

# Topdanmark

Topdanmark is the second largest non-life insurance company and the sixth largest life insurance company in Denmark. The company is listed on Nasdaq Copenhagen. In non-life insurance, Topdanmark has a 17 per cent market share. Topdanmark focuses on the private, agricultural and SME market where the company has around 600,000 customers and handles around 300,000 claims a year. In life insurance, Topdanmark has a 9 per cent market share in Denmark.

At the end of 2017 Sampo plc held 41,997,070 Topdanmark shares, corresponding to 46.7 per cent of all shares and 48.9 per cent of related voting rights in the company. Sampo consolidates Topdanmark as a subsidiary as of 30 September 2017 in its financial reporting in accordance with IFRS (for further details see section [Consolidation of Topdanmark](#)).

The AGM on 4 April 2017 decided to revoke the authorization granted to the Board of Directors to buy back Topdanmark shares. In the interim report for January - March 2017, the Board of Directors presented a new earnings distribution policy according to which Topdanmark will maintain its disciplined approach to capital consumption to avoid accumulation of unnecessary capital. The pay-out ratio is at least 70 per cent.

The Board of Directors recommends to the AGM of 2018 that distribution of dividend for DKK 1,710 million (EUR 230 million), i.e. DKK 19 per share. If the AGM approves the proposal, Sampo plc share of the dividend payment is EUR 107 million.

*The following text is based on Topdanmark's full-year 2017 result release published on 25 January 2018.*

Topdanmark's pre-tax profit increased to EUR 300 million, of which the share of non-life insurance amounted to EUR 257 million and life insurance to EUR 33 million.

Due to the start of the consolidation of Topdanmark as a subsidiary Sampo Group's 2017, results for Topdanmark contain a non-recurring profit of EUR 706 million as the difference between the carrying value and the fair value of Sampo's holding on 30 September 2017. In Sampo Group's segment Topdanmark Sampo plc's share of Topdanmark's purchase price allocated to customer relations is amortized over a period of 10 years leading to a quarterly amortization of around EUR 5 million, net of tax (included in Other operating expenses).

In non-life insurance premiums earned increased 1.4 per cent to EUR 1,208 million. Run-off profits of EUR 46 million were primarily generated in motor and illness/accident insurance. 2017 was impacted by a low level of large-scale claims. Compared to 2016, the level was EUR 15 million lower, thus improving the claims trend for the Topdanmark Group by 1.2 percentage points.

The combined ratio amounted to 82.0 per cent in 2017 (85.1). Excluding run-off profits, the combined ratio was 85.8 per cent (90.4). The expense ratio was 16.1 per cent (16.4) impacted among other things by a reduction in the number of employees.

In life insurance gross premiums increased 11.0 per cent to EUR 1,109 million in 2017 (999). Unit-linked contracts represented 94 per cent of new sales in 2017.

Topdanmark's solvency position is described in the section [Solvency](#).