



## **Topdanmark adjusts the modelled profit forecast for 2023 to DKK 1,050-1,200m after tax and excluding run-off in H2 2023**

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### **Topdanmark adjusts the modelled profit forecast for 2023 to DKK 1,050-1,200m after tax and excluding run-off in H2 2023**

The lower forecast result is mainly driven by a lower investment result in Q2 due to a loss on the “matching” portfolio. The loss is caused by increasing salary expectations from Danmarks Nationalbank (Denmark’s central bank), and De Økonomiske Råd (Danish Economic Councils) in consequence of collective bargaining on the Danish labour market. These salary expectations are published twice a year and are applied when adjusting the insurance provisions for workers’ compensation, which is the primary reason that we expect the total investment result for Q2 to be approx. DKK -80m before tax. Subsequent to the integration of IFRS 17 as per 1 January 2023, such adjustments are now, for the first time, included in the investment result and not in the insurance service result, and the latest published salary expectations lead to a larger negative effect.

Furthermore, Topdanmark saw an increased claims frequency in Q2, including an increase in claims related to motor, which is also expected to affect H2 2023. Topdanmark also saw an increased claims frequency of a stochastic nature, including more large fires in private houses, and drought-related claims in agriculture. The expected run-off profits and fewer weather-related claims than forecasted in Q2 partly offset the abovementioned negative effects. The insurance service result for Q2 is expected to be approx. DKK 450m before tax.

All in all, it is expected that for Q2, Topdanmark’s result after tax will be approx. DKK 260m. On this basis, Topdanmark adjusts the modelled profit forecast for 2023 to DKK 1,050-1,200m after tax and excluding run-off in H2 2023. This includes an expected insurance service result of DKK 1,500-1,700m before tax, excluding run-off in H2 2023, as well as an investment result of DKK 25-40m before tax. The result of the previous modelled profit forecast for 2023 was DKK 1,150-1,410m after tax and excluding run-off profits in Q2-Q4 2023.

Topdanmark’s interim report for H1 2023 will be published Friday 14 July at approx. 08:00 CEST, and then we will be able to comment further.

Please direct any queries to:

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## **About Topdanmark A/S**

Topdanmark is one of the largest insurance companies in Denmark.

We are 2,100 employees, and we help more than 110,000 commercial and agricultural customers and 600,000 private customers all over the country. We have been helping customers since 1898 when Topdanmark was founded.