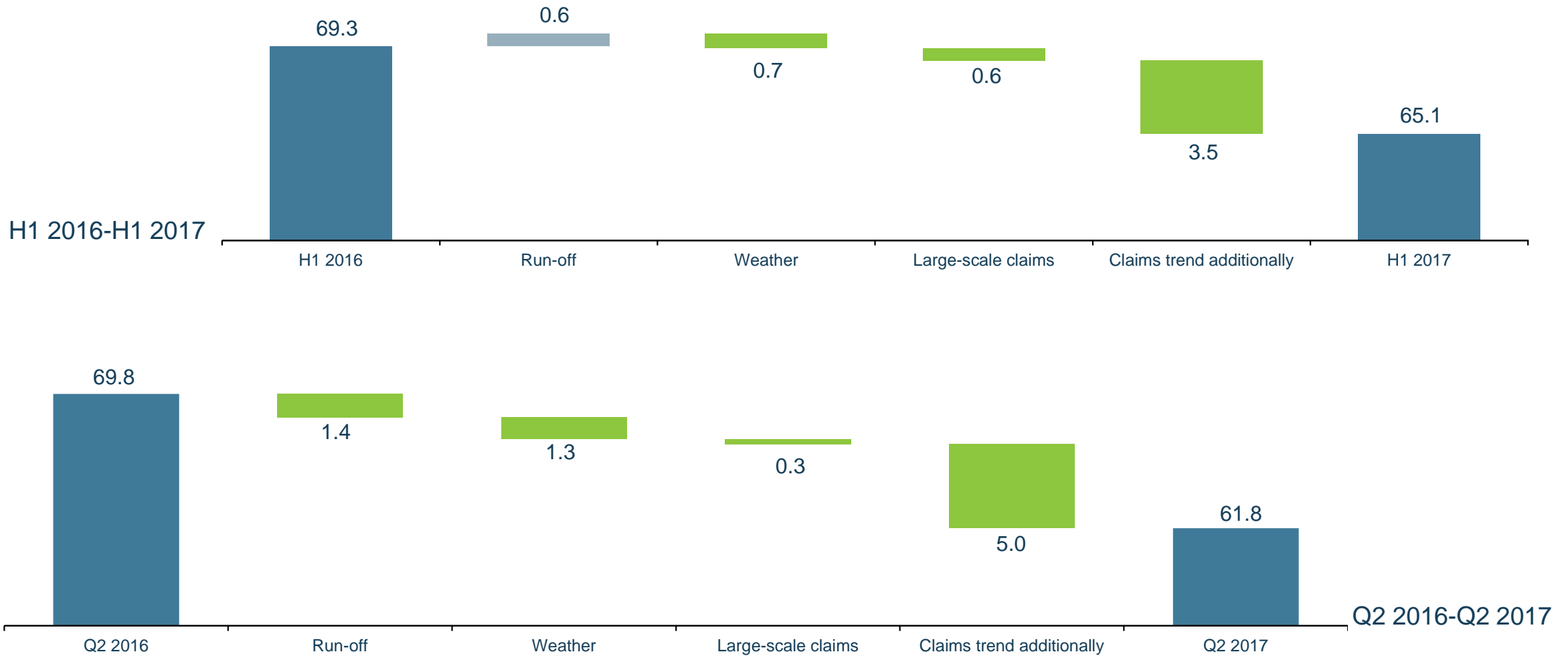
H1 2016-H1 2017



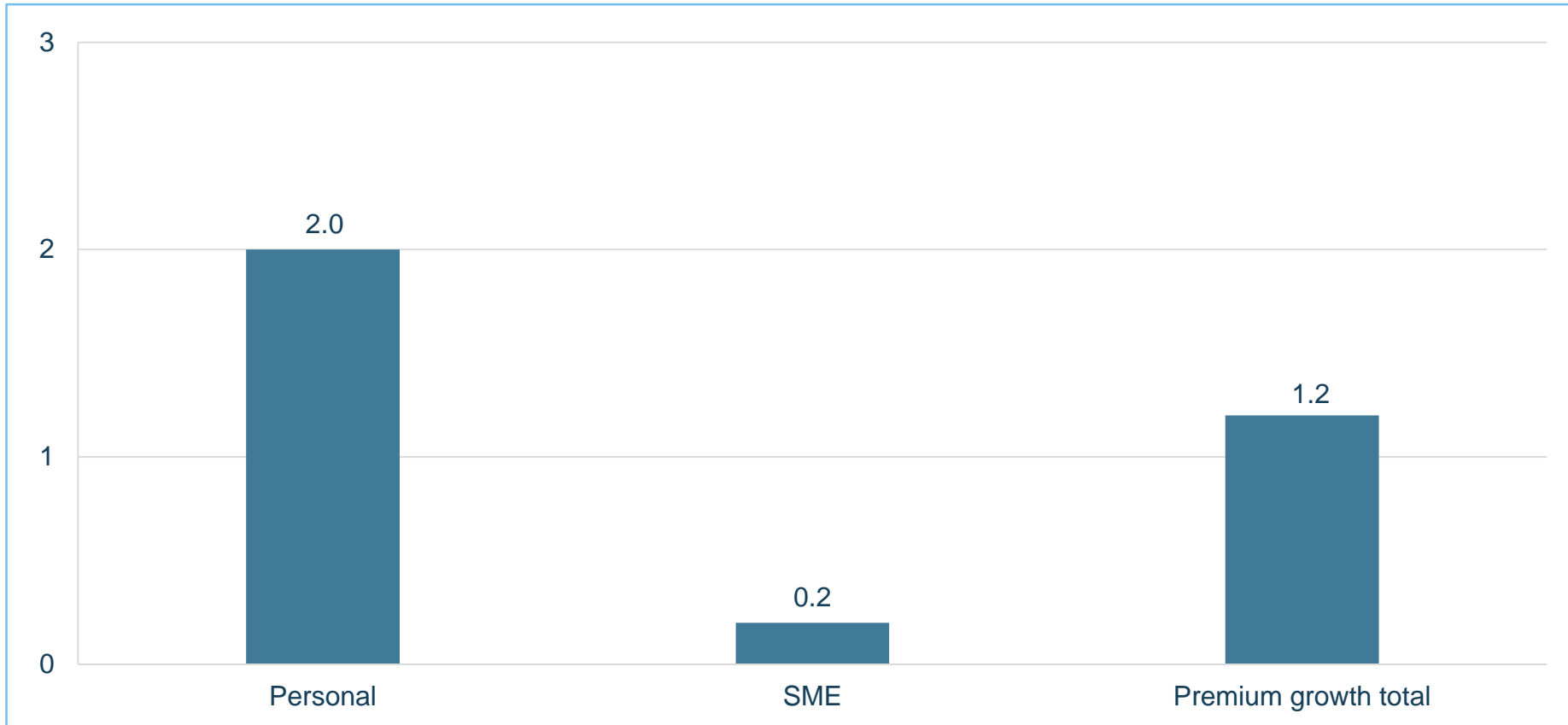
Q2 2016-Q2 2017



# Claims trend

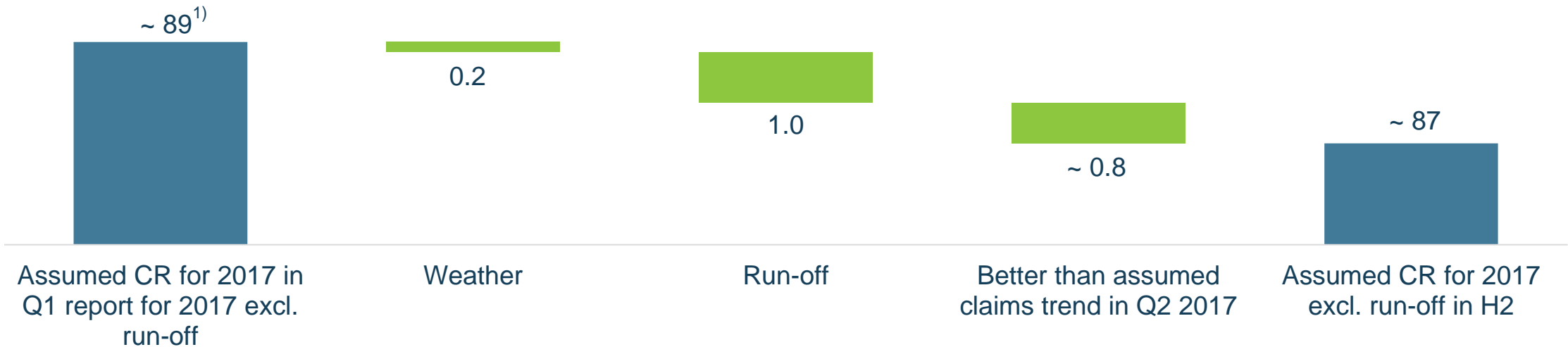


# Premium growth H1 2017



# Assumed CR improved to around 87 for 2017

Excl. run-off in H2



## Assumptions for CR in 2017

- 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 4 August 2017
- An expense ratio of around 16

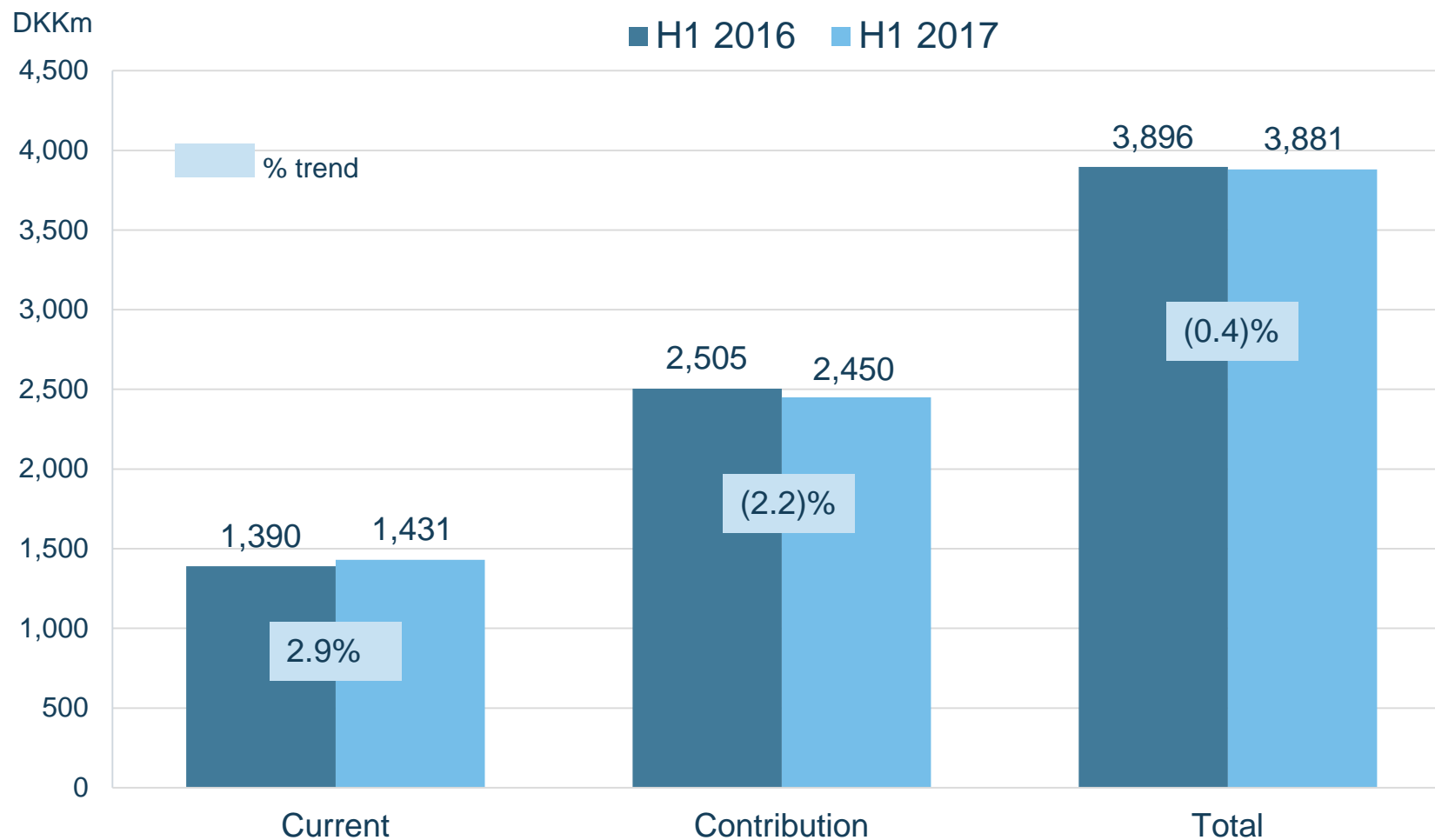
<sup>1)</sup> Incl. additional expenses of 0.5-1pp due to an update in investments in digitalisation and automation

# Result – life insurance

Result – Life insurance DKKm	Year 2016	Q2 2016	Q2 2017	H1 2016	H1 2017
Investment return on shareholders' equity	71	25	22	14	61
Sales and administration	(42)	(12)	(9)	(31)	(19)
Insurance risk	13	10	6	11	11
Risk return on shareholders' equity	147	36	37	72	74
Risk return transferred to (-)/from shadow account	0	0	0	0	0
<b>Result of life insurance</b>	<b>189</b>	<b>58</b>	<b>56</b>	<b>66</b>	<b>128</b>
<b>Estimated value of shadow account end of period</b>	<b>14</b>			<b>8</b>	<b>21</b>



# Life – trend in gross premiums





# Investment return for Topdanmark Group excl. Life insurance

Investment return	Portfolio 30 June											
	2016		2017		Return Q2 2016		Return Q2 2017		Return H1 2016		Return H1 2017	
	(DKKbn)	(DKKbn)	(DKKbn)	(DKKbn)	(DKKbn)	(DKKbn)	(DKKbn)	(DKKbn)	(DKKbn)	(DKKbn)	(DKKbn)	(DKKbn)
Danish equities	0.3	0.3	(7)	(2.0)	26	7.8	(13)	(3.9)	52	17.3		
Foreign equities	0.6	0.6	5	0.9	13	1.9	(10)	(1.8)	47	7.7		
Unlisted equities and hedge funds	0.4	0.3	35	11.3	7	2.3	6	1.7	23	7.5		
Government and mortgage bonds	14.5	12.3	171	1.2	(8)	(0.1)	371	2.9	8	0.1		
Credit bonds	0.3	0.1	4	0.5	2	1.7	6	1.3	7	4.5		
Index linked bonds	0.5	0.4	8	1.7	2	0.6	9	2.0	8	2.1		
CDOs	0.6	0.6	49	9.1	19	3.3	28	4.9	44	7.9		
Properties	1.0	1.0	14	1.4	7	0.7	28	2.8	20	2.0		
Assets related to I/A	2.3	2.4	70	3.1	(4)	(0.2)	149	6.9	(1)	(0.1)		
Money market etc.	1.7	3.7	(4)	(0.3)	(16)	(0.4)	(12)	(0.6)	(19)	(0.6)		
Subordinated loan capital	(1.8)	(1.8)	(18)	(0.9)	(11)	(0.6)	(36)	(1.7)	(22)	(1.2)		
Interest-bearing debt	(0.8)	0.0	0	0.2	2	1.4	(1)	(0.4)	0	0.0		
	19.5	20.0	327	1.8	38	0.2	524	2.9	168	0.9		
Asset management			16		22		31		58			
Investment return			343		60		555		225			
Return and revaluations of non-life insurance provisions			(144)		9		(447)		(4)			
Investment return after return and revaluations of non-life insurance provisions			199		69		108		221			

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 2017

Profit forecast 2017 (DKKm)	Results 2016	Forecast 2017 11 May 2017		Forecast 2017 4 August 2017	
Non-life insurance					
- Technical result	1,320	950	– 1,000	1,150	– 1,200
- Investment return after return and revaluation of non-life insurance provisions	392	200	– 250	200	– 250
Profit on non-life insurance	1,712	1,150	– 1,250	1,350	– 1,450
Life insurance	189	210	– 240	210	– 240
Parent company etc.	41	50	– 60	50	– 60
Pre-tax profit	1,942	1,410	– 1,550	1,610	– 1,750
Taxation	(407)	(310)	– (350)	(360)	– (400)
<b>Profit for the year</b>	<b>1,536</b>	<b>1,100</b>	<b>– 1,200</b>	<b>1,250</b>	<b>– 1,350</b>