

TOPDANMARK

H1 2015 RESULTS

HIGHLIGHTS

H1 2015

- Post-tax profit: DKK 647m (H1 2014: DKK 945m)
- EPS: DKK 6.3 (H1 2014: DKK 8.6)
- CR: 85.7 (H1 2014: 85.9)
- CR excl. run-off: 89.6 (H1 2014: 89.7)
- Premium growth: 0.9% decline in non-life and 32.8% increase in life
- Investment return: DKK 172m (H1 2014: DKK 539m)

Q2 2015

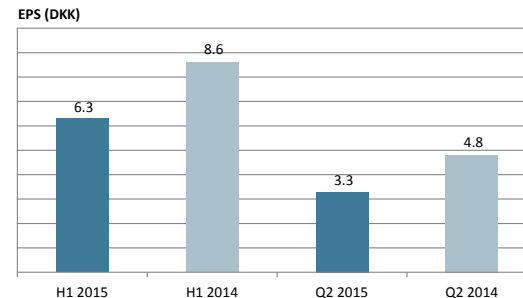
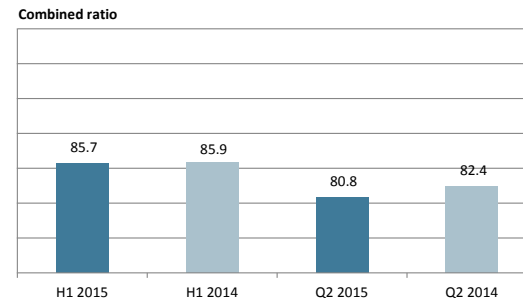
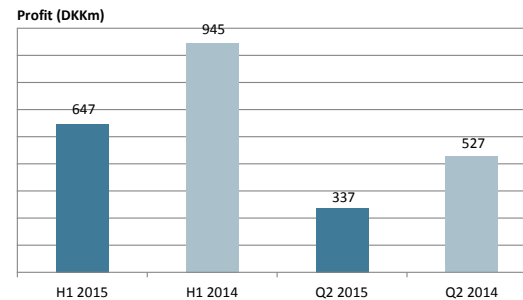
- Post-tax profit: DKK 337m (Q2 2014: DKK 527m)
- EPS: DKK 3.3 (Q2 2014: DKK 4.8)
- CR: 80.8 (Q2 2014: 82.4)
- CR excl. run-off 86.6 (Q2 2014: 87.4)
- Premium growth: 1.0% decline in non-life and 34.8% increase in life
- Investment return: DKK 20m loss (Q2 2014: DKK 261m)

Profit forecast model for 2015

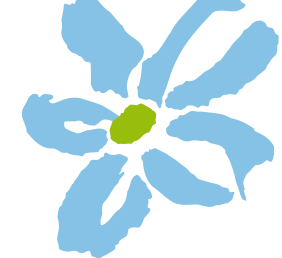
- Assumed negative premium growth in non-life adjusted from around 1% to 1-2%
- For the full year 2015 assumed CR adjusted from around 90 to around 88-89, excl. run-off in H2 2015
- Profit forecast model for 2015 upgraded by DKK 50m to DKK 1,050-1,150m, excl. run-off in H2 2015 ~ EPS of DKK 11.0

Share buy-back

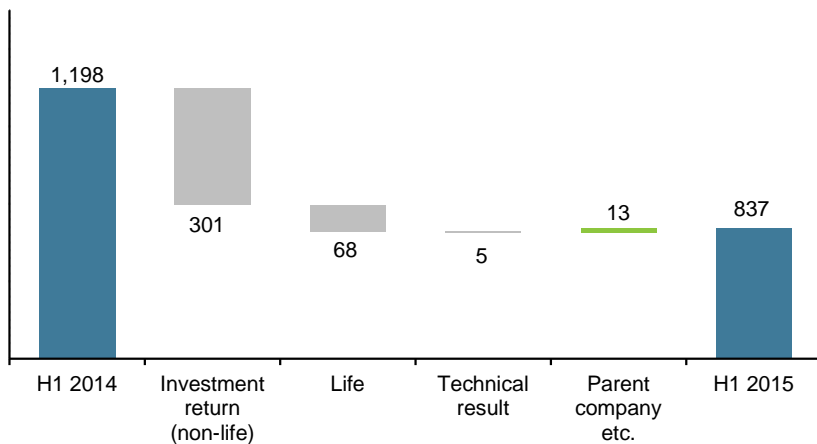
- Buy-back programme for 2015 increased by DKK 50m to DKK 1.95bn
 - Buy-back yield of 9.6%
- Balance of buy-back programme for 2015: DKK 968



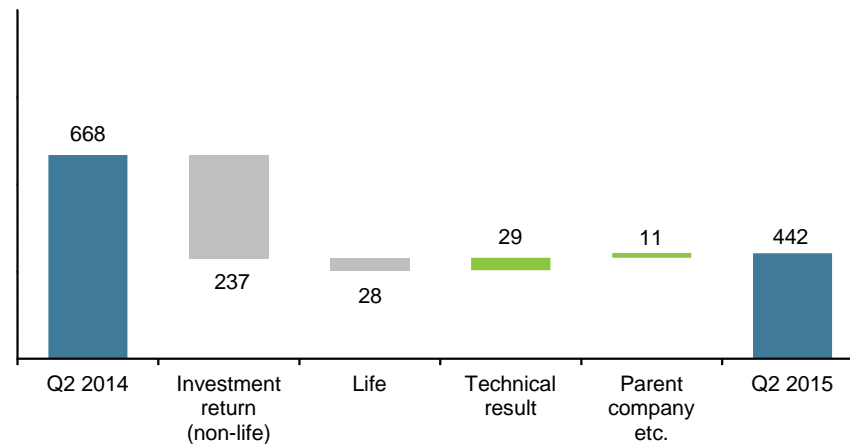
TREND IN PRE-TAX RESULTS



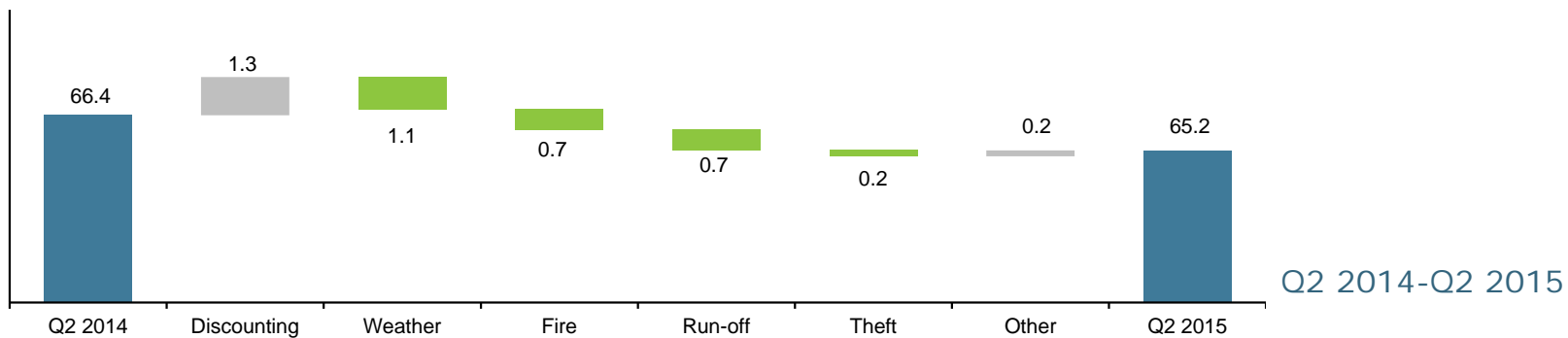
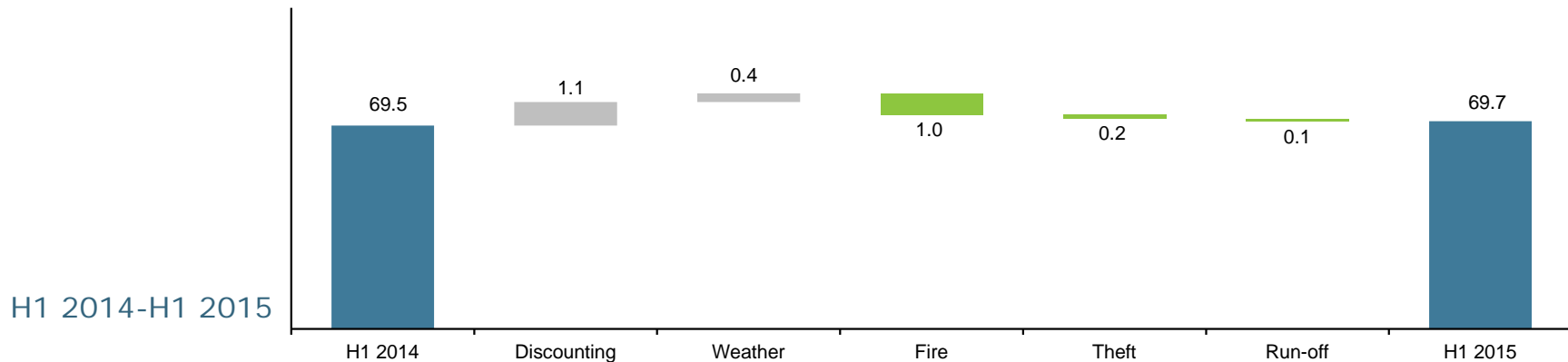
H1 2014-H1 2015



Q2 2014-Q2 2015



CLAIMS TREND

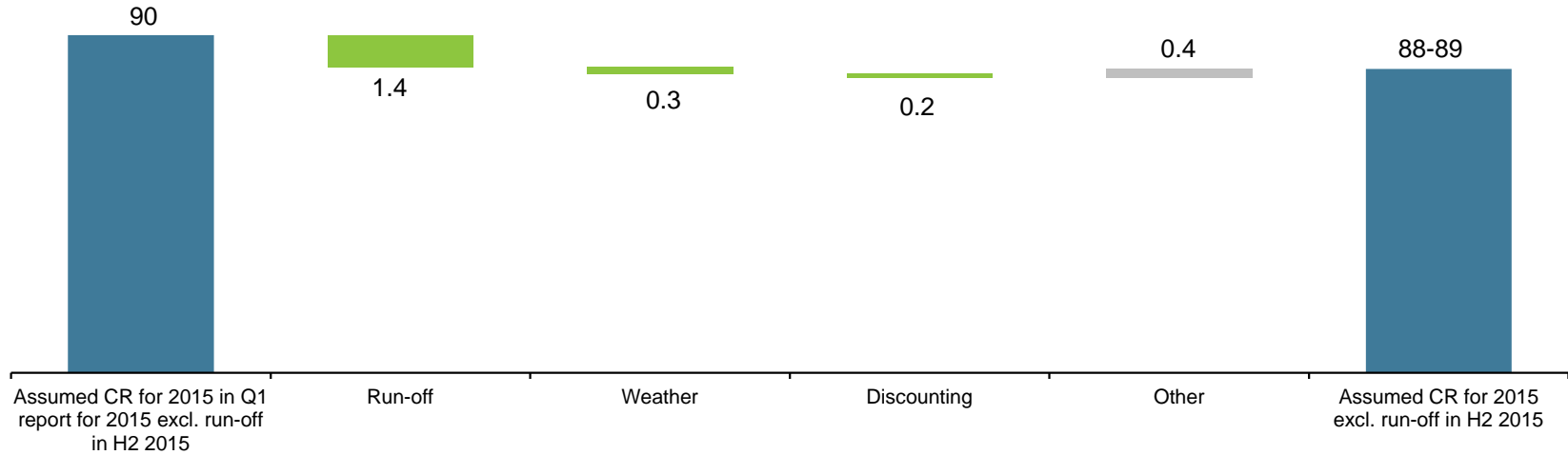


PRIORITY GIVEN TO PROFITABILITY OVER GROWTH

Given developments in Q2 and Q3 to date, assumed negative premium growth has been adjusted for 2015 from around 1% to 1-2%

- Loss of unprofitable customers in the SME and industrial segment
 - Representing 1.4pp adverse effect on premium growth in H1 2015
- Loss of momentum due to change to new strategy for sales in the personal segment with more focus on risk assessment
- New sales through bank distribution were lower than expected due to the bank's focus on conversion of mortgage credit loans
- Continued intense competition in the market for motor insurance, in particular

ASSUMED CR ADJUSTED FROM AROUND 90 TO 88-89 FOR 2015 EXCL. RUN-OFF IN H2 2015



Assumptions for CR in 2015

- 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 7 August 2015
- An expense ratio in line with 2014 (15.7)



RESULTS – LIFE INSURANCE

Result of life insurance (DKKm)	Full year 2014	Q2 2014	Q2 2015	H1 2014	H1 2015
Investment return on shareholders' equity	105	48	1	80	5
Sales and administration	(65)	(20)	(2)	(36)	(18)
Insurance risk	25	(1)	(10)	19	5
Risk return on shareholders' equity	145	37	34	74	68
Risk return transferred to(minus)/from shadow account	(10)	(2)	12	(1)	7
Profit on life insurance	200	62	34	136	68
Maximum shadow account end of period	26			84	17
Estimated value of shadow account end of period	26			17	17



PROSPECTS FOR LIFE INSURANCE 2015

- Improved competitiveness due to favourable investment returns and low cost contributions from customers
- Assumed growth in regular premiums adjusted from around 5% to more than 10%
- Assumed profit for 2015 unchanged at DKK 140-170m



INVESTMENT RETURN

- FOR TOPDANMARK GROUP EXCL. LIFE INSURANCE

Investment return	Portfolio 30 June											
	2014		2015		Return Q2 2014		Return Q2 2015		Return H1 2014		Return H1 2015	
	(DKKbn)		(DKKbn)		(DKKkm)		(DKKkm)		(DKKkm)		(DKKkm)	
					%		%		%		%	
Danish equities	0.5	0.5	36	7.0	5	0.4	96	20.5	76	18.5		
Foreign equities	0.8	0.7	37	4.2	9	1.1	48	5.5	40	4.8		
Government and mortgage bonds	10.4	12.8	70	0.6	(90)	(0.8)	163	1.5	(79)	(0.7)		
Credit bonds	0.4	0.2	6	1.5	9	2.5	16	3.5	14	3.7		
CDOs	0.8	0.7	40	5.7	22	3.1	81	11.5	37	5.2		
Properties	1.4	1.2	18	1.2	129	10.2	34	2.4	147	11.7		
Assets related to I/A	2.2	2.2	66	3.1	(87)	(3.8)	121	5.8	(35)	(1.6)		
Money market etc.	3.7	1.0	(8)	(0.2)	(18)	(0.7)	(11)	(0.4)	(28)	(0.9)		
Subordinated loan capital	(1.2)	(0.8)	(14)	(1.2)	(14)	(1.5)	(29)	(2.5)	(30)	(2.8)		
Interest-bearing debt	(0.1)	0.0	(2)	(0.9)	(1)	(0.4)	(3)	(1.0)	(1)	(0.3)		
	19.0	18.6	249	1.3	(36)	(0.2)	516	2.8	141	0.7		
Asset management			12		16		22		31			
Total investment return			261		(20)		539		172			
Transferred return technical provisions												
Discounting			(39)		(21)		(83)		(48)			
Technical interest			(3)		1		(6)		3			

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 government and mortgage bonds and assets related to I/A (illness/accident) includes revaluations of claims provisions. The return on properties includes revaluation and reversed revaluation of owner-occupied property, which has been included in other comprehensive income.



PROFIT FORECAST MODEL FOR 2015

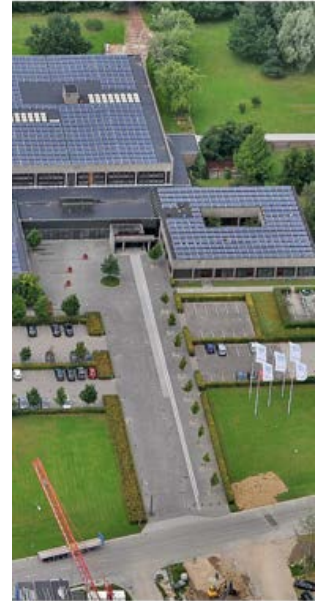
Profit forecast 2015 (DKKm)	Results 2014	Forecast 2015 8 May 2015		Forecast 2015 7 August 2015	
Non-life insurance					
- Technical result	1,289	900	- 950	1,000	- 1,050
- Investment return after transfer to technical result etc.	514	220	- 270	220	- 270
Profit on non-life insurance	1,803	1,120	- 1,220	1,220	- 1,320
Life insurance	200	140	- 170	140	- 170
Parent company etc.	7	20	- 30	20	- 30
Pre-tax profit	2,010	1,280	- 1,420	1,380	- 1,520
Taxation	(452)	(280)	- (320)	(330)	- (370)
Profit for the year	1,558	1,000	- 1,100	1,050	- 1,150

Representing EPS of DKK 11.0



BUY-BACK OF DKK 1.95BN IN 2015

- Buy-back programme increased by DKK 50m to DKK 1.95bn
 - Buy-back yield of 9.6%
- To date this year buy-back of DKK 982m of buy-back programme for 2015
- Leaving a balance of DKK 968m of buy-back for 2015
- From 2000 to 2014 average buy-back yield of 9.5%
- Since 1998, Topdanmark has cancelled 74.5% of outstanding shares
 - Average share price: DKK 48.6



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