Company Participants

- Aysegul Cin, EVP of Sweden
- Helge Leiro Baastad, CEO
- Jostein Amdal, EVP & CFO
- Lars Goran Bjerklund, EVP of Commercial
- Mats Gottschalk, EVP of Denmark
- Mitra Negard, Head of IR
- Rene Floystol, EVP of Private
- Unidentified Speaker, Unknown

Presentation

Mitra Negard {BIO 3974076 <GO>}

Good morning. Welcome to Gjensidige's 2021 Virtual Capital Markets Day.

My name is Mitra Negard. I'm head of Investor Relations.

Today you will hear that we at Gjensidige continue to be firmly committed to create sustainable value for our stakeholders. We will present our ambitious goals for the next four years, and we will take you through how our operational and strategic priorities and strong capabilities will enable us to deliver on these.

We have six speakers today -- all members of Gjensidige's executive management team.

We will start with our CEO, Helge Leiro Baastad, who joined Gjensidige in 1998 and has been CEO since 2003.

He will be followed by the Executive Vice Presidents for each of our five operational segments within non-life insurance.

Rene Floystol has been with Gjensidige since 2011. He will be sharing with you our key priorities to secure market leadership for our Private business in Norway.

We will then move on to Lars Goran Bjerklund, who will be discussing our ambitions to maintain our position as the leading commercial underwriter in Norway. Lars Goran joined Gjensidige in 2003.

Our fourth speaker today is Mats Gottschalk. He has been in Gjensidige since 2011. Mats will share with you the plans for how our Danish segment is fit for the future.

Aysegul Cin is the next speaker. She will speak about how we will succeed in becoming an aspiring challenger in Sweden and capitalize on the attractive growth opportunities in the Baltics. Aysegul has been with Gjensidige since 2006.

Our CFO, Jostein Amdal, will conclude the presentation session today, summing up our priorities to ensure that Gjensidige continues to deliver attractive returns. Jostein joined Gjensidige in 2002.

The presentations will take approximately two hours. After that, we will open up for questions, which you can send in by using the link next to the webcast link.

Now before starting with the presentations, we will show you a short film addressing how we shall continue to know our customers best and help them manage the risks and prevent damages for the benefit of people, the planet and profit.

(video playing)

Helge Leiro Baastad {BIO 5865247 <GO>}

Welcome, everyone. Thank you for joining us here today. I've really been looking forward to sharing with you our ambitions towards 2025 and speak about our strong capabilities, which will enable us to continue delivering attractive returns.

The world is changing fast. Predicting the future is always hard. But what we can be certain about is our aspiration, delivering the best customer experiences also tomorrow. To succeed, we will continue to grow. This, together with our focus on operational efficiency, will lead to further value creation in Gjensidige. We will grow to maintain our strong competitive position. Size and geographical dispersion are important for the sake of diversification of risk. As the market develops towards larger ecosystems, size is an important criteria for being able to attract the right partners and to approach our customers in a holistic manner.

Size is important in light of the complex and comprehensive regulatory framework also. In order to respond to our customers' needs, we need to continuously invest in technology and innovation. We also need to attract the right competencies to run our business, and we have to keep our costs down. All of this boils down to growing our business and realizing even more economies of scale. We have succeeded so far, and we will continue to stretch further with both a healthy top line growth and efficient operations.

I'm very pleased with the strong performance we have had over the past years. Since our previous Capital Markets Day, we have delivered on our ambitious targets and for several metrics, well beyond what we set as goals back in 2018.

For the next four years, we have set even higher ambitions, and we are confident that our unique position, strong competencies and clear strategy will help us achieve these targets. A combined ratio target below 85% and a cost ratio target below 14% are clear signals of our expectations for continued strong competitiveness and high efficiency. Combined with the disciplined capital strategy, our return on equity target is above 19% for the period, and we are committed to delivering nominal, high and stable regular dividend.

A prerequisite for this is having a solid capital position. We continue to target the solvency margin between 150% and 200%. In Gjensidige, we firmly believe that sustainable solutions are key to long-term value creation. As a leading general insurance company, we believe we can make a difference, first and foremost, through preventing damages from happening.

We are also convinced that we can contribute to overall sustainability by transforming our products to be aligned with the EU taxonomy requirements, ensuring sustainable claims handling and making responsible investments. We have set specific goals for these ambitions, with 80% of relevant premiums fulfilling the EU taxonomy requirements and 35% reduction in CO_2 emissions from our claims processes both by 2025, and we target zero net emissions from our investments by 2050.

Changes in customer behavior, demographics in technology, in regulation, our way of living and the global climate are just some of the trends that face our business model, bringing new challenges, but first of all, new opportunities. We will make sure we are there for our customers, managing the risks and solving their everyday problems, leading up to our mission to secure lives, health and assets.

Our key priority over the next years is to maintain and further strengthen our direct customer relationship. We will pursue an even deeper customer insight through data and advanced analytics and take an increasingly holistic approach to meet our customers' needs. Our goal is to become an even better and more relevant partner for our customers, a problem solver with an enhanced focus on damage prevention and thereby further strengthening our customer relationship.

We will offer a broader value proposition, including both products and services, either alone or together with selected partners, and we will ramp up digital solutions for the convenient and effective interaction with our customers. We will strengthen our positions within all key areas of retail and commercial customers' needs, mobility, property and health. Our pension offering in Norway complements and support our offerings.

Successful innovations and best practice will continue to be shared across the group. The use of sensor technology is a good example of this, with a special focus on damage prevention. Another example is our extensive knowledge in topography in Norway, with methods currently in the process of being established in our Danish business. Online medical assistance service and our most recent moves in the mobility space through toll companies in Norway and car sharing in Sweden are examples of exciting new offerings which will contribute to our growth.

The core of our strategy is being best today as well as best tomorrow within the markets we are currently operating. This entails exploiting our current position and business opportunities while, at the same time, exploring new products, services and business models for tomorrow. We still see a considerable growth potentially in our current markets, both organically and through M&A. Strategic alliances will also be a priority for us, and we will be pragmatic in terms of structures as long as it contributes to a sustainable profitable growth. There is room for further consolidation in our markets, and we will be monitoring the market closely for attractive opportunities.

We are primarily eager to grow within general insurance in the Nordics and the Baltics. And in Norway, we will still consider opportunities within life and pension products. We will consider both larger deals and bolt-ons as long as they make sense in terms of strategic fit and attractive returns.

We have strong capabilities, enabling our solid performance centered around our strong brand. We have unique competitive advantages in our superior claims handling processes, our underwriting excellence and our strong distribution model. These capabilities have been developed over many decades based on the culture of strong customer orientation and the relentless efforts to continuously improve operations. These are indeed true differentiators and hard to copy.

We will continue to pursue improvement in all aspects of our business model. There is more to be done on our claims handling side, driven by digitalization and automation, but also in terms of sustainable claims handling, better use of data and sophisticated analytics will help us to improve pricing and risk selection, further adding to our underwriting excellence. And our omnichannel distribution model will need continuous adjustments to ensure efficient targeting and customer convenience.

We are investing heavily in technological and analytical platform to further enhance our competitive advantage enabled through shorter time to market, competitive pricing and high cost efficiency. The core IT system currently implemented in Denmark is an important project I am particularly excited about. We are convinced that it will make a significant contribution to enhance efficiency. We will gradually move on to implementing it in Sweden and finally in Norway.

We will continue to improve our analytical models, which, together with our deep customer orientation and pricing capabilities, will ensure that we can continue to grow profitability. Our greatest asset is our employees, and our ability to retain necessary competencies is key to succeeding also in the future. We are very pleased with our employee engagement score.

Let's have a look at what do our employees say.

(video playing)

Sustainability is at the core of our business and deeply integrated in our business model. Our initiatives are focused on contributing to a safer society, ensuring sustainable claims handling and making responsible investments. We continuously monitor EU regulations related to sustainability. We are preparing for reporting according to the EU taxonomy from 2022, among others, by amending products design and services, tariffs and damage prevention initiatives.

As mentioned earlier, we have set ambitious goals, and we will continue to seek effective and targeted activities, both in terms of our activities towards our customers, our investments and our own footprint for the benefit of people, our planet and profits.

We have a clear set of priorities for the next four years towards 2025. First, we will build on our strong and unique position in our core market. Second, we will improve profitability for our operations outside Norway with a particular focus on Sweden and the Baltics, which have the largest upside potential. And last but not least, we are committed to continued capital discipline with a rational approach to our M&A and capital distribution back to our shareholders. The key enablers supporting our delivery on these priorities are of deep customer insights and relevance, supported by our unique customer dividend model, our efficient cost base and solid capitalization.

Now I will ask Rene, Lars Goran, Mats, Aysegul and Jostein to share with you some deeper insights into our priorities and how we will deliver on our goals going forward.

Rene Floystol {BIO 21758046 <GO>}

Thank you, Helge. Good morning. My name is Rene Floystol, and I'm responsible for Gjensidige's Private segment in Norway. I'm very happy to be here today to share with you our ambitions for the Private segment going forward.

Gjensidige has been a safety provider for generations. By delivering excellent customer experience, we have defined the benchmark for our industry. Combined with our excellence in customer pricing and underwriting, it has resulted in strong profitability.

We have set an ambitious agenda. We shall further improve omnichannel customer communication. We shall enhance the efficiency in our claims processes, and last, but not least, we shall solve a broader range of our customers' everyday problems related to securing life, health and assets. All of this will help us strengthen our customer relationships, maintain high retention, increase customer contact frequency and create new growth opportunities.

We have established new standards for omnichannel distribution. This has significantly improved our sales efficiency. We have a very competent in-house sales force which handles 80% of our sales. This sales force has been developed over years under our Gjensidige brand. The different roles are specialized to handle different kinds of customer dialogue orchestrated by data and analysis. This is quite unique in Norway. This is based on a centralized and data-driven CRM unit that optimizes the customer journey across all channels. Using AI and machine learning really strengthens our distribution power. The result is a market-leading distribution with high quality and strong customer satisfaction.

Let me explain. Before calling a potential customer, we use data from our analytical CRM engine to direct relevant digital marketing towards potential customers. This contributes to building our brand and increase the customers' product awareness as soon as we have established interest. We route the customers into our digital channels. This has proven very effective. We have increased sales efficiency significantly from performance marketing over the last 12 months. With regards to sales from Google search engine, this is lifted by 21%.

When we call a potential customer from our outbound call center, the whole process before calling is automated and based entirely on AI and machine learning. This has resulted in significant improvement in our sales processes during the last year, with 40% increase in premium sales per hour, 36% fewer calls per sale and an improved customer scoring model which identifies twice as many high-risk customers as we did before.

When speaking with a potential customer, our sales reps have tools to help them make the sales process more efficient. One example is smart offers, which pre-calculate quotes using internal data and data from public sources. This gives a smooth customer experience, allowing enough time for the sales reps to address important customer needs.

In claims, the private and commercial side in Gjensidige is one. We have reached great milestones in our effort to optimize our claims handling processes. Focused investments and even more important, strong execution power have given us today's results. We have taken our customer-centric approach, simplified our processes and digitized the whole customer journey. Moving forward, our strategy is to capitalize on our competitive advantage, our digital maturity and our employees' claims competence. Our focus will be to merge digital and human capabilities to totally transform and reach a new era for our claims unit.

Let me take you on a journey through our motor claims process. When our customers file a claim, it's not a question of digital or not anymore. 82% of all the claims from our private and commercial customers are reported digitally. In less than three seconds, the customer will receive a confirmation and further instructions on what to do. We are very happy to see that the customers are very pleased, with a satisfaction score of 94.

When a customer has reported a claim, our steering algorithms choose the best vendor for handling the claim, with repair costs being the most important criteria. More than 90% of the claims settlements are steered to our 450 strategic partners through multiyear agreements. And thanks to our strong position, we have the best terms in the market. Once the best supplier is chosen based on our customers' needs, the supplier will assess the damage and upload a report. This report is evaluated by us automatically, and our feedback is sent to both the supplier and the customer.

We have put strong efforts into establishing necessary controls with soft fraud filters and coverage control. Today, more than 80% of our vendor assessments are handled by robots, with an average handling time of less than five seconds. This is freeing up time for our claims teams to focus on more complex cases and customer interaction. We have now found a good balance between what a machine should process, which is speed and volume, and what must be processed by humans, responding to individual customer needs.

96% of supplier invoices are automatically paid. The supplier uploads the invoice. Our systems verify the claim details, corrects the claim reserves, pay the invoice and closes the claim. Some of you may have heard us saying this before, but it's worth saying again, handling and approving a travel claim in 1.6 seconds earned us a world record.

Now I have talked about what we have achieved so far. Going forward, we recognize that the fight for attention is tightening as customers' needs and expectations change. We know that a strong brand and trust will not be enough to keep our position in the future. New players enter the scene on the back of technological development and data access. This accelerates change and makes horizontal integration easier. We believe that the winners in the future will be those having a wider approach to the customers' needs, offering a full range of services and products which solve the customers' problems.

We continue to invest in improved omnichannel customer communication. We do this to increase our distribution power and to be more relevant and have more frequent touch points with our existing and potential customers.

Every day, we take steps to improve our customer communication and activities based on application of new technologies and concepts. Examples of such initiatives are personalized web pages, new version of smart offer, streaming events and tracking of online and off-line journeys. The next generation, next-best action is already in the test phase, enabling an effective follow-up of our sales reps' customer dialogue. When we roll this out, we will deliver thousands of personalized customer journeys each day across all channels. We expect our efforts to improve our sales efficiency by 30%, reducing distribution cost per sale.

Going forward, we will, together with commercial, continue to develop our claims processes towards new service standards and operating models.

Moving towards 2025. Our goal is to automate 70% of our claims processes, including both partly and fully automized processes. This will increase both speed and quality. Additionally, our customers will be given real-time and proactive status updates to ensure a seamless customer journey.

We aim to maintain strong relations with our wide network of suppliers. Going forward, of our supplier steering will be handled by AI and machine learning and be a key driver to improve profitability.

In terms of sustainability, our prime focus is on helping our customers prevent damages from happening in the first place. Once the damage have happened and the claim is reported, we put strong efforts into handling the claims process in a sustainable manner. Lars Goran will touch upon examples of both in his presentation.

Our ambition is to reduce our claims handling cost by more than 50% during the next years. We have already started to explore offshoring together with sourcing partners with good results. Merging our digital approach with our highly competent employees will strengthen our competitive advantage.

As Helge already has stated, solving what matters most to our customers, creating frequent and direct dialogue will accelerate new growth and significantly contribute to our top line.

We have an ambitious growth agenda. We have deployed new ways of working to explore new business models, expand existing products and new services, either on our own or with partners. We know our customers well and use this knowledge to fuel new initiatives targeting solving jobs-to-be-done.

Over the next years, we have an ambition of launching at least 10 new services related to mobility, home and health. We have established Gjensidige mobility, where we are combining our data with the purchase capabilities from the issuers of electronic toll payment tax. Our goal is to provide our customers with a one-stop shop for easy car ownership, including, for example, parking, charging, service, et cetera.

We are strengthening our offering within property insurance by providing home seller insurance in response to new regulations. We expect to be a strong player in this new market in the long term. We also are pursuing damage-prevention-as-a-service, moving the value proposition from the traditional folks on damage and claims to solutions avoiding this altogether.

Through sensors and technology, we are exploring how we can detect incidents before they occur or at least strongly reduce their consequence. These solutions may also be expanded to services connected to sensors, helping the elderly live longer in home instead of being institutionalized. 450,000 of our customers have health assistance 24/7. This gives the customer and everyone in their household free access to video doctor 24/7. This service is newly expanded to also include free psychology consultation. This preventive service is helping people as early as possible with issues to reduce the need for traditional therapy.

The above mentioned are just examples of many others to come. These are all our building blocks towards a broader position in the life of Norwegians, helping them secure life, health and assets. Additionally, many of these will scale beyond Norway and be available for our other markets to build upon.

To sum up our ambitions, we will develop new capabilities for improved omnichannel customer communication that will further strengthen our relationship with our customers. We will further digitalize and automize our claims processes and continue to focus on sustainable claims handling. And we will seek new growth through innovation based on solving our customers' jobs-to-be-done. This will ensure our position as Norway's preferred safety provider.

Now I will pass the word to my colleague, Lars Goran, to share with you our ambitions for our Commercial segment.

Lars Goran Bjerklund {BIO 20800907 <GO>}

Good morning. My name is Lars Bjerklund, and I'm responsible for the Commercial segment, and I'm really looking forward to share with you our ambitions.

We will maintain and develop our highly profitable market leader position. To support this, we will further develop our analytical power. We will develop our value propositions to cover customer future needs. This includes increased efforts on damage prevention. And we will attract and develop the best people, ensuring systems and processes so that they can spend their time in the most value-creating way.

I will start by giving you some context about the commercial insurance market as it has quite different characteristics than the retail market that Rene is operating in. It is a more relationship-driven market with a certain extent of manual processes. The distribution is digitally immature, and the customer mass is diverse, with a highly specialized industries and corresponding variations in the customer needs.

The market is served by two large and many smaller insurance companies. And now the customers, the Norwegian companies, are changing due to trends and developments affecting the whole world. They are adapting new technology and becoming more digital. And they are, like us, facing new requirements and regulations. As a result, the customers' expectations to digital solutions and to suppliers' relevance are increasing.

Gjensidige has navigated this market for more than 200 years, with a high degree of direct distribution, solid growth and profitability and cost-efficient operations. The customer retention is as high as 92%, supported by our unique customer dividend model.

Key success factors in the next years are competence, access to data, supported by scale. I will give you insight in our priorities to maintain the position as the most relevant commercial insurance partner in the long run.

Data is essential in all parts of our operations from developing insurance products and pricing models to providing efficient and correct claims handling. And it is the basis for reaching the right customers with relevant information at the right time. Due to our market position, we have an extensive amount of data, which is one of our key assets.

Because of the diverse commercial market, scale is an important factor. Scale is what enables granular segmentation through advanced analytics. In turn, this enables us to be precise and optimizing in every aspect of data usage.

In a world where changes come at an increasingly high speed, flexibility and ability to adapt to new situations and requirements is an important factor in succeeding. Advanced models that evolve as new data become available provide the framework that we need. They enable us to detect challenges and evaluate consequences to spot possibilities and take action at a rapid speed.

During the past few years, we have developed our data platform so that we are well rigged to efficiently gather data and build insight. In the same period, we have established effective teams of data engineers and data scientists to increase our effort in this area. We have developed more predictive modeling to support our decision-making and priorities. This enables us to realize more of the potential in this asset, and we are in the early phase of tapping into it.

Let me give you an example. For the larger part of the portfolio, we express our underwriting expertise through analytical models, for example, in the process of repricing customers at the renewal. Coming from a repricing environment, based on product profitability, rates and tariffs only, we have enriched the process by introducing customer scoring. The customer score contributes to more differentiated pricing and improved repricing effect. It also reduces the need for manual underwriting, supporting our efforts to ensure that employees can spend their time on the large and complex cases. The customer score is currently used in annual repricing of 54% of the premium. This share will increase to about 75% in 2025. We will also introduce by then the customer score as a part of pricing new sales.

Our broad analytical insight is the basis for every part of our operations, including the three prioritized areas that I now will discuss. Providing sound advice is how we create value for our customers. Making our expertise readily available to customers is essential and supports customer retention and satisfaction. Our aim is to allow customers to navigate seamlessly between the digital and the service channels. This is why one of our key priorities is to develop digital customer solutions for the full customer journey. Considering the digitally immature commercial insurance market, this is an extensive agenda that requires great effort and capacity. We started this journey years back with the claims handling, as described by Rene. We have also developed several digital servicing solutions and have recently started developing advice and purchasing solutions.

Moving forward, we will continue developing and refining our customer solutions in both digital and service channels. This way, we ensure that competent advice is provided in an efficient and convenient manner. Increased use of data integration towards external data in combination with own data is an important part of this development. This reduces need for customer input, and it prepares the adviser who can start the customer conversation, having the relevant information available. Effectively, the data is automatically gathered for us, and the time spent with the customer can be focused on providing advice and discussing solutions.

The demo of the digital adviser that you see next to me is an example of what we are developing. This is an online solution where public data is automatically gathered, and the customer adds own input. Based on the input and our aggregated data, the customer receives high-level advice on recommended insurance coverage. In time, the adviser will also be connected with our online purchasing solutions.

Offering relevant products and value propositions to customers requires a solid understanding of customer needs. In a changing environment, this requires not only historical data. It also requires a forward-looking perspective. For a number of prioritized industries, we have built specialized teams to follow the development closely in the medium and in the long term. This supports the best possible understanding of the customers' insurance needs, and it supports our understanding of the customers' inherent risk. The industry teams will ensure relevant insight to search for pocket for growth, understand future challenges to handle, and they will generate ideas for product development.

Taking a step back, our value proposition is split two ways. First and foremost, we are the customer's risk carrier through our insurance products. But we also play a significant role in damage prevention through advice and incentives for risk reduction. Damage prevention is a common interest for the customer environment and Gjensidige. And with today's climate changes and need to reduce carbon emissions, the importance of this part of the value proposition will increase. Since 2014, we have systemized our approach to risk reduction. We have an industry-specific risk management process, which is well received by the customer. And we are glad to see that many of the customers act on the damage prevention advice they received.

Moving forward, we will develop the risk management process to cover more customers and reduce the interval in between the reviews. We will aim to increase the risk-reducing effects of the process and explore how to integrate the ESG perspective.

Historically, damage prevention has been based on periodic controls, supported by measures to reduce the extent of damage. Moving forward, we are looking at the shift towards continuous monitoring based on sensors, where the customers immediately get notified of discrepancies and be able to prevent damage from happening. We will explore new approaches to risk reduction moving forward, typically in close dialogue with partners and customers.

An example is a solution we have initiated, developed and launched in cooperation with partners. The background is that most fires are caused by issues in electrical installations. We are now offering a solution where sensor is installed in the fuse box, continuously tracking the temperature. In case of any irregular changes, the owner receives a notification in a mobile app. This enables the owner to check if any measures are needed, and the potential fire can be stopped before it even starts.

Let me show you an interview with a customer that can tell you more about this.

(video playing)

Preventing damage is always the aim. But what do we do when the damage does incur? Claims handling is essentially the product we deliver. Providing efficient and correct claims handling is what we shall always be best at. Rene talked about the digital and automation aspect of claims handling in Norway. My focus will be on how we are developing the claims handling to support a sustainable future.

To put it simply, we will contribute to reduce consumption by increasing repair and reuse in our claims settlements. This work starts with our products and processes. By 2025, we will aim to transform 80% of the products covered by the taxonomy. This means that the products will be -- include sustainable choices and incentives for damage prevention, among other things. Purchasing power is an important factor in developing the claims handling. We are the largest buyer of materials and services for claims handling in Norway. We have solid agreements with large national suppliers that are present across the country and who guarantee their availability to our customers.

The quality of our suppliers is essential. Part of our quality control is screening the suppliers for climate footprint. Looking at property damages, as an example, we screen suppliers representing as much as 80% of total spend. This results in suppliers' ESG score. For suppliers not reaching an acceptable score, we established action plans to encourage improvement. Maintaining a good dialogue and finding common solutions is an important way of balancing our purchasing power to benefit the customers, the environment and Gjensidige.

Most importantly, as the market leader, we have the position to set new market standards and positively affect the insurance market and, in some cases, related industries as well. Taking this responsibility and ensuring involvement on related parties enable us to induce positive change.

Let me illustrate what we are doing through specific initiatives related to our largest products, motor and property. We insure 1.2 million vehicles, which is one out of every four vehicle in Norway. So claims handling for the motor products is essential for our climate footprint. This autumn, we raised the condemnation limit for cars from 60% to 80%, which especially will reduce the condemnation of electric vehicles. This initiative effectively introduced a new market standard.

We are actively working to increase the use of used spare parts from a marginal 1% to 11%. And together with partners, we have started exploring the challenge related to battery recycling for electric vehicles.

Safety is, of course, always the number one priority for us and for the repair shops, and it will not be compromised.

Taking a look at property insurance, we have introduced incentives for a sustainable rebuilding of both commercial and private buildings based on the BREEAM NOR certification and the Nordic Eco Swan Label (sic - Nordic Swan Ecolabel). We encourage more partial repairs and use of less carbon-intensive materials. We have also introduced video inspection of property claims, increasing efficiency and reducing travel-related emissions.

Moving forward, we will continue the work within all these areas. We are looking into all aspects of our client funding, and we'll make constant efforts to improve processes and solutions to deliver the best possible claims experiences.

To sum up, our key priorities are first, to tap further into the potential of analytical insight in all parts of the operations. This includes both historical and forward-looking insight. Second, to develop our value proposition with intensified efforts for damage prevention. This benefits the customer, Gjensidige and the environment. Third, to attract and develop the most competent employees. An important part of this is that we need to enable our employees to spend their time in the most value-creating way because it is always about the people. All of these priorities support our ambition to maintain and develop the position as the leading commercial underwriter.

Thank you for your attention. Now I will pass the word over to my colleague, Mats, who will share with you the ambitions for the Danish segment.

Mats Gottschalk {BIO 17501562 <GO>}

Good morning. I'm Mats Gottschalk, and I'm responsible for Gjensidige's business in Denmark.

Over the last three years, we worked to address some of the challenges we've had in our business. These include legacy systems, structural complexity, brand complexity and not at least some of the shortfalls that we've experienced in our underwriting profitability. And we've come a long way in addressing those issues. Now we're taking new steps to make sure that we are building and refining our key competitive strengths in the Danish market. We call that fit for future.

There are three key strategic priorities for Gjensidige in Denmark --number one, to continue our journey of profitable growth in both our core and specialty segments; number two, to leverage and benefit from our much stronger technical and analytical platform that we are currently building to enhance our operating efficiency and to improve our pricing capabilities in the marketplace; and thirdly, we are continuing to invest into our brand awareness and proactive customer care to establish what we consider to be much-needed higher trust and loyalty amongst our customer base.

I will address each of these priorities in more detail over the course of this presentation, and I will demonstrate to you some of the capabilities and competitive advantages that we believe we have that will allow us to continue our growth in Denmark.

Looking back at our growth track record over the last five years, it is evident that our chosen strategies have had a major impact on our top line development. And you can see that from the chart on this page. Amongst our key priorities were to streamline and simplify our product versions by upgrading all of our customers to our latest set of terms and conditions and to implement renewal processes for retail and SME customers. Secondly, we have deployed predictive case underwriting for relevant lines of business supporting our strong position in the broker market, and we continue to receive recognition for our strong position in that particular segment. And thirdly, our recent focus on brand and brand consolidation has resulted in our unaided brand awareness now comparing favorably to a number of our key competitors in the marketplace, with more room to improve for Gjensidige as a brand.

At this point, we are confident that we have built a business that can deliver both strong top line and bottom line results in the years to come. Through hard work, we've managed to build a business that performs well compared to our closest competitors in the Danish market, considering both our cost ratio and our combined ratio in comparison to those local peers. You can see that from the charts on the right of this page.

Our cost ratio has been stable but competitive over this period, whilst there has been a significant improvement in our combined ratio, resulting from numerous profitability measures and reduced claims handling costs. We built a strong local franchise with scale advantages from being part of a leading Nordic insurance group. This being both in the areas of cost, analytics and technology, all of which support our journey of continued profitable growth. Second, our data-driven CRM strategy is now translating into meaningfully higher sales scores across a number of our distribution channels. And thirdly, a strong process focus along our entire value chain has resulted in meaningful improvements in our frequency loss ratio.

Over the next few years, we seek to boost our profitable growth using a number of levers. Number one, we will continue to challenge market standards in our areas of expertise, such as change of ownership, health insurance and specialty travel. Number two, we will leverage our franchise and grow in classic lines of insurance business such as commercial property and retail tariff segments such as private lines and SME business. And thirdly, we will continue to pursue structural growth as evidenced by our recent purchase of NEM insurance with its exciting bancassurance relationships.

We have a strong track record of combining market knowledge and strong partnerships to facilitate growth. As an example, we remain highly committed to the travel industry during the pandemic, and we are now seeing early signs of the global travel insurance market bouncing back, which we are well placed to benefit from.

We enjoy market-leading positions in Denmark in areas such as change of ownership and health insurance. In the ownership or real estate broking market, we have both scale and a strong value proposition in the form of market-leading solutions. We have created a profitable business and strong partnerships for the future.

Similarly, in another area of expertise, namely health insurance, we are leveraging both our scale and our knowledge of this specific market to offer broader services to both corporate health insurance customers, the emerging individual health insurance market and other strategic customer segments. This is similar to what you heard Rene talked about in his presentation earlier on.

Another example which I would like to share with you and that I am particularly proud of is the insurance score. The insurance score is a new feature that we introduced to our customer base earlier this year. It is what we believe to be one of the first, if not the first, digital insurance check in the Danish market. It's based on a 100-plus of variables. It is customized through a digital journey, and it generates an insurance score individual to each customer. The score indicates whether the customer is appropriately covered for their current life situation, whether they have too much insurance or not enough. And on the basis of that, we can create tailored, individual advice.

This, for me, is a real-life example of how we are working with data to help us solve customer problems. Customers undertaking the score are more satisfied and far less likely to leave us compared to our current control group. The test results from this project demonstrate the importance and the value to us of improving or involving ourselves in customers' lives and helping them try and solve everyday problems.

Moving on, as you know, Denmark is first in line within the Gjensidige Group with a change of its core system to what is a new and modern infrastructure. We have been busy configuring the new system over the last two years, and we are now deploying it into use in our private line segment. This new and stronger technical platform is an important milestone in the beginning of a major paradigm shift, and we expect to progressively phase out our reliance on mainframe technology over the coming years.

And at the same time, we will be welcoming a new API-based infrastructure, which will enable us to implement complex yet automated, rule-based processes as part of our infrastructure, enabling more efficient operations and better customer flows. It will help us deliver faster time to market in areas such as product development and new partnerships, and it will provide the basis for real-time data, underpinning more advanced CRM and pricing variables and strategies over time.

To wrap things up, we have three strategic priorities in Denmark towards 2025 --number one, to consistently grow our business in a stable and profitable way; number two, to leverage our stronger technical and analytical platform to deliver a new and competitive generation of products and tariffs; and number three, to build a higher level of trust and loyalty amongst our customer base based on a meaningfully stronger brand awareness.

Thank you for your attention. I will now hand over to Aysegul, who will talk about the prospects for our Swedish and Baltic businesses.

Aysegul Cin {BIO 20800913 <GO>}

Good morning. My name is Aysegul Cin, and I'm responsible for the Swedish and the Baltic segments. I'm delighted to be here today and share with you our ambitions for these segments, starting with Sweden.

Gjensidige has been present in Sweden in 2007. We have grown our footprint through a number of acquisitions. And during this time, we have made significant efforts to integrate the businesses and improve the portfolios. We have restructured our operations, implemented a number of cost efficiency measures and adjusted our growth strategy. And yes, we still have a way to go before generating satisfactory results, and with our strong dedication and solid capabilities, we are confident that we will achieve our goals.

In Sweden, we are a challenger. We are in the process of creating a competitive advantage to establishing a digital business model. This will take the improvement of our operations one step further and help us build a stronger market position. We will grow in both the SME and the Private segment by strengthening our brand, improving our customer value propositions and adding more attractive partners. Besides improving profits, we have an important role in contributing to the group's overall innovation efforts, acting as a spare head in exploring new concepts and solutions. I will revert to this in a few minutes.

Let me take you through some of the improvements we have made during the last years, proving that our Swedish organization has the right capabilities to succeed. First of all, we have improved our profitability in both segments through repricing, improved tariffs and portfolio pruning. Data-driven portfolio management has enabled us to continuously monitor profitability and respond rapidly with the right measures. Our underwriting and pricing competencies are strong, and these have been further strengthened lately, especially for health and accident insurance through the acquisition of Nordeuropa. And yes, with our portfolio size, the results will vary from quarter-to-quarter. However, the improvements in our underlying loss ratio is expected to continue going forward.

Our cost base is too heavy, and we are currently addressing this. A stringent cost discipline is necessary, along with several cost-cutting programs and organizational restructuring, which we have carried out during the past few years. We have managed to bring down our cost ratio during the past year despite investing in our digital transformation and new competencies.

Recognizing the importance of quality and efficiency in claims, we have put real efforts into improving and digitizing our processes. We can see the results in the decreased loss adjustment expense since the end of 2020. And now we are in the process of identifying further cost-cutting opportunities within claims through business process outsourcing and further digitalization. This will help us structure and simplify our processes before stepping up further automation of workflows. We have consolidated our IT systems as well and standardize our products to reduce complexity and enhance efficiency. Now we have narrowed down our product range, focusing on profitable lines.

When it comes to growth, we are happy to see that our efforts have resulted in higher sales, improved customer retention and sales efficiency. There is still potential for further improvements. Our growth comes primarily from the SME segment and through partners.

In the Private segment, analytical CRM and price optimization are key to grow sales and increase efficiency. We see that using analytical price optimization models in digital channels gives results. The hit rate is up 40% the last 12 months. Our customer satisfaction has also improved since 2019. There is definitely still work to be done in this area. Nevertheless, it gives us comfort that we are on the right track.

Realizing the attractive opportunities in becoming a digital player, we are stepping up our digital ambitions, both in terms of customer interactions and our internal operations. Our long-term vision is to develop insurance with a one-click feeling, simple but yet with a personalized experience. We want to empower the customer to take the right decisions and make sure the insurance will be based on that specific customer's needs and behavior. And if the accident should occur, the customer shall experience instant and automated claims services.

Our digitalization agenda is ambitious, and we are just in the early phase of the transformation. And to start with, we have reduced a number of insurance products we offer and are now making them ready for 100% digital distribution. Just recently, we implemented a new cloud-based web platform with new digital customer journeys for purchasing and claims reporting. With this platform, we will achieve greater flexibility and launch new customer services at the higher speed.

Here you can see one example of our new motor insurance purchase process. We have also launched new products distributed through partners earlier this year. Having the right set of capabilities to be able to realize our ambitions are crucial. To establish a development unit with strong skills and flexibility to scale up when necessary has therefore been a high priority. This has been achieved through close collaboration between the Swedish business segment, our own group IT department and a large international IT supplier. Customer centricity is implemented in the whole development process, making sure we always start and end with the customer. And with a cross-functional team setup based on agile principles, we can achieve speedy development and short time to market.

As a small player on the market, innovation is key to growing our business and increase competitiveness. And we put a great effort into making innovation a part of the way we work and having a test-and-learn mindset.

Just to give you one example, I will share one of our concepts we are working on at the moment and are planning to test. The vision for this concept is to make insurance simple to understand and tailored to our customer needs and depending on where they are and what they are doing. We will notify the customer automatically when leaving the Swedish border and when coming home. In this way, we increased customer touch points and make sure the customer has the right insurance coverages and access to relevant services. We will start testing with travel insurance. However, this concept is easily adaptable to other situations, such as riding an L scooter or driving a car.

We got off to a good start on our transformation, and for the next four years, we will focus on building an agile platform to boost growth and further improve operations.

In the private market, we are seeking the position of being a digital, simple and transparent insurance company. We will use modern technology and our innovation capabilities to build excellent customer experiences. And in some areas, we will challenge the market standards.

We see great potential in strategic and tactical customer segmentation, ensuring that we meet the right customer in the right channel with the right value proposition and best practice sharing from the group, and collaboration with our center of excellence in Baltics will accelerate our work.

In parallel, we will continue to build brand awareness. We will relaunch Gjensidige in the Swedish market in 2022 with several marketing and communication activities. Partnerships and sponsorships will continue to be important for building our brand. In this Commercial segment, the focus will be on further strengthening our position toward brokers, especially in the SME segment. We will do this by improving our value proposition towards selected segments with excellent service, strengthened underwriting capabilities and increased risk capacity. We want to offer brokers efficient and user-friendly digital solutions that are integrated into their processes.

Our goal is to be the preferred digital partner, and we will continue to seek new growth opportunities together with them. Our focus will be on mobility, home and financing. And together with existing and new partners, we will develop strong insurance offerings and extended services. Our partner platform shall deliver plug-and-play digital solutions that enable our partners to offer seamless customer experiences and wider value propositions. And last, but not least, in parallel, we will continue to look for non-organic growth opportunities and utilize on our experience and new infrastructure to achieve efficient and lean integrations.

To enable our growth ambitions and continue to improve our operations, further investment in new IT infrastructure and digital platform is necessary. The power behind digital can only be realized with strong capabilities within data, CRM and analytics. This will not only strengthen our offering to the customer but also increase efficiency through a higher degree of self-service and automation. To strengthen the opportunities with partners, we are investing in building a modern partner platform. We are establishing new API layers that makes integration and data exchange with partners and brokers better and easier, supporting partnership models such as risk carrier management and integrated digital solutions.

We are also implementing the group's new core system after Denmark to substantiate digital ambitions further and reduce costs. This will also strengthen our pricing power with automated tariffs supported by the group's analytical capabilities. And last but not least, continue to develop an agile organization with strong execution power is important.

Now coming back to our innovation capabilities, I will share with you our new concept, Schysst. This is a prime example of an innovation process where we went from an idea to successful implementation with short time to market.

(video playing)

With Schysst, we want to test the potential of car subscription as a profitable revenue stream and, at the same time, gain first-hand mobility experience, not just for Sweden, but for the group as a whole. We launched Schysst in May and a piloting in Stockholm and Uppsala. And with a successful pilot, the next step will be to scale further in Sweden and across borders.

We are also implementing additional services with partners such as Storytel and the international fuel company, OKQ8. And the next step will also be to work with mobility concepts that are not limited to cars, looking at customers' needs to move from A to B in a broader perspective.

So to sum up, we are a challenger in Sweden with aspirations and a lot of grit. Our focus for the next four years will be to strengthen our brand and market position, supported by a digital-first approach. We will boost growth through partnerships and in the SME segment, and we will continue to explore new customer offerings. Bolt-on M&A is still a priority. We will continue with and accelerate improvements in our operations, supported by digitalization and a modern IT platform.

(video playing)

Now to the Baltics. I'm glad to have been given the opportunity to work together with our great team to improve our operations and get back on track to deliver sustainable and profitable growth. Gjensidige has operated in the Baltics since 2005. The strategic rationale to expand into these markets was and still is to take advantage of the attractive growth opportunities. And with the acquisition of PZU, Lithuania in 2015, we further strengthened our market presence.

And to get back on track, our main focus areas will be --rebalancing product portfolio mix and optimizing sales channels efficiency; continuous improvements in risk management and pricing models; and thirdly, we will increase efficiency in our operations through process standardization, digitalization and automation. I will get back to each of these in more detail.

Although the last 1.5 years has been a setback for (inaudible) years shown strong underlying market growth above that of the economy in general. In total, motor insurance represent over 50% of the Baltic market, and there are large untapped opportunities in property, accident and health, just to mention some areas. We expect an attractive growth rate to continue in these markets as consumer demands pick up, driven by economic growth and deep -- deeper insurance penetration.

Profitability in the insurance markets across lines of business has improved, although the pandemic illustrated the vulnerability of these markets. We are confident that the strategic rationale for being present in Baltic is still highly valid, and we will put strong efforts into positioning ourselves to obtain profitable growth. We have established a solid platform with all the necessary building blocks and core capabilities to improve our performance going forward.

First of all, we have a modern IT infrastructure and a platform to build efficient digital customer journeys. We have launched our online self-service portal and a claims steering engine that has resulted in a high level of claims being reported online, 89% in Third Quarter this year. Our underwriting and pricing competencies have been strengthened, supported by transfer of best practices from our Norwegian operations.

We are very proud of our analytical center of excellence in Vilnius, with highly skilled and engaged employees. This department supports the Baltic operation and offer services to Gjensidige's operation across all markets within BI, sophisticated analytics and CRM. The Gjensidige brand is well established in the Baltics, considering our moderate market share.

In Lithuania and Latvia, Gjensidige brand is respectively top three and top four in terms of brand awareness. We are also very proud of having high employee engagement scores across all the Baltic organization. We have made good progress in several areas over the past five to six years, and there is still way to go. For the next four years, we will continue to improve our platform.

Going forward, we have three focus areas. First of all, we will strengthen growth. Our goal is to increase sales on our digital platform in the Private segment. This will be achieved by increased use of analytical CRM, exclusive digital sales offerings and implementing tools for our sales employees to support online sales. Until recently, our goal was to significantly increase sales through internal channels to be less dependent on expensive external distribution. However, we have revised the targeted distribution mix and see better possibilities in a more balanced approach, depending on the local market conditions and how fast customer preferences change.

We must also continue to work with existing partners while ensuring a good pipeline of new partner agreements to proactively seeking partnerships with car dealers, banks and retailers. We see considerable potential in a more analytical approach to market segmentation, so that the effort can be focused on selected customer segments where the growth potential is high.

We will rebalance the product mix and reduce the dependency of one product to increase profitability and customer loyalty. We will achieve this by targeting non-MTPL lines such as casco, health, property and travel. With the capabilities that we have built, we are well positioned to launch customized products across all three countries. An example of that is the recently launched payment protection insurance on a unified single pan-Baltic platform. The platform is used by one of the biggest banks in the Baltics to distribute our products. And as in Sweden, bolt-on M&A opportunities will also be a priority to achieve growth.

Secondly, improving portfolio profitability is necessary. We will continue to strengthen our capabilities within underwriting and pricing by improving our tariff processes and implementing advanced analytical models and increased use of external data. Besides developing better pricing models, we are already able to implement them quickly and adapt to market dynamics and competitiveness. For example, we can now update our pricing model into hours versus previously three months.

Our analytical model will also help us improve the retention processes with sensitivity pricing models that optimize the retention rate and manage the portfolio profitability. The renewal level were adversely affected by Covid-19 conditions on motor and travel product lines in 2020. But now we are on track with 65% renewal rates. We see a lot of potential in product innovation and targeted cross-selling offerings using advanced CRM models to achieve higher retention rates.

Last, but not least, we will improve efficiency in operations. One of our focus areas is to increase efficiency in claims. Implementation of new analytical fraud prevention solution and further development of the claims steering engine will enable a higher degree of automation. With this, we will realize lower claims handling costs and also improve customer satisfaction. We focus also on process optimization more broadly and have, for that purpose, established pan-Baltic operations center. This will reduce costs in our operations through lower labor costs and increased standardization.

Our ambitions within sustainability are high. We contribute to a safer society and reduced carbon emissions through digitalization, loss-preventing measures and increased use of reuse materials. We also offer security discounts to encourage loss prevention. And now it's all about execution. We will seek new market opportunities based on customer preferences and changing customer needs.

For each market, we will offer attractive value propositions to our customers. Our pan-Baltic organization has strong capabilities that we will continue to develop. And with highly motivated employees and strong commitment to our ambitions, we will mobilize the whole organization and get ready for implementing necessary actions going forward.

So to sum up, our key priorities towards 2025 are --one, boost growth through a rebalancing of the product mix, establishing an optimal multichannel distribution and an analytical-based segmentation; two, we will increase portfolio profitability through a strengthened risk management and pricing capabilities; and three, we will ensure cost-efficient operations through process optimization measures across countries and continue to digitize and automate in sales and claims.

Thank you for your attention. Now I will hand over to Jostein to sum up today's presentations.

Jostein Amdal {BIO 19939645 <GO>}

Thank you, Aysegul. Hi. I am Jostein Amdal, Chief Financial Officer in Gjensidige.

As you've heard from my colleagues today, Gjensidige has a strong performance and continues to deliver attractive returns. In 2018, we set ambitious operational and financial targets for the period through 2022. We are very pleased to show that we have succeeded in delivering on our goals, and for several of them, well beyond what we set as goals back in 2018. This is thanks to our solid position, strong underwriting skills, efficient operations and a focus on profitable growth. And this is our recipe going forward as well.

We continue to deliver high, stable and predictable dividends on a regular basis. These attractive dividends have been driven by very strong profitability combined with capital discipline. Our robust capital position has provided us with sufficient room to pay out excess capital as well, confirming our commitment to holding an efficient capital base.

We have set our annual financial targets for the next four years through 2025. These are ambitious yet realistic goals, which we seek to achieve through continued profitable growth, further efficiency improvements and capital discipline.

Given the current elevated claims inflation for larger product lines such as motor and property, we expect premium growth to exceed nominal GDP growth in the short term. In the long run, we still expect to grow more or less in line with nominal GDP growth with strong demand for accident and health insurance.

Growth in motor insurance, as you know it today, will probably slow down in the very long run as a result of car sharing, increased safety levels and autonomous driving.

In addition to top line growth, we will seek further operational efficiency. We have taken big steps in digitization and automating our internal workflows and the platforms for customer interaction so that our teams can focus on true value-adding activities, such as handling more complex claims and personal contact where that is preferred by the customer, just increasing customer satisfaction and retention even more.

Our capital position is strong, also after paying out special dividends in several rounds during the past year. We balanced out the potential to fund further growth at the same time as supporting our return on equity target.

You have heard my colleagues explaining our ambitions across all our segments and the capabilities we have in place which will enable us to succeed. Our approach across all the markets is the same. We aim for profitable growth.

Our position in Norway is unique, with all the prerequisites for continued success, being the market leader, having the strongest brand and serving a large and loyal customer base. As Rene and Lars Goran explained, we will build on this attractive position by catering to our customers' needs through more relevant data and improved analytics. We will commit to innovate products and complementary services that solve our customers' problems, with a special emphasis on damage prevention and, when necessary, do this in cooperation with strategic partners.

We are very pleased with the progress in our Danish operations, both in terms of underlying profit development, growth and increased brand awareness. And as Mats discussed, there is room for further improvement, both in terms of top line and margin growth.

We are looking forward to reaping the benefits from our new core IT system, which will in many ways, be a game changer for operations there and in due course, in the rest of the group.

Sweden is next aligned to implement a new system with the process starting next year. With historically low and volatile profitability in Sweden, we had to rethink our approach in this market. The digital transformation, Isago explained, is essential to establish a differentiated position and enhance operational efficiency. This, combined with strengthened capabilities within CRM and analytics growth through new partnerships and in the longer term, positive effects from our new core IT system makes us confident that it will generate higher profits going forward. We are determined to turn around the situation in the Baltics, which is challenged by demanding market dynamics. With (inaudible), I'm convinced that we will be able to improve the results from our Baltic operations.

Over the next years and take part in the attractive opportunities these markets offer. Our focus will be growing our top line based on better risk selection and pricing processes. We'll also take further steps to enhance operational efficiency through standardization, digitization and automation of workflows and customer solutions. Our Pension business is a valuable complement to our Commercial segment in Norway, contributing to loyalty and offering more cross-selling potential. Having our own Pension business is an asset when catering to the expected growth within the Life, Health and Pension Insurance business. We generate good profits from this business, reflecting a sound business model and efficient operations.

There are clear diversification benefits between Nonlife and Pension Insurance, making the increased capital requirement, at the group level, quite low. We are among the most cost-efficient insurance companies in Europe. There are a number of reasons behind our strong track record with investments in technology, customer behavior, direct business and advanced analytics being the most important. Having a competitive cost base is crucial to delivering on our goals. It's all about finding the right balance between cost discipline and investing for the future.

We have reduced our cost ratio steadily over the past years, while at the same time making significant investments in technology and innovation. In addition to the new core system, we are spending approximately NOK300 million annually on further development of technology, digitization and automation. We have an annual operating cost base of NOK5.9 billion with salaries and IT making up the majority of these costs. Our claims selling costs, which in terms of accounting, are included in the claims ratio, totaled approximately NOK1.8 billion or 6.9% of premiums.

We see considerable potential for further efficiency gains, both for operating and claims sending costs, particularly outside Norway. We'll utilize this to continue to invest in new technology and solutions to support our strategic agenda. Including these investments, we will aim at keeping our cost ratio below 14%. We have had strong growth in our business volumes over the past years, and we managed to serve more customers with fewer man hours as you can see from the charts on this side. Digital investments are paying off, and we see increased volume through our digital platforms during the last four years.

At the same time, as we experienced the highest customer satisfaction score ever for the private business during 2020. Customer expectations for speed and convenience are constantly increasing, necessitating continued investments in technology. We will further digitalize our distribution process and customer interfaces. Use of new data and fraud filters will free up time to focus on the larger and more complex claims. Our new core IT system combined with improved analytical insight, data-driven CRM, use of AI and machine learning and leveraging of best practice across the group will, over time, contribute to more agile and faster business development, increased distribution power and customer retention and reduced operating expenses.

Now a few words about our operational KPIs, which are important in measuring the delivery of our strategic priorities and underpin our financial targets. At our Capital Markets Day in 2018, we launched ambitious targets for a number of KPIs to be delivered in 2022. I'm very pleased that we have already reached and, for some, even exceeded our goals. Moving forward, we have set the list of key operational KPIs for the next four years towards 2025, which we will report upon to the market. Customer satisfaction and retention are the most relevant measures to gorge the success in our customer orientation.

And as you can see on the right-hand side here, we will keep our ambitions to exceed our customer satisfaction index and a retention level above 90% in Norway and above 85% outside Norway. Customer satisfaction and retention in Norway currently stands at 79% and 90%, respectively. We are very pleased with this, and we put strong efforts into keeping these high levels. We have a way to go on retention outside Norway, which is currently at 79%. We have been speaking a lot about digitization and automation today as key measures to secure efficiency. We have established a new KPI to gorge through progress in our digital sales and service interaction with our customers. This is a combined index, which we aim to raise by 10% yearly over the next years from 2021.

We have come far in digitizing claims reporting in Norway. The biggest improvement potential now is outside Norway, where we see considerable savings potential. We aim for 85% of all claims across all segments to be digitally reported by 2025. The current rating is 79%. Automation of the whole claims settlement process is also an area with significant savings potential. We introduced a new KPI on automated claims. This KPI differs from a straight through processing KPI that we've used so far.

As we include also claims that are partly automated and measuring the share of all claims processes that is automated. We aim for more than 70% of all claims processes in Norway to be automated by 2025, and we are currently at 54%. A few words about our reserves. We have released considerable access reserves over the past years as a result of safer roads, cars and workplaces as well as normal volatility in the credit reserve. We are moving closer to the end of the planned releases of the excess reserves with entified back in 2015. We now have NOK1.35 billion of planned releases left, stemming from personal injuries and workers' compensation for specific vintages, mainly between 2008 and 2014.

By the end of 2022, we have exhausted these brand runoffs, starting from 2023, with IFRS 17 coming into effect, it will no longer be possible to make planned releases of excess reserves. But although our reserves reflect our best estimates, they will also in the future be runoff gains and losses, as has always been the case, illustrated in the chart on the left-hand side. Our total reserves amounted to NOK28.9 billion at the end of the Third Quarter or NOK27.6 billion, excluding the planned reserve releases.

A significant share of these are related to long and mid-tail products such as workers' comp, motor personal injury and various accident and health insurance products. Car, road and workplace safety are important drivers of claim settlements, and the outlook for these drivers is stable and favorable. Other important drivers such as general inflation and the development within certain raw materials prices are needless to say more difficult to predict, but at least the latter has a fairly limited effect on the claims reserves, since they mainly affect short tail lines of business. Our investment activities support our underwriting operations, in hedging our liabilities, the match portfolio. It is invested in interest-bearing instruments in the same currencies and overall durations as the liabilities.

There is some limited credit risk in the portfolio, which, on average, produces a high return that more than compensates for a slightly higher capital requirement. The free portfolio, mainly constituting the own funds or solvency capital is invested within moderate risk limits with a well-diversified portfolio of equities, fixed income instruments and property and resulting in a solvency position that has a very controlled sensitivity towards larger market movements.

On average, since the IPO in 2010, the free portfolio has annually returned 1.7 percentage points more than the match portfolio. We are a signatory, too, and endorsing several initiatives within sustainable investing. For the last 20 years, we focused on excluding companies that did not meet our standards with respect to human rights, the environment or good governance. Going forward, there will be an increased focus on the involvement, and we have set a target of net zero carbon emissions from our investments within 2050, supporting the Paris Agreement.

Over the last three years, we paid out NOK16.7 billion in dividends, including the form like dividend of 80% of profit after tax so far this year. In spite of this, the capital surplus has only moved from NOK9.7 billion to NOK9.4 billion, and the solvency margin is still well within the stated solvency range of 150% to 200%. The main drivers behind this have, of course, been strong results, both from the underwriting and investment side, although the sale of (inaudible) Bank back in 2019, also contributed significantly. We use our internal model for capital allocation and pricing automation and make sure that all lines of business contribute positively to value creation.

We received some approvals for some changes in the part internal by the FSA in both 2020 and 2021. There is still a gap between our internal model and the approved model. with the storm model and correlation between market and underwriting risk being the main deviations. We are convinced that our model is the most accurate, and we'll continue our efforts to convince the FSA in order to have as much as possible of the full model approved. We are committed to having an efficient capital base, and we'll continue to target a solvency ratio between 150% and 200%. This range provides a risk buffer to ensure that we remain over regulatory capital requirements in a severe stress event.

The target range also ensures that it is possible to absorb normal volatility in results and maintain a high and stable stream of regular dividends. Further, it supports an A rating from S&P, capital for organic growth and smaller acquisitions that are not financed for retained earnings in addition to our buffer for regulatory uncertainty. We will utilize necessary capital instruments to have an optimal capital structure. Tier 1 loans and Tier 2 loans will be utilized within limits given by the Solvency II regulation. Our capacity for Tier 2 loans is almost fully utilized.

We have a remaining capacity for Tier 1 capital of NOK1.9 billion to NOK2.4 billion. We will continue to seek inorganic growth opportunities, industry bolt-ons, which are more probable for the time being or to large M&A deals when the right opportunities arise. We want businesses that fit into our target segments, private, SME and Commercial. We will normally integrate them in our existing organization and systems, and we must aim to turn around the businesses in two to three years. Financially, we look for acquisitions that deliver a substantial positive net present value above our cost of capital of 6% after tax and add to our long-term dividend capacity.

This is how we add value to our shareholders, although the average ROE or combined ratio for the group might suffer. Usually, we do not expect that new acquisitions will deliver the same profitability levels as we have in our Norwegian operations. To sum up, we have set ambitious targets for the next four years. We will continue to focus on profitable growth, together with strong and efficient operations, our strong product offering and encouraging economic prospects in our markets, this should bode well for continued solid results and attractive returns. We are committed to having a strong capital discipline.

Together with our results of the outlook and robust solvency position, this provides us with a solid base to deliver a continued, steady and nice regular dividend curve. Special dividends have been and will still be utilized from time to time to ensure an efficient capital structure. And with this overview of our value proposition, I will hand the word over to Mitra to open up for our Q&A session. Thank you.

Questions And Answers

A - Mitra Negard {BIO 3974076 <GO>}

Welcome back, everyone. We are now opening up for questions. With us here today for the Q&A session, we have our presenters, Helge Baastad, Janne Flessum, Mats Gottschalk, (inaudible) Jostein Amdal. Please type for questions in the open space beside the website link. And we have already received our first questions.

To what extent are your financial targets ambitious?

A - Unidentified Speaker

I really think the target is ambitious. You have to remember, this is targets for four years down the road. And we are talking about below 85%. We are not talking about 85%, but below 85% in combined ratio. We are talking about below 14% in cost ratio and above 19% return on equity. It's a 4-year period we are talking about.

I think it's also important to remember that it's seasonality in Nordic non-life, and if you look back the last couple of years, we have had, I would say, few large claims than expected. And it's a Covid-19 period behind us also, and it has been less weather also, if you look back. We listed the company 10 years ago. So I also think it's important to look at our track record. And I heard something before we listed the company, one guy said to me, the capital markets, it's about and they communicate or delivering. But I think it's probably your stand that you go deeper into cost ratio, combined ratio and ROE and also comment the run-off gains, we are still in the period with planned runoff for 2022. But maybe you'll stand to go somewhat deeper into the financial targets going forward.

A - Jostein Amdal {BIO 19939645 <GO>}

I can pick up a couple of the points that you talked about, (inaudible) I mean, the 19% return on equity is still within an environment with fairly low interest rates, and we are upping our target from more than 16% to more than 19% when we get through the planned runoff releases. Also the 85% in combined is for excluding these planned runoff gains. So in 2022, the effective target is below including and adjusting for these planned runoff games, which are one bid in air, as we have communicated for a number of years now..

In terms of costs, I mean we've been driving the costs down year after year. And we had 14.5% [ph] in cost at in 2020, 14.1% [ph] as of Q3 this year. And we believe natural target is not to go further down again below 14% for the years to come. And within this range, we -- or this target, we're actually investing quite a lot, talking about NOK300 million a year in spending on digitization, automation improvements. And also, we are going to accommodate the new core system within that 14% cost ratio.

So I think it is ambitious. But we set the targets, believing that we'll continue to deliver on them. It's not a stretch target. It's an ambitious but realistic target going forward.

A - Mitra Negard {BIO 3974076 <GO>}

All right. The next question, what will be the benefit from the complete approval of PIM for solvency?

A - Jostein Amdal {BIO 19939645 <GO>}

Yes. This is a question we talked about more or less every quarterly presentation. It's -- as of Q3, there were approximately NOK2 billion in capital surplus in difference between the approved PIM and on our own version of it. But it will take time to get new parts of the model approved, as we've said repeatedly. But we work relentlessly on getting our views through on FSA and over time, we believe the two measures will get closer at least..

A - Mitra Negard {BIO 3974076 <GO>}

Why didn't you report a target for the underwriting profit outside Norway?

A - Jostein Amdal {BIO 19939645 <GO>}

We set the NOK750 million outside Norway target back in 2018 at the Capital Markets Day then, going into that with NOK250 million in underwriting result for the previous four quarters. So we thought that tripling of that was actually quite ambitious. And now, we see that we have delivered the four last quarters were NOK811 million in underwriting result. So when setting new targets, we simplified it slightly and said this is included in delivering on the below 85% combined ratio for the group as a whole and maybe not the same need to report on X Norway specifically. But of course, the numbers would be there for everyone to see. So it's not that we're not focusing on it.

A - Mitra Negard {BIO 3974076 <GO>}

IFRS 17 will come into effect in a year. So two questions regarding that. Can you talk a little about the preparations? And if you are on track, can you say something about what potential impact you see for your P&L and balance sheet, both on day one and going forward? Will you need to change any key KPIs?

A - Jostein Amdal {BIO 19939645 <GO>}

First of all, we've had our internal IFRS 17 project running for a while now. I think we are well on track to be able to report according to that when it's implemented, January 1, 2023. It has been taken down in terms of anxiety since we started the project back a couple of years ago. It's -- it is not that cost to implement, and it's fairly -- I wouldn't say simple, but easy to overview on the non-life side. It says we're introducing a simplified method there. And there will be an implementation effect of probably slightly reduced equity as a balance sheet effect..

But then going forward, running results will not be that much impacted. And the negative equity effect is a combination of the discount reserves, which is positive, but then there's a risk margin added to the reserves, a bit by Solvency II, and that will have been more than the discounting effect at today's interest rate level. Slightly more complicated on the life side, but that matters less to us since you see the Pension for siting is a smaller part of the overall picture. You also asked about KPIs. We think there will be much of the same KPIs as we report on today, combined ratio of cost ratio and so on.

But the interpretation will be slightly different when you include discounting and risk margin. But this is something we will talk with other players and then Scandinavian non-life industry about, and try to agree on a kind of a consensus beyond how this should be reported to the ease of the analyst investor community.

A - Mitra Negard {BIO 3974076 <GO>}

Great. What percent of overall claims costs come from claims handling costs? Does this vary between private and commercial?

A - Jostein Amdal {BIO 19939645 <GO>}

I think we reported, or at least I said in my speaker notes, that there were somewhere around 6.9% of premiums, which are claims handling costs. So translating that into a percent of claims costs would be around 10% of claims cost. This varies slightly between the segments, but between private and commercial in Norway, they are fairly similar, a bit below the group average of 6.9% of premiums. It is a bit higher in the market in Sweden and the Baltics, "Say, between 8% and 11% there..

And this is one of the upsides which we look into when we talk about digitization and automation of claims processes. We will get the claims handling costs down. And it's an important emphasis because this is bottom line effects as we as anything, although it's not included in the cost ratio as such.

A - Mitra Negard {BIO 3974076 <GO>}

Thank you. Question for you, Lars Bjerklund. In commercial, how does customer score get created?

A - Lars Goran Bjerklund {BIO 20800907 <GO>}

Customer score, yes, it's an important part of how we are steering our portfolio. We have an approach to our portfolio as we are looking at both historical data and have a combination with looking forward, as I had in my presentation. For us, it becomes more and more important to look forward because the landscape is changing rapidly. But when it comes to the customer scoring model, it's a combination of, of course, information about the customer. It's about a certain segment and it's also a result of gathering external data.

So we are putting this together, and we're giving the customer a specific score. And then this is the important thing when we are repricing our customers because we are often talking about average price increases in the portfolio. But it's a lot more important, how we are putting these measures. So for us, how we are steering it, and how we are able to have this good profitability that we have today. This is under retention rate as well is because it makes sense for the customer when they have their renewal terms. And we are looking at the different categories and also into different segments.

So we are steering this and looking at segment more than if the customer is a small, medium or large customer. This is an important part of how we are going to develop forward as well. But because we are -- I would say, we are in the start of a journey and we are not at the same level yet, then it's in the private market. But we have so much scale, and we will be able to manage it even better going forward. But when we are looking at a single customer, we must also have a look at what -- and how are these segment and the customers within the segment are handling was looking in front of them because it's not enough anymore to just look at the portfolio.

Yes. I think that's okay.

A - Mitra Negard {BIO 3974076 <GO>}

Thank you. Helge, you have set financial targets for profitability. Could you please also provide some guidance on your growth ambitions?

A - Helge Leiro Baastad {BIO 5865247 <GO>}

Yes. We are in a situation now with really strong growth, and it's a nice combination of price-driven and volume-driven growth. Going forward -- and the momentum is strong. We also have a situation now with recently some more consolidation in the Nordics and its rationality around us. So we expect to grow our business going forward and its growth ambitions in all segments. It's volume ambitions in all segments. Of course, this is also about expected claims inflation going forward. And we are in a situation with higher claims inflation compared to the situation a couple of years ago. So we expect growing significantly into 2022 and in the target period as well. As I said, driven by price increases, volume growth, new products, services, and you have heard today about our new problem-solving strategy, so we are really confident that we will have a situation with growth in all segments going forward.

When it comes to acquisitions, and it has been a consolidation around us. So we -- and this is not important for the target as such, but we are also working to try to find bolt-ons in the Nordic area, general insurance bolt-ons in all segments actually. But this is not reliable. It's not related to the growth strategy as such.

A - Mitra Negard {BIO 3974076 <GO>}

Thank you. How can you deliver AI and data goals in the group without rolling out the new IT system across the group more quickly? What is the timeframe for rollout of the new IT system?

A - Jostein Amdal {BIO 19939645 <GO>}

Starting with the latter part of that question. I mean we are now implementing in private segment in Denmark and starting soon on the commercial segment in the market as well and then probably move on to Sweden and then Norway. We haven't communicated a clear timetable for this probably will at some time, but not for now. But the point of this staggered implementation is that we reduced risk by taking it kind of one segment at a time and learn from that so that next one is running more smoothly..

AI. We don't have specific goals for AI as such, but this is an increasingly important tool in pricing, in CRM, in customer scoring. So it's one of the tools we use, but without a specific target for the tool as such, you can see the targets that we will produce pronounced in terms of digitization and automation. And part of that is facilitated by improvements in our use of AI or machine learning or those kind of concepts.

A - Mitra Negard {BIO 3974076 <GO>}

Next question. How should we think about the volatility of the combined ratio and earnings given you are more geographically concentrated than some of your peers?

A - Jostein Amdal {BIO 19939645 <GO>}

Well, first of all, it's non-life insurance in part of the world where weather is volatile in itself. But the most important is that we try to contain that volatility through being forward-looking in terms of our pricing, so that we meet expected claims inflation as good as we can.

And secondly, that we have a reinsurance program in place that takes out the effect of single claims or large events that dampens volatility as such. Looking at our own position, we've grown from first [ph] started abroad in 2005 to approximately 30% outside of Norway, which has improved the diversification over those years. And probably in the longer run, the increase in outside Norway will probably be larger than within Norway as well.

A - Mitra Negard {BIO 3974076 <GO>}

Helge, exploring M&A opportunities has been a goal for a while. How realistic is this?

A - Helge Leiro Baastad {BIO 5865247 <GO>}

As I said, the list has become shorter, but there is room for further consolidation. We think in short to medium term, it's more realistic with the bolt-ons in all segments actually. It's about General Insurance, that's first priority. I also mentioned Pension in Norway, and I want to also say that we prefer then the time contribution capital-light Pension business as we have in the group today.

Long term, I think you will see more consolidation in the Nordics because it's about scale. It's about diversification of risk. It's about participating into ecosystems. So longer term, I think you'll see even more size of consolidation. But short, medium term, bolt-ons. We also will expand our value proposition. And as you have heard about the new consumer-oriented strategy today, it's about new products, new services to capture around the customers' problems within mobility and within property and health. So -- and you have seen that we have recently also acquired a couple of toll companies in Norway.

So we could also see some expansion into the value chain in the areas we operate. So yes -- so we -- as I said, we believe in growth in all segments. We believe in bolt-ons, short, medium term. We believe in sizable consolidation longer term, and we also want to expand into the value chain in our main areas.

A - Mitra Negard {BIO 3974076 <GO>}

Another question for you, Helge. What continued impact from Covid-19 do you expect going into 2022?

A - Helge Leiro Baastad {BIO 5865247 <GO>}

We have reported coeffect for a couple of years now. And if I remember right, I think the Covid effect in our combined ratio year-to-date is around 1.4%. And Third Quarter, it was 0.9%. First and foremost, related to less travel. Today, it's more debate regarding Covid-19 throughout Europe, also in Norway. But we expect this to gradually be reduced into 2022. I expect less travel in Fourth Quarter and maybe in first half of '22 as well. But I'm not sure we will continue to report Covid effects in 2022 because I think we are more or less in a more normalized situation for most of the product areas, maybe some lagging effects on the travel insurance part of the business.

A - Mitra Negard {BIO 3974076 <GO>}

You have recently been speaking of the opportunity within home change insurance in Norway. How much will this contribute to the bottom line in 2025? Are there other such new areas you could move into?

A - Helge Leiro Baastad {BIO 5865247 <GO>}

I will pass this question partly to Rene, but before I can talk about this new legislation and product in Norway, I would say that we have a really strong experience from Denmark. We had a significant position in this area in Denmark. It's a profitable business. And we really know about this product and this legislation from Denmark. And Rene, you have been working with this concept for the Norwegian market popping up in 2022. So maybe you can say some about your ambitions towards 2025.

A - Rene Floystol {BIO 21758046 <GO>}

Like I said in my presentation earlier, we expect to be a strong player in this market in the long term. We have, like Helge said, a lot of experience, strong experience from Denmark, and we will capitalize on this when we enter this market. We will enter this market gradually. There's still a lot of uncertainties, but we'll go strongly over the next couple of years. And what we see that we will be firm on delivering a great product and have great customer experience. That's important to us. And we have to be profitable in this new market. That's why we will enter it slightly with not too high much share, but we will gradually grow that market share towards 2025.

A - Mitra Negard {BIO 3974076 <GO>}

Thank you. You stand, will IFRS 17 lead to changes to reserve discounting rate and potentially lower claims reserves.

A - Jostein Amdal {BIO 19939645 <GO>}

Well, the change from IFRS 17 is twofold on the reserves. First, there is a discount. And today, we only discount certain long-tail lines of business like workers' compensation in Denmark and the motor third-party liability in Sweden and the Baltics. So there will be an increased discount. On the other hand, there will be a risk margin, a bit similar to Solvency II, added to the reserves. At today's low interest rates, the risk margin effect will probably be higher. So claims reserves will be higher and equity lower as a translation effect when you move from IFRS 4 that we have at IFRS 17.

A - Mitra Negard {BIO 3974076 <GO>}

Thank you. Other questions for you here. You reduced your CR target, also including the runoff guidance, yet you're reducing your ROE target. Could you discuss the relationship between these targets?

A - Jostein Amdal {BIO 19939645 <GO>}

Yes. It's slightly -- I mean, what we talk about there is that we have a return on equity target of 16%, excluding the planned runoff games. So it's actually a hike up from 16% to 19% that we are talking about --

A - Helge Leiro Baastad {BIO 5865247 <GO>}

Above 19%.

A - Jostein Amdal {BIO 19939645 <GO>}

Above 19%, yes. Sorry. So there is actually an increased ambition here. The new combined ratio target of below 85% does include runoff but not the planned runoff gains for 2022. I hope that made it clear.

A - Mitra Negard {BIO 3974076 <GO>}

Thank you. In Norway, you will utilize toll data for insurance, which data are you able to use?

A - Helge Leiro Baastad {BIO 5865247 <GO>}

I will pass this to Rene.

A - Rene Floystol {BIO 21758046 <GO>}

Yes. Well, the toll providers, they are two reasons for us acquiring total providers. Number one, we will have a direct customer relationships with over 50% of the cars in Norway. So this we will utilize by cross-selling insurance. This will be important to us. But then again, argument number two is that we're going to take a broader position in the life of our customers. And this will give us an opportunity to develop new services to simplify car ownership for our customers. So that's the two main arguments for going to the toll provider market. When it comes to data, we have several data points that we are already looking into, and there will be more when we are starting developing the market. So I'm not going to comment on exactly what kind of data that we see a potential for different kind of data that we will utilize both in pricing and developing new services.

A - Mitra Negard {BIO 3974076 <GO>}

Thank you. Helge, what do you estimate the market size of the new change of ownership property insurance in Norway to be?

A - Helge Leiro Baastad {BIO 5865247 <GO>}

It's hard to say, but we have talked about NOK3 billion, NOK4 billion over time. Maybe it's between NOK3 billion and NOK4 billion, isn't it that right Rene?

A - Rene Floystol {BIO 21758046 <GO>}

Yes. That's estimated externally. And we see that, that may be right, but it's still some uncertainty on how much the claim cost will be since the regulations are new. So we -- it's still some uncertain where the market will end, but we see that NOK3 billion to NOK4 billion is roughly in order to our estimates.

A - Helge Leiro Baastad {BIO 5865247 <GO>}

Just a comment on this change of ownership. We have lots of data and have lots of insight into property insurance in Norway. And we are slightly freed quite fixed prices for a very big variation actually between some apartments and old houses, new houses, flat roof, not flat roof, et cetera, et cetera. So I think it's very important to move in a smart way in this market to secure profitability over time. And we have seen new areas like defined contribution back in 2006 on the Pension side. We have experience from workers' compensation early '90s. It's really easy to jump into the market with wrong prices. And lack of, I would say, risk adjustments based on the fact that it's different kind of risks. And we have the insight from property insurance in Norway. We had the insight from this concept in Denmark, and we are moving smart to secure that we will move in a profitable way.

A - Rene Floystol {BIO 21758046 <GO>}

And of course, profitability is important. But with our brand and our reputation, we need to deliver high-quality products. So we need to keep our brands strong and produce strong products. That's important to us. So we can't go in with products that will not give the right customer experience.

A - Mitra Negard {BIO 3974076 <GO>}

(Inaudible), does the Pension business target an ROE of 10%. Is it possible to say that this would be if equity is adjusted for solvency diversification benefits?

A - Jostein Amdal {BIO 19939645 <GO>}

When we talk about the percent return on equity for the pension business, this is usually looking at the pension business in itself as the company it is. If you code that into the in the group, the increased capital requirement from the pensions business is much lower because there is natural diversification between Life and Nonlife business, has mines the opposite exposure to interest rate movements. So there is -- at a marginal -- in a marginal perspective, it's a much higher return on capital for the Pension business than what we report, but we haven't quantified it externally..

A - Mitra Negard {BIO 3974076 <GO>}

Is there any reason that the runoff level should fall to a lower level than seen prior to your extraordinary release guiding for 2019 to 2022?

A - Jostein Amdal {BIO 19939645 <GO>}

Well, we said repeated that we do not guide on the future run-off results. So -- but I think we presented you the historical figures and then you'll be able to match yourself..

A - Mitra Negard {BIO 3974076 <GO>}

The next question is also for you, Jostein. What is the status with the FSA and the work to get full approval of your own partial internal model?.

A - Jostein Amdal {BIO 19939645 <GO>}

Well, as I commented on my previous question, there is a large difference between the own calibration and the approved one. And we work on a couple of major items there in terms of store modeling, correlation of underwriting and market risk and so on, which will have a big impact on the capital requirement if it gets approved. But these are lengthy processes, and we work continuously with the FSA to get our view across but come promise anything in terms of timing here..

A - Mitra Negard {BIO 3974076 <GO>}

And sticking to the topic of partial internal model, adjusting for dividends and recent acquisitions, the Solvency II margin was 177% by Q3, was actually 182%. Previously, you have kept the capitalization above 200%, is this a new normal level?

A - Jostein Amdal {BIO 19939645 <GO>}

I think the normal level should be seen within our stated solvency margin range of 150% to 200%, and that is what you should expect going forward. We will be within that range. From time to time, we've been about looking back to last couple of years. There was a special situation after the sale of the bank, not a friendly environment towards paying out dividends during the beginning part of the Covid situation and so on. So it has been some specific reasons why we've been above 200%. So it's the 150% to 200%, that is relevant for us, and really the guiding we're getting. And we're happy to be somewhere in the middle of that range..

A - Mitra Negard {BIO 3974076 <GO>}

In the period 2022 to '25, do you expect the majority of growth in group UV results to be driven by the non-Norwegian business lines or Norway?

A - Jostein Amdal {BIO 19939645 <GO>}

I think that would be going slightly towards giving a more specific guidance than what we already have done. For the group as a whole, it will be below 85%, and Helge already commented on the growth expectations. If you look at where we are in terms of profitability through the presentations today, I think we've been very clear that in relative terms, we expect the highest improvement in the Baltics due to where we're starting from. But otherwise, we see improvement potential from all segments really.

A - Mitra Negard {BIO 3974076 <GO>}

Thank you. Can you help us understand the 6% return on capital acceptance and M&A opportunities? Can you help us understand why you strike at this level? Can you discuss the trade-off between EPS growth versus return on capital?

A - Jostein Amdal {BIO 19939645 <GO>}

That sounds like a quite big topic for this setting. But I mean, starting with the 6% after tax, it is our estimate of cost of equity. We review that not often, but regularly. And we look at what we believe the cost of capital is based on what analysts use, what we read from the market and long-term perspectives on the interest rates and risk premium. And it's important that this is not kind of we aim at 6%. This is the cost of equity and above that, we integrate a lot of value to our shareholders. Combination of -- or the trade-off between earnings per share and cost of capital? Was that the question? Our overall target when we look at M&A is to create value above the 6%, to create extra dividend capacity going forward. And strategically and business-wise as it fits into our business that we can integrate it into our systems, it's private SME, nonlife insurance business, and it just fits into NCV. That's the main -- that's the starting point.

A - Mitra Negard {BIO 3974076 <GO>}

What is the base level of solvency you assume when calibrating the 19% ROE target?

A - Jostein Amdal {BIO 19939645 <GO>}

As I said on the previous question, we are quite happy to be somewhere in the middle of that range that we communicated, 150 million to 200 million.

A - Mitra Negard {BIO 3974076 <GO>}

We continue with Jostein. Cost ratio when premium growth is coming down towards the GDP growth, will it then be tougher to reach the cost ratio?

A - Jostein Amdal {BIO 19939645 <GO>}

It is clear that there are fixed and variable costs and of course, high growth makes the reduction in cost ratio quicker and witness the movement that we've seen over the last couple of years. But with the investments that we now do continuously in digitization and automation of the business, and also, I should add on CRM and other efforts to keep retention up, this is what really drives the cost ratio down in the longer term. And even though premium growth should move down towards the normal GDP level in the longer run. And it's perfectly feasible to keep the cost ratio at the level we're talking about there and probably even fall down -- I mean if we look at the cost ratio across the segments, we have approximately very wrong [ph] numbers, 10 percentage points higher cost ratio in the Baltics constituting 5% of the overall business. So that's 0.5 increase in the average share. So the rest of it will be at 13.5% if we are at 14% in total. But it means that it is obviously possible to come even further here.

A - Helge Leiro Baastad {BIO 5865247 <GO>}

If I may just comment on the cost ratio, that's below 14%, and you commented the Baltic business 0.5%. I think it's really important to understand that this company, we have a culture of dealing with costs last couple of decades. We have a culture and organization with lots of measures and initiatives to reduce the cost base. We are working with external partners. We are working with automation and it's still a huge potential. So this is about culture. It's about leadership and it's about our organization's capabilities to drive this cost ratio further down. And at the end of the day, this is maybe the most important defense for competition and everything. So for us, this is really important, and we are really committed.

A - Mitra Negard {BIO 3974076 <GO>}

Is it fair to say that Denmark has decoupled itself from Sweden and the Baltics and is running at a different speed. Can you -- well, I'll wait with that. The next question from this.

A - Helge Leiro Baastad {BIO 5865247 <GO>}

I want to pass this to Mats talk about Denmark and I can follow up with if it's decoupling from Sweden.

A - Mats Gottschalk {BIO 17501562 <GO>}

Sure. Well, let me start off by saying it's a sovereign country. So yes, it has been decoupled from Sweden and other countries for quite some time, I think. But on a more serious note, obviously, the different parts of our business are in different stages of evolution. We've been through a major transformation program in Denmark over the last few years. And I think that we are starting to see some of the results of all of the hard work that we have done not only over the last few years, but also over the 15 years or so that Gjensidige has been in that market. And in that sense, it's different because we've had a faster way of getting to some of the volumes and some of the franchise benefits that we now have in our business. And that's what we're striving for in all markets, I would say.

A - Mitra Negard {BIO 3974076 <GO>}

Thank you. In Norwegian krone, how much do you use per year in total costs, investments for digitalization, AI, CRM, big data, et cetera. And then relatively, how much do you think you're ahead of peers of money used on this?

A - Jostein Amdal {BIO 19939645 <GO>}

On the latter question, I will just pass immediately, I don't really know what competitors are spending on this. On the first part, we say we spent around 300 million. But this is -- I mean, it's hard to sometimes distinguish between what do you spend on IT and what you spend on training of the organization? And both of them are part of the digitization and automation efforts. It's not just the investments with -- on the IT side. But we said that in total in round numbers, around 300 million a year is what we spend now. This various, of course, from year-to-year, and it does not include the new core system that is in on top of that.

A - Mitra Negard {BIO 3974076 <GO>}

Thank you. Just to follow up on your comments on CR and the TR target for 2022. Should we expect an underlying CR excluding runoff at below 85%, and around 4 percentage points benefit from runoff, resulting in a CR target of below 81% for 2022?

A - Jostein Amdal {BIO 19939645 <GO>}

First, we talk about NOK1 billion in planned runoff gains. So -- and the premium base is growing. So it's not 4 percentage points anymore, but it's more of a technical aspect of it. The interpretation is correct that for 2022, below 85% means below 85 million, but not including this planned NOK1 billion.

A - Mitra Negard {BIO 3974076 <GO>}

We'll continue with you. When you roll forward, could the unwinding of the risk margin on the reserves in effect be runoff gain in terms of the IFRS 17. And have you decided on how to calculate the discount rate for the reserves?

A - Jostein Amdal {BIO 19939645 <GO>}

IFRS 17 in general. I think we're planning for our webinar Mitra in the second half of next year. So there will be a more thorough teaching at that point. On the discount rate, we're hoping that the work we've done on Solvency II could be used again here. So there's as little difference as possible between what we use and in Solvency II and for IFRS 17. But we need to -- and we are discussing it with both regulators and other companies within the industry in Scandinavia to see that we fall down on a very similar practice. I think that is the benefit of everyone really.

A - Mitra Negard {BIO 3974076 <GO>}

Okay. On sustainability, will that improve your profitability as it lowers your claims costs? Will you share this gain by lower premiums?

A - Helge Leiro Baastad {BIO 5865247 <GO>}

Yes. Over time, this is, I would say, this is in the heart of our business and our strategy as well. I think we will see that we will relaunch and modernize and develop the concept of claims prevention in a completely new way going forward. I think it will help us profitability, help customers. And of course, in what way we want to share the gains going forward. I think it's too early to take that discussion. But we are really committed because this is, as I said, in the heart of our business.

And as you have seen; it's about safe society, it's about preventing claims to happen, and we follow the taxonomy with new products, incentives built into products, measures -- damage prevention measures built into the products. We will work with suppliers to secure more repairs and less waste. So it's lots of initiatives, and we have started with the internal task force to deliver on this going forward. And when the claim happen, we also have this 35% reduction in greenhouse gases in the claims handling process. So this is in the heart of our business as well.

As you know, we have started to report combined financial and sustainability, we will report this to the market. And we are really committed, and we think this is important to build more sustainable business and to help customers. And finally, I want to say that what you have heard today about our new -- I would say, new customer-oriented strategy with problem solving. This is also a very important part of that, helping customers preventing claims, preventing damages. It's about sensors. It's about lots of services around the main products. So this will help us help the customers and help the planet. And the gains, what way we want to use that gain long term, I guess, premium reductions, profitability increase, competitive advantage, et cetera, et cetera.

A - Mitra Negard {BIO 3974076 <GO>}

Thank you. We will continue with you, Helge, on the Baltics. You started with sharing your view on the Baltics to look at strategic alliances. How does this fit with Aysegul's job of improving on a stand-alone basis? What kind of alliances are you thinking about?

A - Helge Leiro Baastad {BIO 5865247 <GO>}

Well, we have been in the Baltics for 14, 16 years or something. And -- It's a different market. The distribution is different compared to the Scandi market. We have significantly lower insurance penetration, and the development has been different compared to what we expected when we went into the Baltic market. But going forward, we really expect the Internet insurance penetration to grow and its potential in the Baltic market. And it's also potential with a more modernized distribution model. And I'm confident that we have now strong and renewed measures into the Baltic markets to really develop the Baltic business in a more profitable way.

Talking about alliances. We want to grow our business there. So if it arise opportunities on the bolt-on side, we want to look into that. And as you know, we have a better position in Estonia -- Latvia and Lithuania compared to Estonia. So to secure a more balanced situation in the Baltics. We would love to grow in Estonia also.

Talking about structural alliances, it could be that we could evaluate JVs or something like that to create more value, faster value compared to what we can manage by ourselves. We have slightly more pragmatic view on the Baltic development going forward when it comes to alliances to secure faster value creation for our shareholders. So I think that's enough, but slightly more pragmatic. But we are really committed to what we are doing now together with Aysegul in the Baltic area.

A - Mitra Negard {BIO 3974076 <GO>}

Jostein, back to you. Runoff gains from past history. How much of the planned release NOK6.1 billion stem from motor TPL and how much from workers' comp versus the reserve of NOK27 billion.

A - Jostein Amdal {BIO 19939645 <GO>}

The question is about the split of the 10 between these kind of we talked about three different lines of business really motor TPL in Norway and Workers Comp in Norway and Denmark. I don't have that specific split right now. So I think I'll probably pass on that one, sorry.

A - Mitra Negard {BIO 3974076 <GO>}

That's perfectly fine. We can speak with the analysts afterwards. Motor, you're preparing for well for changed mobility. How speedy do you see this change to happen? Is profitability in commercial motor or mobility less profitable than private today.

A - Helge Leiro Baastad {BIO 5865247 <GO>}

The motor business is a significant part of our business. It's very profitable. It's profitable, both in the private business and the commercial area. I will not go into the details between commercial and private. But of course, some fleets are less profitable versus direct private business. We have talked about mobility for some years now, and I think we hosted the Capital Markets Day back in 2014 when we talked about how this mobility market could change the insurance industry. Since that, we have seen a rapid development towards EVs and hybrid cars. We have seen a situation with higher claims inflation, but also the volume of new cars has been -- the growth has been significant. I expect in the plan period, no, target period and far further down the road, I expect this to be a direct profitable business.

Long term, I'm not that sure that the mobility part car sharing will be that significant. But of course, when we look into this in a 10 years perspective, we could see more towards more fleets instead of private cars, we could see that the producer want to integrate insurance, finance and everything into the concepts with so-called embedded insurance. So the long-term trends is challenging. But of course, it's some opportunities as well. And when you have heard today about our strategy acquiring toll companies, new services. It's about securing the customer relationship in this market long term also. So back to your question, I expect this to be a significant and growing and very profitable part of our business in the target period.

A - Mitra Negard {BIO 3974076 <GO>}

Great. Aysegul. Regarding Schysst, who owns the cars? Are these on your balance sheet? And how are these depreciated?

A - Aysegul Cin {BIO 20800913 <GO>}

Well, Schysst is the cars are owned by the companies. It's kind of the short leading periods up to one month subscription time. So the company, could you repeat the last part of the question, Mitra.

A - Mitra Negard {BIO 3974076 <GO>}

How are these depreciated? Are they on your balance sheet?

A - Jostein Amdal {BIO 19939645 <GO>}

Balance sheet --

A - Aysegul Cin {BIO 20800913 <GO>}

Yes. So on the balance sheet, company balance sheet, is part of it.

A - Mitra Negard {BIO 3974076 <GO>}

Jostein, how should we think about this in terms of cash available for dividend. If this grows, could this reduce cash remittance.

A - Jostein Amdal {BIO 19939645 <GO>}

Cash available for dividends. I mean not quite sure what they're asking about here. I mean our -- if we look at the liquidity partners, I mean, we do generate is a very cash-positive business, non-life insurance as such, especially when it is at the profitability levels that we are. So cash is not the issue. It's -- If you're looking at the solvency, the dividend path going forward, I mean, our dividend policy is -- remains fixed to have a high and stable nominal dividend and increasing if underlying profits increase and the check and balance, there is the solvency position really as long as that is at least where we wanted to be in 150 to 200 range, then the dividend policy can continue as it has done and with occasional special dividend depending on developments.

A - Mitra Negard {BIO 3974076 <GO>}

Thank you. Helge, back to you, what is the role of the Baltic business in the overall group's ambitions in the coming years?

A - Helge Leiro Baastad {BIO 5865247 <GO>}

First and foremost, it's about potential. It's a potential for building a more sustainable and profitable business supporting dividends for shareholders. As I said, when we started in the Baltics, we expected the growth in the market to be higher compared to the Scandi market. And still, it's potential for higher insurance penetration and growth and, of course, higher growth in the Baltic area compared to the average in the Scandi market. And of course, based on my last comments, it's also its potential to alone or together with partners to really secure faster value creation in the Baltic area for the next four years.

A - Mitra Negard {BIO 3974076 <GO>}

Thank you. We'll stay with you, Helge. When will you retire? Should we expect another addition to the 1.5 years to your contract which we saw a few years ago, how are your succession plans moving on?

A - Helge Leiro Baastad {BIO 5865247 <GO>}

We have -- I will not comment. I'm very committed to what we are doing here today, I'm very committed to the targets. I'm very committed to the strategy, and I love to work together with my team, and we are working very systematically in the organizational course with successions. So this is about organization with lots of skilled people. It's a strong culture. And sooner or later, it will be an even better CEO in the company, driving this further. So that's my comments on that.

A - Mitra Negard {BIO 3974076 <GO>}

Staying with you, Helge. In Sweden, thinking about Tryg's acquisition. Do you think that if Trygg-Hansa increases cross-selling or upselling activity, this will make it easier or harder for our Swedish business to achieve its targets.

A - Helge Leiro Baastad {BIO 5865247 <GO>}

Compared to Tryg and if in Sweden, we have a limited position. I would say that the consolidation we have experienced in Denmark and Sweden are good for the industry. It's about rationality. We have seen ambitious financial targets from our main peers, and that's positive. We have a strategy in Sweden, and you have heard that earlier today, which is different. We want to be a more pure digital provider in the Swedish market. So it's a completely different value proposition towards the customer. So I would say that it doesn't affect our strategy that much. On a general basis, as I said, it's positive with consolidation for the market and rationality in the market going forward.

A - Mitra Negard {BIO 3974076 <GO>}

Perhaps we can take the opportunity to hear a little bit more or remind us of how we will be improving our operations in Sweden going forward. Aysegul?

A - Aysegul Cin {BIO 20800913 <GO>}

Yes. We are very happy about the improvements that we have made. And we think that establishing this smart digital business model in Sweden will accelerate the improvements going forward. And we believe that, as Helge said, it will help us build or offer stronger value propositions to our customers, but also improve operations and increase efficiency. So we really believe in what we have started and are just in the beginning of. So we are now digitizing the whole value chain starting with distribution and claims.

And we also see a lot of opportunities in digitalization when it comes to partnerships because the demand for digital solutions are increasing. And together with partners, we believe we can build those stronger value propositions with extended services, reinsurance is just one part of it and also offer our customers more seamless and simple customer journeys. And with a more database and digital model, we also believe that we can establish together a more cost-efficient operational model. And utilize on each other's customer base more efficiently, we believe in.

And as Helge also mentioned, we need to think differently. We can -- we have advantage. We can be more picky, choose our segments and where we want to play and really concentrate our efforts on that segment and optimize the offerings to those segments. And this business -- digital business model, I believe, also will strengthen our -- the new positioning that we are aiming for being the digital implant transparent company, want to challenge a bit the way we offer insurance in the insurance market and change a bit how our customer feels about insurance. So we are positive about our new strategy going forward.

A - Mitra Negard {BIO 3974076 <GO>}

Thank you. Let's stay outside Norway, Mats? The Danish business has had a very good progress over the past years. What are the main reasons for this? And how do you see this moving forward?

A - Mats Gottschalk {BIO 17501562 <GO>}

Well, I think that, as I said earlier, we are fortunate or have been successful in realizing some of the benefits and financial results from frankly, business transformation as we've gone through a few years now of simplifying our operating model, our structure, our brand platform, our underwriting efforts. And we are benefiting from that. We've also had a period while undertaking a major IT project, but we've also been successful in evolving our business, in growing our business organically and now in the recent months also adding another bolt-on acquisition to our franchise.

So I think that we are going to see more of that. The business transformation doesn't stop, but it will evolve into deploying our core system to enhance operating efficiency to support strategic partnerships. And hopefully, as Helge has talked about, that we can continue to add structural growth to our platform in the form of bolt-ons.

A - Mitra Negard {BIO 3974076 <GO>}

Thank you. Rene, on the toll a road provider purchases, we might have answered this before, but still there seems to be a few questions about it, so we will proceed with that. Will you earn a profit from administering toll road payments Or's is this more about aiding retention and cross-selling? How much further can you grow already with your very strong retention.

A - Rene Floystol {BIO 21758046 <GO>}

Well, yes. We will be able to do the main business profitable. But that's not the main reason. The main reason is getting in contact with our customers, having more frequent touch points, being able to cross sell insurance. Like I said, over 50% of the Norwegian cars, we have a direct customer relationship with. This is -- we are going to utilize. And it's also an important part of being a broader -- taking a broader position. We can have new services.

But if you look at the business case, the business case will be justified with the cross selling and then we have a lot of upside in how we're going to use this going forward. And we also see that this toll provider company gives us more relevant discussions with more of the potential partners in the mobility space. So we see that this is twofolded. Cross-selling, which justifies the business case. And then we have a lot of upsides where some of it is still uncertain, but we have a pretty clear road map on how to utilize this going forward in the short term.

A - Mitra Negard {BIO 3974076 <GO>}

Rene and Jostein. Rene, you mentioned the 50% reduction on claims handling costs. So should we be expecting a 3 percentage point reduction in the claims ratio by 2025?

A - Jostein Amdal {BIO 19939645 <GO>}

Well, in the claims ratio as such, given that premiums stay fixed, that's -- it's a valid piece of math that's been doing here. It's around 6% claims ending costs in terms of -- in percentage of premiums in the private segment today. But then they all depends on how does claims inflation move what and pricing to get kind of to see that specifically in our accounts. But yes, we are at around 6% of premiums or 10% of claims approximately in -- or slightly less in private in terms of claims handling costs.

A - Rene Floystol {BIO 21758046 <GO>}

So this is a high ambition. And -- but we see that we have a pretty clear road map on how to make the claims process even more efficient. It's a range of levers. it's new digital solutions towards the customers. It's automation, both partly and fully automization. And we have just tapped into outsourcing. And -- We also see that we have a great potential when it comes to utilizing more of AI and machine learning in the customer dialogue being more proactive, given the customers feeling more secure, making them not call us back just to ask about status. We see that there's pretty low-hanging fruit when it comes to AI and the customer dialogue. So we see that this is an ambitious target, but we have a road map where we see the potential with several levers in the next couple of years.

A - Mitra Negard {BIO 3974076 <GO>}

Great. Jostein, back to you I understand that you're increasing your underwriting ambitions and ROE without runoffs. Yet you're currently guiding on a CR of 86% to 89% and an ROE of 20% with runoff gains, -- you are improving your CR guiding to 85% and all else equal, this should improve the ROE. However, you are reducing your ROE target to 19% indicating that some other assumptions have changed. Could you please indicate which one or ones.

A - Jostein Amdal {BIO 19939645 <GO>}

One of the first questions we got was, are the targets ambitious and Helge was very keen on pointing out that it is above 19%, which is it's not 19% as the target, it's about 19% and below 85 on combined ratio. And we do not guide as such just give you the financial targets. What is -- I mean combined ratio is something we, to a large extent or to a large extent, at least having on control. If you move from that to return on equity, are also depending on the financial markets in terms of interest rates and return on risk assets. So there's another dimension to the ROE target compared to the combined ratio target as such on the conservatively not have made our own assumptions about future increase rate developments, which underline our ROE target.

A - Mitra Negard {BIO 3974076 <GO>}

Thank you. Lars Goran. Perhaps we can take the opportunity to discuss the market landscape in Norway on the commercial side. We've seen the market has hardened considerably over the past years -- How do you see this now? What are the dynamics in the market? And how will this develop going forward, do you think?

A - Lars Goran Bjerklund {BIO 20800907 <GO>}

Yes. First, let me elaborate a little bit around the Norwegian commercial market because it is, as I say, more or less an SME market. Approximately 90% of the customers have less than 10 employees. And then it's obviously a more or less in SME market. Our portfolio, we mentioned it earlier, but we have approximately 150,000 customers. And our portfolio is an SME portfolio. it's only 2% of our customers have more than 100 employees and more than SEK 100 million in operational income. So this is how our put looks like today. Then our approach to the market isn't SMEs, small, large car customers. It's more as I explained earlier, it's with an industry-specific approach, and that's important for us because there is pockets within small customers, medium-sized customers and in the large accounts.

And it's important for us to be in all parts of the market. Because when we're looking at different industries, some of the large accounts is important for us because we have to learn from them, build that competence. And in some cases, I now want to go into the details in which segments we are approaching. But just to give you an example why it's important for us, you can look at the construction business, for example. We must be in the larger part of the market, so we can have insight in contracting and liability questions and property questions. So we can build value propositions for the rest of the portfolio. But of course, it's important to understand and how to use the underwriting them.

Then how the market is going forward. As you mentioned, over the last 3, four years, it has been a hard market. And we have since the summer of 2018, increased our portfolio with SEK 3 billion. At the same time, we have increase the retention rate, as we showed earlier. And the customer satisfaction also increased in the period. And most importantly, as we always focus on as number one, we have increased the underwriting result.

The situation today, we have high indexes and indices in both property, in motor and in the personal lines. In addition to this, we have inflation that we are a lot about. A big focus on this these days. And in combination with there is still certain segments, certain customers and products as well, where we have to put measures -- So in combination, we -- as we see it, we enter into 2022 more or less with the same approach as '21. So I think for the next months, the market will still be hard and I think it's necessary to keep ahead of the -- especially the inflation.

A - Mitra Negard {BIO 3974076 <GO>}

Thank you. Helge. You have a very strong profitability in Norway with which your numbers could attract new competition. At what point is a breaking point for such increased competition is -- Is it in your view -- is in your view, higher profit, the best way to fight competition?

A - Helge Leiro Baastad {BIO 5865247 <GO>}

It's competition in the Norwegian market. We have 20 to 25 insurance companies competing every day. And as I said, -- The main difference between the Norwegian and also the Nordic market and the European market is the fact that we operate with really low cost ratios. And as I said, the best sense for new competition is to drive the cost ratio further down. And as Jostein talked about commercial business we are below 9 -- 10% cost ratio in the commercial business. So we are really profitable. Of course, this is also due to the high retention rates and also then a lower distribution cost compared to what we see in Europe.

But we have to balance profitability with customer satisfaction, retention. So this is a balancing act every day. We have done this in a very good way, I would say, for the last decade, we will continue to do this in a very balanced way going forward. Recently, we are also -- we had image survey. And Gjensidige is on top of the image due to the strong brand name we have in Norway. And we haven't communicated that much around a unique feature in the Norwegian market, which is, of course, the customer dividend. It's a unique feature. It's a dividend paid by our main shareholder, the (inaudible) Foundation to their members. And this was actually the whole concept when we listed the company back in 2010.

So the combination, the low-cost ratio, the competitive situation we have the brand name, the customer dividend and all the features you've heard about today, I think this profitability will continue. But it's a balancing act. Of course, and we have to secure growth. We have to secure maintaining our market shares if it's profitable. And we have to share some of the gains with our customers. So this is -- What we have done in the last 10 years, we will continue to do this for the next years also.

A - Mitra Negard {BIO 3974076 <GO>}

Thank you. We will stay with you, Helge. Would you be potentially interested in buying life insurance assets or unit-linked assets in Denmark to support the non-life business further?

A - Helge Leiro Baastad {BIO 5865247 <GO>}

It's not within our appetite today. It's non-life outside Norway -- It's more -- it's about bolt-ons, short, medium term, I see big consolidation long term. In Norway, as I said, we have appetite for capital-light defined contribution smart pension business. to support the pension business and the value proposition we have towards the corporate customers in Norway.

A - Mitra Negard {BIO 3974076 <GO>}

We'll stay with you, Schysst, when will it be introduced in Norway?

A - Helge Leiro Baastad {BIO 5865247 <GO>}

I think I want to pass that to the private Director in Norway, Rene.

A - Rene Floystol {BIO 21758046 <GO>}

Well, that has been a discussion. But like we do it when we try new services, we are starting to learn and the Swedish business has learned a lot from Schysst and the modern way of sharing cars. So we are interested in testing that when we see that we have learned enough in our Swedish business. So it's interesting, but we haven't launched any date for that yet, and we don't have any concrete plans, but yes, it's interesting.

A - Mitra Negard {BIO 3974076 <GO>}

Our last question, your competitors talk a lot of fraud prevention or detection. How is this work moving in Gjensidige? And what kind of improved CR have stemmed from this topic?

A - Helge Leiro Baastad {BIO 5865247 <GO>}

Yes. Maybe one of the Norwegian EVPs could help me regarding that, you have claims handling processes, both of you. Rene, may be.

A - Rene Floystol {BIO 21758046 <GO>}

Yes. I can start, but we haven't quantified that how much, but it's important to us, and we have compared a lot in Norway with other players and outside Norway. And we see that we have pretty strong models for detecting fraud. So we are pretty confident that we, at the moment, are strong in this area, but we will keep investing because we see that more digital services, more automization, more machines needs to be followed up with even stronger Ford filters. But at the moment, we are pretty confident that we are strong in that area, but we'll keep investing.

A - Helge Leiro Baastad {BIO 5865247 <GO>}

This is all about scale and technology actually. We have a very competent the partner of 20 people working with this. And it's about investing into technology, soft fraud filters. It's about notching in the communication with our customers. So this is also one example of the importance of scale. And I think we have improvements within this area in all segments actually, working professionally in Denmark and in your segments as well, Aysegul, based on best practice and sharing in the group.

A - Mitra Negard {BIO 3974076 <GO>}

Thank you. All right. Thank you very much for a lot of good questions, everyone. If you should have any further questions, please feel free to contact us at IR afterwards. And with this, I will pass you on to Helge for closing remarks.

A - Helge Leiro Baastad {BIO 5865247 <GO>}

Thank you very much, Mitra. Thank you all of you participating today.

Today you have heard a lot of our new strategy, how to deliver the best customer experiences also tomorrow. We have given you insight into our new financial targets. I hope that the Q&A session has also given more detailed insight into that.

We are in a situation now with strong growth, strong profitability, strong momentum. And I think you have also heard that we expect this to last into the next year and beginning on this four years period. We are talking about targets for a 4-year period. We will continue to grow in all segments, a nice combination of volume growth and premium driven growth. And you have also heard about our ambition related to bolt-on acquisitions in all segments.

In Norway, as I said recently, we have a unique position but it's room for improvement also in the Norwegian segments, the private segment and the commercial segment, and we want to continue to build and strengthen our position in the Norwegian market.

Outside Norway, we have clear ambitions, lots of measures to continue to develop profitable growth in Denmark, in Sweden and also in the Baltic area. Of course, we will also continue to maintain capital discipline and to continue with dividend as we have done over many years now.

Finally, you have met a strong team here. It's a very committed team. We have a strong and committed organization to deliver on these targets for the next years.

So with that, I want to thank you once again and wish you a good day.