

# TOPDANMARK Q1 2016 RESULTS



# HIGHLIGHTS

## Q1 2016

- Profit of DKK 164m (Q1 2015: DKK 286m)
- CR: 85.8 (Q1 2015: 91.2)
- CR excl. run-off: 91.6 (Q1 2015: 93.3)
- Premiums declined 2.5% in non-life and increased 32.0% in life
- Profit on life insurance was DKK 8m (Q1 2015: DKK 34m)
- Investment return was DKK 212m (Q1 2015: DKK 449m)
- Results are reported according to the new accounting policy, adapted to Solvency II

## Profit forecast model for 2016

- Assumed negative premium growth in non-life unchanged
- Assumed premium growth in regular premiums in life adjusted from 0-5% to around 5%
- For the full year 2016 assumed CR improved from 91 to around 89, excl. run-off in Q2-Q4 2016
- Profit forecast model for 2016 upgraded by DKK 100m to DKK 900-1,000m excl. run-off in Q2-Q4 2016

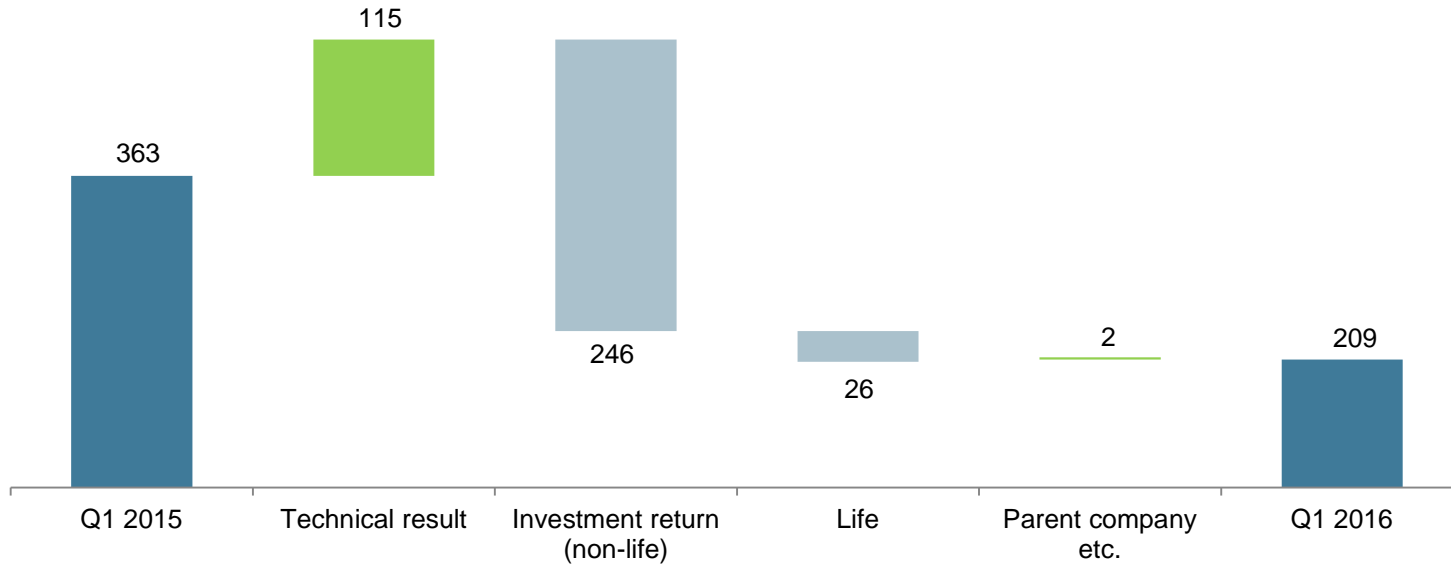
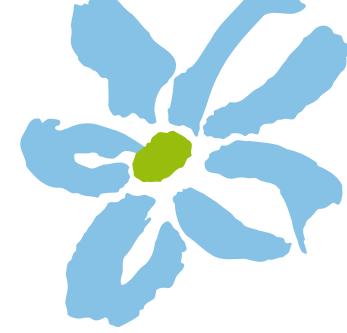
## Share buy-back

- Buy-back programme for 2016 increased by DKK 100m to DKK 1,350m
  - Buy-back yield of 8.3



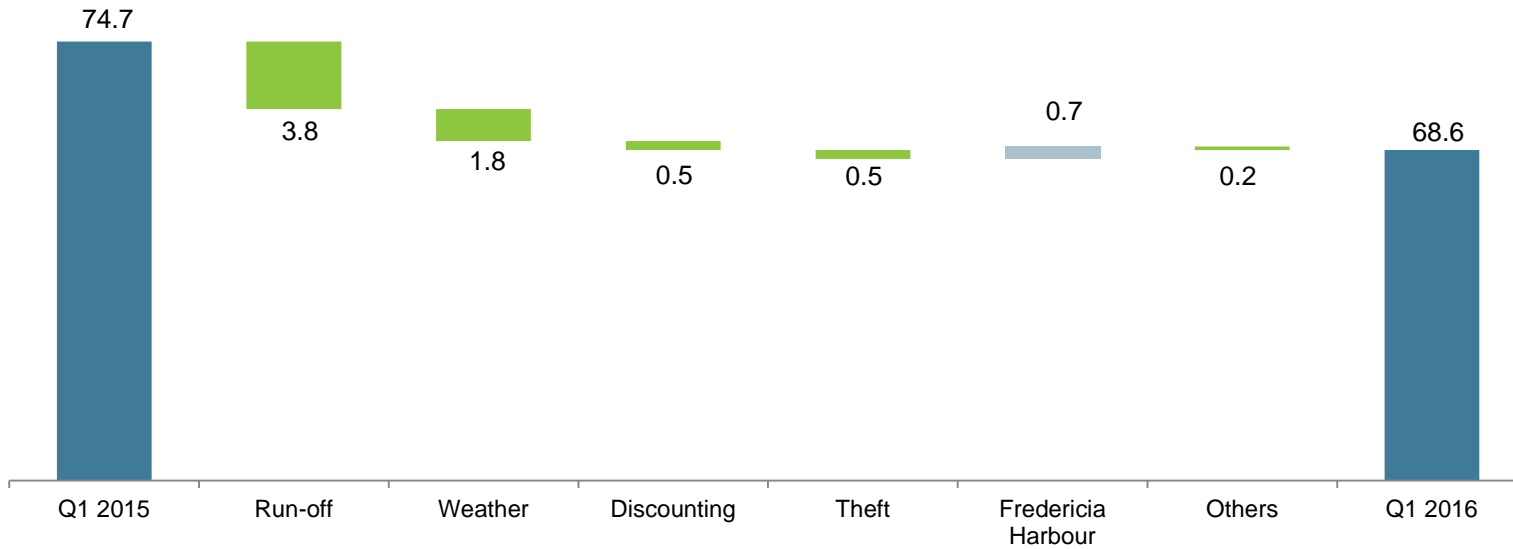
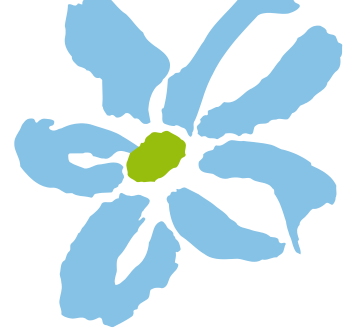
# TREND IN PRE-TAX RESULTS

Q1 2015-Q1 2016



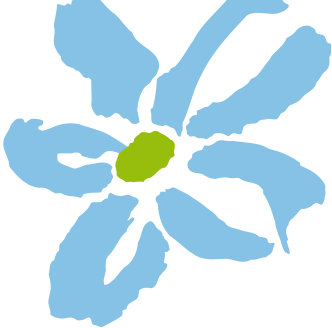
# CLAIMS TREND

Q1 2015-Q1 2016

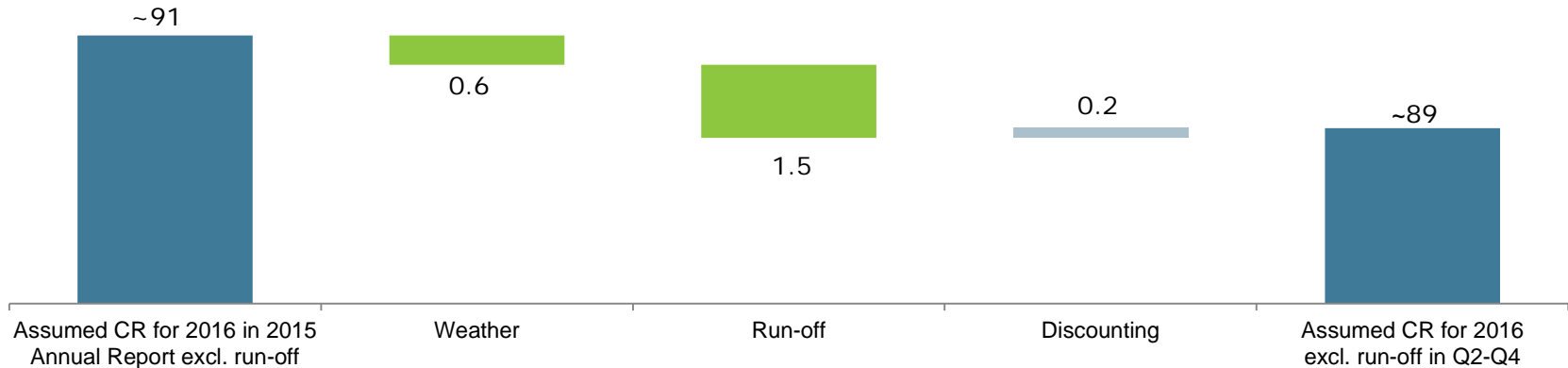


# TREND IN PREMIUMS (%)

Q1 2015-Q1 2016



# ASSUMED CR ADJUSTED FROM AROUND 91 TO AROUND 89 FOR 2016 - EXCL. RUN-OFF IN Q2-Q4



## Assumptions for CR in 2016

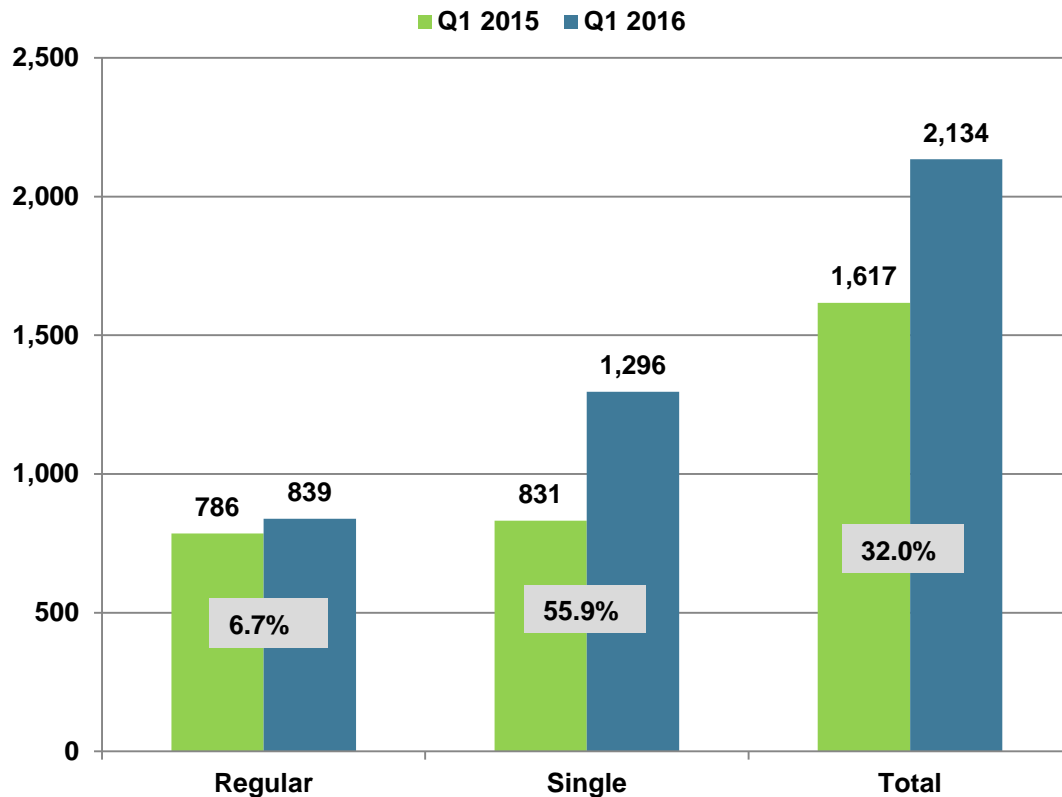
- A normal year for weather with weather-related claims of DKK 120m in Q2-Q4
- A level of interest rates corresponding to the interest rate curve on 29 April 2016
- An expense ratio around 16

# RESULT – LIFE INSURANCE

Result of life insurance (DKKm)	Full year 2015	Q1 2015	Q1 2016
Investment return on shareholders' equity	57	4	(12)
Sales and administration	(45)	(15)	(19)
Insurance risk	19	15	2
Risk return on shareholders' equity	137	34	36
Risk return transferred to (minus)/from shadow account	7	(4)	0
<b>Profit on life insurance</b>	<b>174</b>	<b>34</b>	<b>8</b>
<b>Estimated value of shadow account end of period</b>	<b>12</b>	<b>26</b>	<b>3</b>



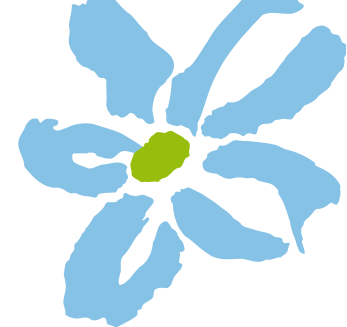
# LIFE – TREND IN GROSS PREMIUM





# INVESTMENT RETURN

## - FOR TOPDANMARK GROUP EXCL. LIFE INSURANCE



Investment return	Portfolio		
	31 March 2016 (DKKbn)	Return Q1 2016 (DKKbn)	%
Danish equities	0.3	(7)	(1.9)
Foreign equities	0.6	(15)	(2.7)
Unlisted equities and hedge funds	0.3	(29)	(8.6)
Government and mortgage bonds	13.1	200	1.6
Credit bonds	0.3	2	0.7
Index linked bonds	0.5	1	0.3
CDOs	0.5	(21)	(3.8)
Properties	1.0	14	1.4
Assets related to VA	2.3	79	3.7
Money market etc.	1.8	(8)	(0.4)
Subordinated loan capital	(2.2)	(17)	(0.8)
Interest-bearing debt	0.0	(1)	(0.6)
	18.6	197	1.1
Asset management		15	
Investment return		212	
Unwinding and revaluations non-life insurance provisions		(303)	

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 and reversed revaluation of owner-occupied property, which has been included in other comprehensive income.



# PROFIT FORECAST MODEL FOR 2016

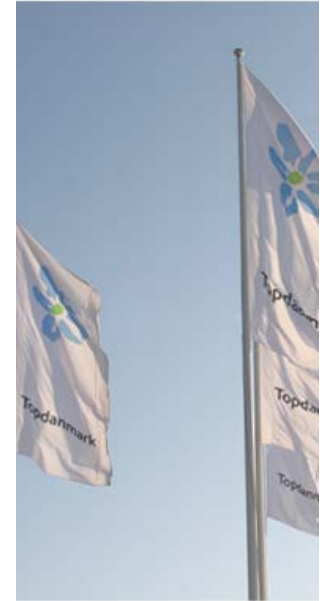
Profit forecast 2016 (DKKm)	Results		Forecast 2016		Forecast 2016	
	2015		29 January 2016		29 April 2016	
Non-life insurance						
- Technical result	1,195	750	-	800	950	- 1,000
- Investment return, unwinding and revaluations						
non-life insurance provisions	147	100	-	150	50	- 100
Profit on non-life insurance	1,342	850	-	950	1,000	- 1,100
Life insurance	174	130	-	160	110	- 140
Parent company etc.	31	30	-	40	30	- 40
Pre-tax profit	1,547	1,010	-	1,150	1,140	- 1,280
Taxation	(364)	(210)	-	(250)	(240)	- (280)
<b>Profit for the year</b>	<b>1,183</b>	<b>800</b>	<b>-</b>	<b>900</b>	<b>900</b>	<b>- 1,000</b>

Corresponding to EPS of DKK 10.0



# BUY-BACK OF DKK 1,350M

- The buy-back programme for 2016 is adjusted by DKK 100m to DKK 1,350m
- The buy-back of DKK 1,350m represents a buy-back yield of 8.3%
- The 2016 buy-back is executed from 12 February 2016 – 23 February 2017
- From 2000 to 2015, the average buy-back yield was 9.4%
- Since 1998, Topdanmark has cancelled 77% outstanding shares
  - Average share price: 53



# 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 non-anticipated 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](http://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 Q1 2016 interim report.