

# TOPDANMARK INTERIM REPORT FOR Q1 2018

23 April 2018, Announcement No. 10/2018

## Key features Q1 2018

- Post-tax profit of DKK 267m (Q1 2017: DKK 415m)
- EPS was DKK 3.1 (Q1 2017: DKK 4.8)
- Combined ratio: 85.2 (Q1 2017: 85.8)
- Combined ratio excluding run-off profits: 88.0 (Q1 2017: 89.0)
- Premiums increased 1.7% in non-life insurance and 18.6% in life insurance
- Profit on life insurance was DKK 44m (Q1 2017: DKK 72m)
- After return and revaluation of non-life insurance provisions, the investment return was DKK -19m (Q1 2017: DKK 152m).

## Profit forecast model for 2018

- The assumed combined ratio for 2018 improved from 90-91 to 88-89, excl. run-off profits in Q2-Q4 2018 still incl. additional expenses of 0.5-1pp due to the investment in increased digitalisation and automation
- A continued positive growth in premiums is assumed in non-life insurance
- The post-tax profit forecast model for 2018 is upgraded from DKK 950-1,050m to DKK 1,050-1,150m, excluding run-off in Q2-Q4 2018.

## Webcast

In a [webcast](#), Group Communications and IR Director, Steffen Heegaard, will present the financial highlights and comment on the forecast.

## Conference call

A conference call will be held today at 15:30 (CET) where Peter Hermann, CEO and Lars Thykier, CFO will be available for questions based on the interim report and the webcast. The call will be conducted in English.

In order to participate in the conference call, please call:  
DK dial-in-number: +45 3544 5583  
UK dial-in-number: +44 203 194 0544  
US dial-in-number: +1 855 269 2604

10-15 minutes before the conference and ask the operator to connect you to the Topdanmark conference call – or listen to the [live transmission](#) of the call.

## Please direct any queries to:

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# Financial highlights

(DKKm)	Full year 2017	Q1 2017	Q1 2018
<b>Premiums earned:</b>			
Non-life insurance	8,985	2,235	2,273
Life insurance	8,250	2,032	2,409
	17,235	4,267	4,682
<b>Results:</b>			
Non-life insurance	1,909	438	291
Life insurance	249	72	44
Parent company etc.	77	24	9
Pre-tax profit	2,235	534	344
Tax	(502)	(119)	(77)
<b>Profit</b>	<b>1,733</b>	<b>415</b>	<b>267</b>
Run-off profits, net of reinsurance	344	72	62
Shareholders' equity of parent company at 1 January	5,009	5,009	6,497
Profit	1,733	415	267
Share buy-back	(410)	(410)	0
Share-based payments	166	54	71
<b>Shareholders' equity of parent company end of period</b>	<b>6,497</b>	<b>5,067</b>	<b>6,835</b>
Deferred tax on security funds	(306)	(306)	(306)
<b>Shareholders' equity of Group end of period</b>	<b>6,191</b>	<b>4,761</b>	<b>6,529</b>
Total assets, parent company	7,114	6,121	7,523
Total assets, Group	80,958	77,384	83,940
Provisions for insurance and investment contracts:			
Non-life insurance	16,091	18,050	17,995
Life insurance	54,198	49,221	54,987
<b>Financial ratios (parent company)</b>			
Post-tax profit as a % of shareholders' equity	30.5	8.1	4.0
Post-tax EPS (DKK)	20.2	4.8	3.1
Post-tax EPS, diluted (DKK)	20.2	4.8	3.1
Share buy-back per share, diluted (DKK)	4.8	4.7	-
Dividend per share issued, proposed (DKK)	19.0	-	-
Net asset value per share, diluted (DKK)	75.6	59.4	79.1
Listed share price end of period	268.1	176.8	284.6
Number of shares end of period ('000)	85,876	85,218	86,175
Average number of shares ('000)	85,700	86,283	86,025
Average number of shares, diluted ('000)	85,873	86,451	86,369
<b>Ratios non-life insurance (%)</b>			
Gross loss ratio	61.5	63.8	63.9
Net reinsurance ratio	4.3	4.6	4.0
Claims trend	65.8	68.5	67.9
Gross expense ratio	16.1	17.3	17.3
Combined ratio	82.0	85.8	85.2
Combined ratio excl. run-off profits	85.8	89.0	88.0

## Results for Q1 2018

Topdanmark's post-tax profit for Q1 2018 was DKK 267m (Q1 2017: DKK 415m).

Pre-tax profit was DKK 344m (Q1 2017: DKK 534m).

The technical result increased DKK 19m to DKK 336m. The increase is characterised by a low claims trend on theft and motor, which more than offset the decline in run-off profits of DKK 10m.

After return and revaluation of non-life insurance provisions, the investment return in non-life insurance decreased DKK 166m to DKK 45m (loss). The lower investment return was primarily due to a low investment return on equities and Danish mortgage bonds.

The profit on life insurance decreased DKK 28m to DKK 44m due to a lower investment and risk result.

Trend in profit (DKKm)	Full year 2017	Q1 2017	Q1 2018
Non-life insurance			
- Technical result	1,622	317	336
- Investment return after return and revaluations of non-life insurance provisions etc.	288	121	(45)
Profit on non-life insurance	1,909	438	291
Life insurance	249	72	44
Parent company etc.	77	24	9
Pre-tax profit	2,235	534	344
Tax	(502)	(119)	(77)
<b>Profit</b>	<b>1,733</b>	<b>415</b>	<b>267</b>

## Non-life insurance Premiums earned

Premiums earned increased 1.7% to DKK 2,273m. The personal segment accounted for a 0.4% increase, and the SME segment accounted for a 3.4% increase.

Q1 2018 was characterised by a continued net increase in the number of customers in the personal, agricultural and SME markets.

## Claims trend

The claims trend improved to 67.9 in Q1 2018 from 68.5 in Q1 2017.

Q1 2018 was impacted by a low level of large-scale claims. However, the level of large-scale claims was DKK 8m higher than Q1 2017, which adversely impacted the claims trend for the Topdanmark Group by 0.4pp.

As in Q1 2017, there were no weather-related claims in Q1 2018. Run-off profits, net of reinsurance, were DKK 62m in Q1 2018 (Q1 2017: DKK 72m), representing a 0.4pp decline in the claims trend. In Q1 2018, worker's compensation, illness/accident insurance and motor insurance primarily generated run-off profits.

Claims trend	Full year 2017	Q1 2017	Q1 2018
Claims trend	65.8	68.5	67.9
Run-off	3.8	3.2	2.7
Weather-related claims	(0.4)	0.0	0.0
Large-scale claims	(0.2)	(0.1)	(0.4)
<b>Claims before run-off, weather and large-scale claims</b>	<b>69.1</b>	<b>71.6</b>	<b>70.2</b>

The claims trend adjusted for run-off, weather-related claims and large-scale claims improved by 1.4pp to 70.2 in Q1 2018.

The improved claims trend in Q1 2018 is primarily due to a lower level of claims in motor and theft. To this should be added a reduction of the claims handling costs as a consequence of Topdanmark's efficiency improvement programme.

## Expense ratio

The expense ratio remains unchanged at 17.3 in Q1 2018.

The payroll tax imposed on Danish financial businesses, increased from 14.1% in 2017 to 14.5% in 2018, representing a 0.1pp adverse impact on the combined ratio. In addition, the general trend of wages and salaries impacted the combined ratio by 0.3pp.

Normally, the expense ratio is higher in Q1 than in the subsequent quarters, due to higher sales commissions and fewer holiday days taken in Q1.

## Combined ratio

The combined ratio was 85.2 in Q1 2018 (Q1 2017: 85.8). Excluding run-off profits, the combined ratio was 88.0 (Q1 2017: 89.0).

<b>Financial highlights – Non-life insurance</b> (DKK m)	<b>Full year</b> <b>2017</b>	<b>Q1</b> <b>2017</b>	<b>Q1</b> <b>2018</b>
Gross premiums earned	8,985	2,235	2,273
Claims incurred	(5,523)	(1,427)	(1,452)
Expenses	(1,450)	(387)	(394)
Net reinsurance	(389)	(104)	(91)
Technical result	1,622	317	336
Investment return after return and revaluations of non-life insurance provisions	277	119	(44)
Other items	11	2	(1)
<b>Profit on non-life insurance</b>	<b>1,909</b>	<b>438</b>	<b>291</b>
Run-off profits, net of reinsurance	344	72	62
Gross loss ratio (%)	61.5	63.8	63.9
Net reinsurance ratio (%)	4.3	4.6	4.0
Claims trend (%)	65.8	68.5	67.9
Gross expense ratio (%)	16.1	17.3	17.3
Combined ratio (%)	82.0	85.8	85.2
Combined ratio excl. run-off profits (%)	85.8	89.0	88.0

## Segment reporting

### Personal

The Personal segment offers policies to individual households in Denmark.

Premiums earned increased 0.4% to DKK 1,263m. The low increase can be explained by a decline of premiums on illness/accident insurance (as a consequence of the terminated distribution agreement in life insurance with Sydbank) and non-recurring conditions which had a positive impact on premiums earned in Q1 2017. Adjusted for these conditions, the growth of premiums on private insurances was 2.2% in Q1 2018.

The technical result was DKK 172m in Q1 2018, representing a decrease of DKK 29m compared to Q1 2017.

The claims trend increased 2.5pp to 69.4. However, adjusted for run-off profits, the claims trend improved 1.2pp. As compared to Q1 2017, the claims trend was favourably impacted by an improved claims trend for theft and personal injuries on motor.

Run-off profits of DKK 26m were DKK 47m lower than in Q1 2017 corresponding to a decline of the claims trend of 3.8pp.

The expense ratio improved marginally from 17.1 to 17.0 in Q1 2018.

The combined ratio was 86.4 (Q1 2017: 84.0).

Excluding run-off profits, the combined ratio improved to 88.4 in Q1 2018 (Q1 2017: 89.8).

<b>Personal</b> (DKK m)	<b>Full year</b> <b>2017</b>	<b>Q1</b> <b>2017</b>	<b>Q1</b> <b>2018</b>
Gross premiums earned	4,980	1,258	1,263
Claims incurred	(3,208)	(822)	(860)
Expenses	(805)	(215)	(214)
Net reinsurance	(85)	(19)	(17)
<b>Technical result</b>	<b>882</b>	<b>201</b>	<b>172</b>
Run-off profits, net of reinsurance	236	73	26
Gross loss ratio (%)	64.4	65.4	68.1
Net reinsurance ratio (%)	1.7	1.5	1.3
Claims trend (%)	66.1	66.9	69.4
Gross expense ratio (%)	16.2	17.1	17.0
Combined ratio (%)	82.3	84.0	86.4
Combined ratio excl. run-off profits (%)	87.0	89.8	88.4

## SME

The SME segment offers policies to Danish-based SME and agricultural businesses.

Premiums earned increased 3.4% to DKK 1.015m. There was a favourable trend in the sales to small and medium-sized SME and agricultural businesses.

The technical result increased DKK 50m to DKK 165m in Q1 2018.

The claims trend improved 4.6pp to 66.0. The improvement mainly derives from larger run-off profits (3.7pp). To this should be added a more favourable claims trend among other things impacted by Topdanmark's significantly reduced exposure towards the unprofitable large-scale customers. As compared to Q1 2017, there were slightly more fire damages in Q1 2018.

To a great extent, the fire damages were covered by the reinsurance programme. Generally, the level of fire damages in Q1 2018 was below normal level. Q1 2018 as well as Q1 2017 had no weather-related claims.

Run-off profits were DKK 37m in Q1 2018 (Q1 2017: DKK 1m run-off loss).

The expense ratio was unchanged at 17.7.

The combined ratio improved to 83.8 in Q1 2018 (Q1 2017: 88.3).

Excluding run-off profits, the combined ratio improved to 87.4 in Q1 2018 (Q1 2017: 88.2).

SME (DKK m)	Full year 2017	Q1 2017	Q1 2018
Gross premiums earned	4,024	982	1,015
Claims incurred	(2,332)	(609)	(596)
Expenses	(643)	(174)	(180)
Net reinsurance	(304)	(84)	(74)
<b>Technical result</b>	<b>744</b>	<b>115</b>	<b>165</b>
Run-off profits, net of reinsurance	108	(1)	37
Gross loss ratio (%)	58.0	62.0	58.7
Net reinsurance ratio (%)	7.6	8.6	7.3
Claims trend (%)	65.5	70.6	66.0
Gross expense ratio (%)	16.0	17.7	17.7
Combined ratio (%)	81.5	88.3	83.8
Combined ratio excl. run-off profits (%)	84.2	88.2	87.4

## Setting up of Coop Forsikringer

Topdanmark has initiated an exclusive distribution agreement with Coop, the largest supermarket chain in Denmark.

Topdanmark has established an independent brand named Coop Forsikringer (Coop Insurance), a digital insurance solution for sales as well as service and claims handling.

The aim of setting up Coop Forsikringer is to be able to offer simple modular non-life products for Coop's 1,750,000 customers of which approximately 800.000 customers actively use Coop's app. Coop Forsikringer was launched for internal purposes in Coop at the beginning of April 2018 and will be launched externally in 2nd quarter 2018. Coop Forsikringer is an integrated part of the Coop app and Coop's bonus scheme for customers.

As to the financial statements, the establishment of Coop Forsikringer is not expected to have any impact on premiums in 2018. The set-up costs have been incorporated in the profit forecast model for 2018.

## Life insurance

The result from life insurance was a profit of DKK 44m (Q1 2017: profit of DKK 72m).

Profit on life insurance activities comprises the profit on life insurance plus the investment return of Liv Holding (Life Holding). These profits were calculated in accordance with the stated policy for the calculation of profit for the life insurance company: see [www.topdanmark.com](http://www.topdanmark.com) → Investor → Business → Life insurance → [Policy for the calculation of profit in life insurance](#).

Result of life insurance (DKK m)	Full year 2017	Q1 2017	Q1 2018
Investment return on shareholders' equity	109	39	24
Sales and administration	(25)	(10)	(10)
Insurance risk	17	5	(7)
Risk return on shareholders' equity	147	37	37
<b>Profit on life insurance</b>	<b>249</b>	<b>72</b>	<b>44</b>

## Developments in Q1 2018

As compared to Q1 2017, the profit in Q1 2018 for life insurance was characterized by a lower investment return. Thus, the investment return on the shareholders' equity was DKK 24m in Q1 2018 (Q1 2017: DKK 39m). In addition to this, there was a decrease of DKK 12m in the risk result. The risk result may fluctuate from one quarter to the next.

## Trend in premiums

Gross premiums increased 18.6% to DKK 2,409m in Q1 2018, of which premiums on unit-linked pension schemes were DKK 1,882m, representing a 28.2% increase compared to Q1 2017.

Regular premiums increased 3.2% to DKK 881m in Q1 2018. Single premiums were DKK 1,528m in Q1 2018, representing a 29.7% increase.

## Investment activities Topdanmark Group excl. life insurance

The investment return in the Topdanmark Group excluding life insurance was DKK 2m (loss) in Q1 2018 (Q1 2017: DKK 165m). Return and revaluation of non-life insurance provisions were DKK 18m Q1 (loss) in Q1 2018 (Q1 2017: DKK 13m (loss)).

The investment return after return and revaluation of non-life insurance provisions was DKK 19m (loss) and thus DKK 52m lower than the assumed return for the quarter, calculated using Topdanmark's forecast model at the beginning of 2018. The low return was primarily due to loss on foreign equities and on Danish mortgage bonds.

Topdanmark's policy is to accept a certain level of financial risk, given its strong liquid position and stable, high earnings from insurance operations. Topdanmark has invested in, among other things, equities, properties and CDO's in order to improve the average investment return.

The investment return in Q1 2018 on the most significant classes of assets is disclosed in the table below:

Investment return	Portfolio 31 March		Return Q1 2017		Return Q1 2018	
	2017 (DKKbn)	2018	(DKK m)	%	(DKK m)	%
Danish equities	0.3	0.3	26	8.7	(1)	(0.2)
Foreign equities	0.6	0.7	35	5.7	(24)	(3.5)
Unlisted equities and hedge funds	0.3	0.3	16	5.1	3	0.7
Government and mortgage bonds	12.0	13.6	17	0.1	(14)	(0.1)
Credit bonds	0.1	0.0	5	2.7	(1)	(1.2)
Index linked bonds	0.4	0.3	6	1.6	0	0.1
CDOs	0.6	0.6	25	4.5	14	2.4
Properties	1.0	1.1	13	1.3	12	1.1
Assets related to I/A	2.5	2.6	3	0.1	(6)	(0.2)
Money market etc.	4.1	3.9	(3)	(0.1)	(2)	(0.1)
Subordinated loan capital	(1.8)	(1.7)	(11)	(0.6)	(12)	(0.7)
Interest-bearing debt	(0.3)	0.0	(2)	(1.3)	0	0.0
	20.0	21.6	130	0.7	(29)	(0.1)
Asset management			35		27	
Investment return			165		(2)	
Return and revaluations of non-life insurance provisions			(13)		(18)	
Investment return after return and revaluations of non-life insurance provisions			152		(19)	

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.

The post-tax equity exposure was DKK 771m (pre-tax: DKK 989m) excluding associated companies but including the impact of derivatives. The equity portfolios are well diversified with no large individual positions.

The composition of the portfolios is based on OMXCCAP for Danish equities, representing around 30% of the portfolio at 31 March 2018, and the foreign portfolios are based on MSCI World DC in the original currency for foreign equities.

The class "Unlisted equities and hedge funds" includes private equity positions (DKK 42m) and positions in hedge funds where the investment mandates aim at positioning in the credit market (DKK 178m).

The Group's investments have no significant concentration of credit risk except for investments in AAA-rated Danish mortgage bonds. The class of "Government and mortgage bonds" comprises primarily Danish government and mortgage bonds. The assets of the class are interest-rate sensitive - to a significant extent equivalent to the interest-rate sensitivity of the non-life insurance provisions. Consequently, the return on "Government and mortgage bonds" should be assessed in connection with return and revaluation of non-life insurance provisions.

The class "Credit bonds" is composed of a well-diversified portfolio of credit bonds, primarily issued from businesses in Europe.

The class "Index linked bonds" comprises bonds – primarily Danish mortgage bonds – for which the coupon and principal are index linked.

The class "CDOs" primarily comprises positions in CDO equity tranches. The underlying assets of CDO's are mostly senior secured bank loans, while the remainder are primarily investment grade investments.

The property portfolio mainly comprises owner-occupied property (DKK 853m). The properties are valued in accordance with the rules of the DFSA (Danish Financial Supervisory Authority) i.e. at market value taking into account the level of rent and the terms of the tenancy agreements. 98% of the property portfolio is currently let when adjusting for properties under construction or being converted for other purposes.

The class of "Assets related to I/A" (Illness/Accident) comprises the investments in Topdanmark Livsforsikring (the life insurance company) corresponding to the size of the illness/accident provisions.

"Money market etc." comprises money market deposits, intra-group balances, the result of currency positions and other returns not included in the other classes.

"Subordinated loan capital" comprises subordinated loans issued by the parent company and by Topdanmark Forsikring.

"Interest-bearing debt" comprises other debt.

Topdanmark uses the Solvency II discount curve with volatility adjustment (VA) for assessing insurance provisions. The VA component comprises a corrective element for the development in pricing of Danish

mortgage bonds, as well as a corrective element for the development in pricing of European business credits. The VA component was 29bp at the end of Q1 2018 and 30bp at the beginning of the year.

## Solvency calculation and capital requirements

Solvency II gives the companies the opportunity to fully or partially develop their own internal risk model for solvency calculation. Topdanmark uses a partial internal model it has developed in-house to calculate the non-life risk.

This model, approved by the DFSA, provides the basis for including non-life risks in Topdanmark's solvency calculations.

The DFSA has granted Topdanmark approval for using the volatility-adjusted Solvency II interest rate curve (see above).

## Own funds

Principal elements of own funds:

Shareholders' equity

- Proposed dividend

+ Deferred tax on security funds

+ Profit margin

- Intangible assets

+ Tax effect

+ Usable share, subordinated loan tier 1

(max. 20% of tier 1-capital)

+ Usable share, subordinated notes (max. 50% of SCR)

Own funds

Topdanmark has redeemed hybrid capital issued in 2007 at a value of EUR 55m on the first possible redemption date, 15 September 2017. The hybrid capital was replaced by a new subordinated tier 1 loan (restricted tier 1 capital notes) of DKK 400m in 2017 as well. This loan is perpetual but includes an option enabling Topdanmark to redeem the loan as from 23 November 2022.

Topdanmark Forsikring has previously issued subordinated notes in two tranches:

- DKK 500m, call in 2020, expiry in 2025
- DKK 850m, call in 2021, expiry in 2026

At the end of Q1 2018, Topdanmark's own funds were DKK 6,709m (end of 2017: DKK 6,370m). Potential dividend for 2018 has not been deducted from Topdanmark's own funds end Q1 2018.

The solvency requirement (SCR) is DKK 3,283m (end of 2017: DKK 3,116m).

The solvency ratio was 204 end of Q1 2018.



## Parent company etc.

The parent company, Topdanmark, does not perform any independent activities. The profit of the parent company etc. includes the profits of subsidiaries, excluding the insurance business (primarily Topdanmark Asset Management) and finance costs.

The profit of the parent company declined by DKK 15m to DKK 9m in Q1 2018. The reduced profit derives from lower performance-related investment management fees in Topdanmark Kapitalforvaltning (Topdanmark Asset Management).

## Taxation

The tax charge was DKK 77m of the pre-tax profit of DKK 344m, corresponding to an effective tax rate of 22.3% (Q1 2017: 22.3%).

## Profit forecast model

Traditionally, Topdanmark does not publish actual profit forecasts, but instead the expected level of results if a number of assumptions about the return in the financial markets are met. The return in the financial markets changes on a daily basis, and Topdanmark's profit forecast model will already deviate from actual expectations by the time it is published. Therefore, set out at [www.topdanmark.com](http://www.topdanmark.com) → Investor → [Risk management](#) is additional information on how changes in the assumptions underlying the profit forecast model will affect the results.

As can be seen, the investment return forecast model is not based on a specific estimate of the expected investment return for the rest of the year, but solely on a long-term standard assumption of the return.

In the Annual Report for 2017, it was stated that Topdanmark's post-tax profit forecast model for 2017 was DKK 950-1,050m.

## Non-life insurance

For non-life insurance, Topdanmark assumed a pre-tax profit of DKK 950-1,050m. This profit forecast model was based on the following assumptions:

- Positive premium growth
- Weather-related claims of DKK 170m, DKK 50m of these for Q1 2018
- Combined ratio for 2018 of 90-91, excl. run-off but incl. additional expenses of 0.5 to 1pp due to Topdanmark's investment in increased digitalisation and automation
- A level of interest corresponding to the interest rate curve on 29 December 2017
- An annual 7.0% return on equities and unchanged foreign exchange rates from the level on 29 December 2017.

After the profit forecast model for 2018 was published in the Annual Report for 2017, the following assumptions have changed:

- In Q1 2018 there were run-off profits of DKK 62m, corresponding to a 0.7pp improvement of the combined ratio
- Weather-related claims were DKK 0m in Q1 2018, which is DKK 50m lower than assumed, corresponding to a 0.6pp improvement of the combined ratio for 2018
- The extent of large-scale claims was DKK 10m in Q1 2018 which is DKK 15m lower than assumed corresponding to a 0.2pp improvement of the combined ratio
- In addition, the claims trend was in general slightly better than assumed corresponding to a 0.3pp improvement of the combined ratio in 2018
- Interest rates have slightly increased relative to the guidance for 2018 in the annual report for 2017 representing a 0.2pp improvement of the combined ratio
- From 29 December 2017 until 28 March 2018, the pre-tax investment return was DKK 52m lower than assumed.

The assumed combined ratio for 2018 is adjusted from 90-91 to 88-89, excluding run-off profits in Q2-Q4 2018.

A positive premium growth is still assumed in 2018.

The overall assumed pre-tax result for non-life insurance is DKK 1,050-1,150m.

## Life insurance

In the Annual Report for 2017, Topdanmark assumed a pre-tax profit on life insurance of DKK 240-270m in 2018, based on the following assumptions:

- Around 5% decline in regular premiums
- Full recognition as income of risk return for shareholders' equity from all interest rate groups
- No profit from the shadow account.

In respect to the above forecast assumptions, the assumption of an approximately 5% (loss) trend of regular premiums has changed. Consequently, a moderately positive growth in regular premiums is assumed.

Overall, the assumed pre-tax profit on life insurance is still DKK 240-270m.

The result is sensitive to fluctuations particularly in the investment return. The risk allowance and shadow account will not be finally calculated until the preparation of the Annual Report for 2018.

## Parent company

The profit forecast model for the parent company plus subsidiaries outside of the insurance group assumes a pre-tax profit of DKK 40-50m.

## Taxation

Given a corporation tax rate of 22%, the tax charge is expected to be DKK 280-320m.

## Total Group profit

Topdanmark's overall post-tax profit forecast model for 2018 has been upgraded by DKK 100m to DKK 1,050-1,150m, representing EPS of DKK 12.8. The assumed

profit is exclusive of run-off profits/losses in the remaining three quarters of 2018.

The profit forecast model is based on the assumption of an annual 7.0% return on equities, and unchanged foreign exchange rates from the level of 28 March 2018.

Furthermore, it is assumed that the return on interest-bearing assets hedging the discounted provisions is just sufficient to cover discounting and revaluation of the provisions, while the return on the remaining interest-bearing assets is assumed to be 1.72% (risk-free interest rate plus 2.0pp)

Profit forecast 2018 (DKKm)	Results		Forecast 2018		Forecast 2018	
	2017	31 December 2017	31 December 2017	31 March 2018		
Non-life insurance						
- Technical result	1,622	850	– 900	1,000	– 1,050	
- Investment return after return and revaluations of non-life insurance provisions etc.	288	100	– 150	50	– 100	
Profit on non-life insurance	1,909	950	– 1,050	1,050	– 1,150	
Life insurance	249	240	– 270	240	– 270	
Parent company etc.	77	40	– 50	40	– 50	
Pre-tax profit	2,235	1,230	– 1,370	1,330	– 1,470	
Taxation	(502)	(280)	– (320)	(280)	– (320)	
<b>Profit for the year</b>	<b>1,733</b>	<b>950</b>	<b>– 1,050</b>	<b>1,050</b>	<b>– 1,150</b>	

## Financial calendar

2018 Half-year Report	20 July 2018
Q1-Q3 2018 Interim Report	22 Oct 2018
Announcement of 2018 Annual Results	24 Jan 2019
2018 Annual Report	21 Feb 2019
Q1 2019 Interim Report	25 Apr 2019

## Disclaimer

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

Many factors may cause significant deviation from the forecasts and assumptions set out in the interim report. 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](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 this interim report.

This publication is a translation. In case of any divergence, the original Danish text shall prevail.

## Accounting policies

Topdanmark's interim report for Q1 2018 has been prepared in accordance with IAS 34 on interim reports for listed companies. Furthermore, the interim report has been prepared in accordance with additional Danish disclosure requirements on interim reports for listed financial services companies.

### *New financial accounting standards*

IFRS 15 "Revenue from contracts with customers" took effect on 1 January 2018. Topdanmark has no material contracts with customers comprised by IFRS 15. As a consequence, the standard has no material impact on Topdanmark Group's accounting policies, profit nor its financial position.

IFRS 9 "Financial Instruments" also took effect on 1 January 2018. Topdanmark has decided to exercise the option applicable to insurance groups for concurrent implementation of IFRS 9 and IFRS 17 "Insurance Contracts". Thus, IFRS 9 is expected to be implemented as of 1 January 2021.

In addition to this, accounting policies are unchanged compared to the Annual Report for 2017 that contains a full description of accounting policies.

The interim report has not been audited nor subjected to review.

## Income statement • Group

(DKK)m	Note	Full year 2017	Q1 2017	Q1 2018
<b>NON-LIFE INSURANCE</b>				
Gross premiums written		9,050	4,177	4,210
Ceded reinsurance premiums		(617)	(383)	(385)
Change in the provisions for unearned premiums		44	(1,919)	(1,892)
Change in profit margin and risk margin		(43)	(10)	(32)
Change in the reinsurers' share of the provisions for unearned premiums		12	235	229
<b>Premiums earned, net of reinsurance</b>		<b>8,446</b>	<b>2,101</b>	<b>2,130</b>
Gross claims paid		(5,856)	(1,521)	(1,426)
Reinsurance cover received		258	74	45
Change in the provisions for claims		342	119	(9)
Change in risk margin		0	(20)	(14)
Change in the reinsurers' share of the provisions for claims		(120)	(48)	1
<b>Claims incurred, net of reinsurance</b>	1	<b>(5,376)</b>	<b>(1,397)</b>	<b>(1,403)</b>
<b>Bonuses and rebates</b>		<b>(66)</b>	<b>(14)</b>	<b>(13)</b>
Acquisition costs		(950)	(251)	(254)
Administrative expenses		(485)	(130)	(134)
Reinsurance commission and share of profits		78	19	19
<b>Total operating expenses, net of reinsurance</b>		<b>(1,358)</b>	<b>(362)</b>	<b>(368)</b>
<b>TECHNICAL PROFIT ON NON-LIFE INSURANCE</b>		<b>1,646</b>	<b>328</b>	<b>346</b>
<b>LIFE INSURANCE</b>				
Gross premiums written	2	8,250	2,032	2,409
<b>Premiums, net of reinsurance</b>		<b>8,250</b>	<b>2,032</b>	<b>2,409</b>
<b>Allocated investment return, net of reinsurance</b>		<b>3,372</b>	<b>1,359</b>	<b>(700)</b>
<b>Pension return tax</b>		<b>(522)</b>	<b>(235)</b>	<b>11</b>
Claims and benefits paid		(4,701)	(1,307)	(1,085)
Reinsurance cover received		4	1	1
<b>Claims and benefits paid, net of reinsurance</b>		<b>(4,697)</b>	<b>(1,306)</b>	<b>(1,084)</b>
Change in the life insurance provisions		(5,816)	(1,723)	(536)
Change in the reinsurers' share		(7)	(1)	(1)
<b>Change in the life insurance provisions, net of reinsurance</b>		<b>(5,822)</b>	<b>(1,723)</b>	<b>(537)</b>
<b>Change in profit margin</b>		<b>(141)</b>	<b>(7)</b>	<b>(2)</b>
Acquisition costs		(148)	(39)	(40)
Administrative expenses		(285)	(73)	(75)
Reinsurance commission and share of profits		1	(0)	(0)
<b>Total operating expenses, net of reinsurance</b>		<b>(433)</b>	<b>(112)</b>	<b>(114)</b>
<b>TECHNICAL PROFIT / (LOSS) ON LIFE INSURANCE</b>		<b>8</b>	<b>8</b>	<b>(17)</b>

## Income statement • Group

(DKKm)	Full year 2017	Q1 2017	Q1 2018
<b>NON-TECHNICAL ACTIVITIES</b>			
Technical profit on non-life insurance	1,646	328	346
Technical profit / (loss) on life insurance	8	8	(17)
Income from associated companies	61	8	14
Income from investment properties	54	8	19
Interest income and dividends etc.	1,805	551	387
Revaluations	2,323	1,046	(1,037)
Interest charges	(79)	(19)	(21)
Expenses on investment business	(39)	(17)	(13)
<b>Total investment return</b>	<b>4,124</b>	<b>1,577</b>	<b>(651)</b>
Return and revaluations non-life insurance provisions	(143)	(13)	(18)
Investment return transferred to life insurance business	(3,372)	(1,359)	700
Other income	23	6	6
Other expenses	(51)	(13)	(22)
<b>PRE-TAX PROFIT</b>	<b>2,235</b>	<b>534</b>	<b>344</b>
Taxation	(502)	(119)	(77)
<b>PROFIT FOR THE PERIOD</b>	<b>1,733</b>	<b>415</b>	<b>267</b>
EPS (DKK)	20.2	4.8	3.1
EPS, diluted (DKK)	20.2	4.8	3.1

## Statement of comprehensive income • Group

Profit for the period	1,733	415	267
Other comprehensive income	0	0	0
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>1,733</b>	<b>415</b>	<b>268</b>

## Assets • Group

(DKK)m	31 December 2017	31 March 2017	31 March 2018
<b>INTANGIBLE ASSETS</b>	922	832	960
Operating equipment	111	125	118
Owner-occupied properties	853	856	853
<b>TOTAL TANGIBLE ASSETS</b>	965	981	972
Investment properties	3,643	3,483	3,776
Shares in associated companies	1,285	1,187	1,297
Total investment in associated companies	1,285	1,187	1,297
Shares	5,904	5,816	5,686
Bonds	36,470	33,809	34,883
Loans guaranteed by mortgages	6	6	6
Deposits with credit institutions	3,405	5,315	6,129
Derivatives	120	40	16
Total other financial investment assets	45,906	44,986	46,721
<b>TOTAL INVESTMENT ASSETS</b>	50,834	49,657	51,793
<b>INVESTMENT ASSETS RELATED TO UNIT-LINKED PRODUCTS</b>	25,791	23,037	27,533
Reinsurers' share of the provisions for unearned premiums	84	278	283
Reinsurers' share of the life insurance provisions	20	26	19
Reinsurers' share of the provisions for claims and benefits	470	539	471
Total reinsurers' share of provisions	574	843	773
Amounts due from policyholders	310	545	558
Amounts due from insurance companies	57	105	56
Amounts due from associated companies	327	356	322
Other debtors	170	210	165
<b>TOTAL DEBTORS</b>	1,438	2,060	1,874
Deferred tax assets	14	8	14
Liquid funds	537	324	257
Other	25	23	68
<b>TOTAL OTHER ASSETS</b>	576	355	339
Accrued interest and rent	260	217	220
Other prepayments and accrued income	173	246	248
<b>TOTAL PREPAYMENTS AND ACCRUED INCOME</b>	432	463	468
<b>TOTAL ASSETS</b>	80,958	77,384	83,940

## Shareholders' equity and liabilities • Group

(DKK m)	Note	31 December 2017	31 March 2017	31 March 2018
Share capital		90	95	90
Revaluation reserve		13	13	13
Security fund		1,146	1,146	1,146
Other reserves		64	60	66
<b>Total reserves</b>		<b>1,210</b>	<b>1,206</b>	<b>1,211</b>
Profit carried forward		3,168	3,448	3,505
Proposed dividend		1,710	0	1,710
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>6,191</b>	<b>4,761</b>	<b>6,529</b>
<b>OTHER SUBORDINATED LOAN CAPITAL</b>		<b>1,744</b>	<b>1,755</b>	<b>1,745</b>
Provisions for unearned premiums		1,856	3,805	3,749
Profit margin, non-life insurance contracts		751	723	777
Products with guarantees and profitsharing		24,063	24,569	23,878
Unit-Linked products		29,891	24,541	30,863
Total life insurance provisions		53,954	49,110	54,741
Profit margin, life insurance and investment contracts		244	110	246
Provisions for claims and benefits		13,013	13,057	12,991
Risk margin, non-life insurance contracts		315	336	335
Provisions for bonuses and rebates		156	128	143
<b>TOTAL PROVISIONS FOR INSURANCE AND INVESTMENT CONTRACTS</b>		<b>70,289</b>	<b>67,270</b>	<b>72,982</b>
Pensions and similar commitments		28	28	27
Deferred tax liabilities		61	56	60
Deferred tax on security funds		306	306	306
<b>TOTAL LIABILITIES PROVIDED</b>		<b>395</b>	<b>390</b>	<b>394</b>
<b>DEPOSITS RECEIVED FROM REINSURERS</b>		<b>77</b>	<b>58</b>	<b>71</b>
Creditors arising out of direct insurance operations		270	260	359
Creditors arising out of reinsurance operations		27	192	205
Amounts due to credit institutions		43	718	24
Current tax liabilities		35	88	13
Derivatives		512	620	547
Other creditors		1,293	1,179	1,002
<b>TOTAL CREDITORS</b>		<b>2,181</b>	<b>3,056</b>	<b>2,150</b>
<b>ACCRUALS AND DEFERRED INCOME</b>		<b>81</b>	<b>92</b>	<b>68</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>80,958</b>	<b>77,384</b>	<b>83,940</b>
Financial assets and liabilities	3			
Contingent liabilities	4			

## Cash flow statement • Group

(DKK m)	Full year 2017	Q1 2017	Q1 2018
<b>Cash flow from operations</b>			
Gross premiums written	8,965	4,060	4,102
Claims paid	(5,838)	(1,570)	(1,476)
Expenses paid	(1,294)	(311)	(310)
Reinsurance ceded	(238)	(104)	(102)
Cash flow from non-life insurance	1,595	2,074	2,213
Gross premiums written	8,234	1,939	2,417
Claims and benefits	(4,699)	(1,309)	(1,087)
Pension return tax	(452)	(444)	(491)
Expenses paid	(440)	(101)	(102)
Reinsurance ceded	27	5	(8)
Cash flow from life insurance	2,671	90	729
Cash flow from insurance business	4,266	2,164	2,942
Payments on investment contracts	890	139	251
Interest income and dividends etc.	1,855	579	425
Interest charges etc.	(117)	(32)	(34)
Corporation tax	(460)	(26)	(99)
Other items	(33)	(11)	(10)
<b>Cash flow from operations</b>	6,402	2,814	3,475
<b>Investments</b>			
Intangible assets, operating equipment	(168)	(29)	(53)
Properties	(180)	(167)	(119)
Shares in associated companies	(274)	(229)	2
Shares	27	76	10
Unit trusts	1	0	(2)
Bonds	(1,198)	1,509	1,450
Loans	(10)	(17)	(5)
Derivatives	(138)	(411)	116
Investment activities related to unit-linked products	(2,497)	(499)	(2,473)
Balances with associated companies	39	10	5
<b>Investments</b>	(4,397)	244	(1,070)
<b>Financing</b>			
Shares bought back	(417)	(413)	0
Exercise of share options	108	37	55
Redemption of subordinated loan capital	(409)	0	0
Issue of subordinated loan capital	397	0	0
Amounts due to credit institutions	(0)	674	(19)
<b>Financing</b>	(322)	298	36
Change in cash and cash equivalents	1,683	3,356	2,442
Cash and cash equivalents at 1 January	2,282	2,282	3,941
Revaluation of cash and cash equivalents	(24)	1	3
Cash and cash equivalents end of period	3,941	5,639	6,386
Cash and cash equivalents comprise:			
Liquid funds	537	324	257
Deposits with credit institutions	3,405	5,315	6,129
	3,941	5,639	6,386

The majority of the Group's companies are subject to the relevant legislation on insurance business. Consequently, there are certain restrictions on lending and placement of money.

## Statement of changes in equity • Group

(DKK m)

	Share capital	Revaluation reserve	Security fund	Other reserves	Profit carried forward	Proposed dividend	Total
<b>2017</b>							
Shareholders' equity at 31 December prior year	95	13	1,146	57	3,392		4,702
Profit for the year				7	16	1,710	1,733
Other comprehensive income				0	0		0
Total comprehensive income for the year				7	16	1,710	1,733
Cancellation of own shares	(5)				5		0
Share buy-back					(410)		(410)
Share-based payments					54		54
Exercise of share options					108		108
Taxation					4		4
Other transactions	(5)				(240)		(245)
<b>Shareholders' equity at 31 December 2017</b>	<b>90</b>	<b>13</b>	<b>1,146</b>	<b>64</b>	<b>3,168</b>	<b>1,710</b>	<b>6,191</b>
<b>Q1 2017</b>							
Shareholders' equity at 31 December prior year	95	13	1,146	57	3,392		4,702
Profit for the period				2	412		415
Other comprehensive income				0	0		0
Total comprehensive income for the period				2	412		415
Share buy-back					(410)		(410)
Share-based payments					17		17
Exercise of share options					37		37
Taxation					(1)		(1)
Other transactions					(356)		(356)
<b>Shareholders' equity at 31 March 2017</b>	<b>95</b>	<b>13</b>	<b>1,146</b>	<b>60</b>	<b>3,448</b>		<b>4,761</b>
<b>Q1 2018</b>							
Shareholders' equity at 31 December prior year	90	13	1,146	64	3,168	1,710	6,191
Profit for the period				1	266		267
Other comprehensive income				0	0		0
Total comprehensive income for the period				1	266		268
Share-based payments					15		15
Exercise of share options					55		55
Other transactions					71		71
<b>Shareholders' equity at 31 March 2018</b>	<b>90</b>	<b>13</b>	<b>1,146</b>	<b>66</b>	<b>3,505</b>	<b>1,710</b>	<b>6,529</b>



## Segment information • Group

### Income statement

(DKKm)	Per- sonal	SME	Elimin- ated	Non-life	Life	Parent etc.	Elimin- ated	Group
<b>Q1 2017</b>								
<b>Non-life insurance</b>								
Gross premiums earned	1,258	982	(5)	2,235				2,235
Claims incurred	(822)	(609)	4	(1,427)			4	(1,423)
Expenses	(215)	(174)	2	(387)			6	(381)
Net reinsurance	(19)	(84)	(0)	(104)				(104)
Technical profit on non-life insurance	201	115	1	317			11	328
<b>Life insurance</b>								
Gross premiums written					2,032			2,032
Allocated investment return					1,359			1,359
Pension return tax					(235)			(235)
Benefits and change in provisions					(3,037)			(3,037)
Expenses					(114)		2	(112)
Technical profit on life insurance					7		2	8
Total investment return				132	1,394	33	18	1,577
Return and revaluations non-life insurance provisions				(13)				(13)
Transferred to technical result					(1,359)			(1,359)
Other items				2	31	(10)	(30)	(7)
<b>Pre-tax profit</b>				438	72	24	0	534
Taxation								(119)
<b>Profit</b>								415
<b>Q1 2018</b>								
<b>Non-life insurance</b>								
Gross premiums earned	1,263	1,015	(5)	2,273				2,273
Claims incurred	(860)	(596)	4	(1,452)			3	(1,449)
Expenses	(214)	(180)	1	(394)			6	(387)
Net reinsurance	(17)	(74)	(0)	(91)				(91)
Technical profit / (loss) on non-life insurance	172	165	(0)	336			10	346
<b>Life insurance</b>								
Gross premiums written					2,409			2,409
Allocated investment return					(700)			(700)
Pension return tax					11			11
Benefits and change in provisions					(1,623)			(1,623)
Expenses					(116)		2	(114)
Technical profit / (loss) on life insurance					(19)		2	(17)
Total investment return				(27)	(681)	24	32	(651)
Return and revaluations non-life insurance provisions				(18)				(18)
Transferred to technical result					700			700
Other items				(1)	43	(15)	(43)	(16)
<b>Pre-tax profit</b>				291	44	9	0	344
Taxation								(77)
<b>Profit</b>								267

## Notes to the financial statements • Group

(DKK m)	Full year 2017	Q1 2017	Q1 2018
<b>Note 1. Claims incurred, net of reinsurance - Non-life insurance</b>			
Run-off result:			
Gross business	393	77	63
Reinsurance ceded	(50)	(5)	(1)
Run-off result, net of reinsurance (profit)	344	72	62

### Note 2. Gross premiums written - Life insurance

Individual policies	309	71	70
Policies w hich are part of a tenure	1,892	472	535
Group life	508	310	275
<b>Regular premiums</b>	<b>2,709</b>	<b>853</b>	<b>881</b>
Individual policies	1,752	422	494
Policies w hich are part of a tenure	3,788	756	1,035
<b>Single premiums</b>	<b>5,541</b>	<b>1,178</b>	<b>1,528</b>
<b>Gross premiums</b>	<b>8,250</b>	<b>2,032</b>	<b>2,409</b>

<b>Note 3. Financial assets and liabilities</b>	31 December 2017	31 March 2017	31 March 2018
Financial assets recorded at fair value based on non-observable input (level 3), comprises of a bond portfolio.			
1 January	582	582	692
Purchases	239	31	14
Repayments	(103)	(51)	(150)
Foreign exchange adjustment	(26)	(3)	(6)
31 December	692	558	551

The item consists of construction financing of property projects (DKK 238m) and Vindmøllepark (w ind farm) guaranteed by EKF (DKK 118m) and bonds of DKK 195m, for w hich current return depends on payment on life annuity contracts.

The fair value is equivalent to the cost price in the transaction currency.

The book value of financial assets and financial liabilities recorded at amortised cost corresponds approximately to fair value.

The accounting policies for financial assets and liabilities are stated in the latest Annual Report.

### Note 4. Contingent liabilities

Contract liabilities	611	357	571
Adjustments to VAT liabilities	80	51	77
Other liabilities	19	8	21
Capital commitments made to loan funds and private equity funds etc.	1,072	1,406	1,087

All companies in the Topdanmark Group and Danish companies and affiliates in the Sampo Group are jointly taxed w ith Topdanmark A/S being the management company. Pursuant to the specific rules on corporation taxes etc. in the Danish Companies Act, the companies are liable for the jointly taxed companies and for any obligations to w ithhold tax from interests, royalties and dividend for companies concerned.

Topdanmark EDB II ApS has entered into a contract w ith Keylane A/S on procurement and implementation of a new administration system for Topdanmark Livsforsikring A/S. In connection w ith implementation, Topdanmark Livsforsikring A/S has undertaken to give support in fulfilling Topdanmark EDB II ApS' obligations in accordance w ith the contract w ith Keylane A/S.

## Income statement • Parent company

(DKK)m	Full year 2017	Q1 2017	Q1 2018
Income from affiliated companies	1,771	424	281
Interest charges	(7)	(2)	(3)
<b>Total investment return</b>	<b>1,764</b>	<b>422</b>	<b>279</b>
Other expenses	(42)	(10)	(15)
<b>PRE-TAX PROFIT</b>	<b>1,722</b>	<b>412</b>	<b>263</b>
Taxation	11	3	4
<b>PROFIT FOR THE PERIOD</b>	<b>1,733</b>	<b>415</b>	<b>267</b>

## Statement of comprehensive income • Parent company

Profit for the period	1,733	415	267
Other comprehensive income from affiliated companies	0	1	0
Other comprehensive income	0	1	0
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>1,733</b>	<b>416</b>	<b>268</b>

## Balance sheet • Parent company

(DKK)m	31 December 2017	31 March 2017	31 March 2018
<b>Assets</b>			
Operating equipment	3	3	3
<b>TOTAL TANGIBLE ASSETS</b>	<b>3</b>	<b>3</b>	<b>3</b>
Shares in affiliated companies	6,624	6,079	6,915
Total investment in affiliated companies	6,624	6,079	6,915
<b>TOTAL INVESTMENT ASSETS</b>	<b>6,624</b>	<b>6,079</b>	<b>6,915</b>
Amounts due from affiliated companies	484	28	603
Other debtors	0	7	1
<b>TOTAL DEBTORS</b>	<b>484</b>	<b>35</b>	<b>603</b>
Deferred tax assets	0	2	0
Liquid funds	3	3	2
<b>TOTAL OTHER ASSETS</b>	<b>3</b>	<b>4</b>	<b>2</b>
<b>TOTAL ASSETS</b>	<b>7,114</b>	<b>6,121</b>	<b>7,523</b>

## Shareholders' equity and liabilities

Share capital	90	95	90
Other reserves	2,875	2,330	3,166
Total reserves	2,875	2,330	3,166
Profit carried forward	1,822	2,642	1,869
Proposed dividend	1,710	0	1,710
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>6,497</b>	<b>5,067</b>	<b>6,835</b>
<b>OTHER SUBORDINATED LOAN CAPITAL</b>	<b>397</b>	<b>408</b>	<b>397</b>
Amounts due to affiliated companies	183	545	276
Current tax liabilities	34	87	12
Other creditors	2	14	3
<b>TOTAL CREDITORS</b>	<b>219</b>	<b>645</b>	<b>291</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>7,114</b>	<b>6,121</b>	<b>7,523</b>

## Statement by Management

The Board of Directors and the Executive Board have today considered and adopted the interim report for Q1 2018 for Topdanmark A/S.

The consolidated financial statements are presented in accordance with International Financial Reporting Standards as adopted by the EU, and the interim financial statements for the parent company are presented in accordance with the Danish Financial Business Act. Further, the interim report is presented in accordance with additional Danish disclosure requirements on interim reports for listed financial services companies.

We believe that the consolidated financial statements and the interim financial statements give a true and fair view of the Group's and the parent company's assets, liabilities and financial position at 31 March 2018 as well as the result of the Group's and the parent company's activities and the Group's cash flows for the financial period 1 January to 31 March 2018.

We believe that the management's review includes a fair view of the development in the Group's and parent company's activities and financial matters as well as a description of the most significant risks and factors of uncertainty which can impact the Group and the parent company.

Ballerup, 23 April 2018

### Executive Board:

Peter Hermann  
(CEO)

Brian Rothemejer Jacobsen

Lars Thykier

### Board of Directors:

Torbjörn Magnusson  
(Chairman)

Jens Aaløse  
(Deputy Chairman)

Tina Møller Carlsson

Mette Jensen

Petri Niemisvirta

Lone Møller Olsen

Annette Sadolin

Søren Vestergaard

Ricard Wennerklint