# Q2 2021 Earnings Call

## Company Participants

- Knut-Arne Alsaker, Chief Financial Officer & Member of Group Executive Committee
- Morten Thorsrud, Member of Group Executive Committee
- Sami Taipalus, Head of Investor Relations
- Tobias van der Meer, Group CEO
- Torbjorn Magnusson, Group Chief Executive Officer, President & Chairman of Group Executive Committee

## Other Participants

- Analyst
- Blair Stewart
- Derald Goh
- Faizan Lakhani
- Jakob Brink
- Jan Erik Gjerland
- Michael Huttner
- Per Gronborg

## Presentation

### Sami Taipalus {BIO 17452234 <GO>}

Good afternoon everyone, and welcome to the Sampo Group First Half 2021 Conference Call. My name is Sami Taipalus, and I am Head of Investor Relations at Sampo Group.

I'm joined on the call today by group CEO and President, Torbjorn Magnusson; Group CFO, Knut-Arne Alsaker; Chief of Strategy, Ricard Wennerklint; and CEO of If, Morten Thorsrud; and CEO of Hastings, Toby Vandermeer.

The call will feature a short presentation from Torbjorn, followed by a Q&A. A recording of the call will later be available on sampo.com/result. With that, I hand over to Torbjorn. Please go ahead.

### Torbjorn Magnusson {BIO 1863476 <GO>}

Thank you, Sami. And good afternoon, everyone. In Sampo's Board today, I said that I have never been more tempted to let the numbers speak for themselves. This was since we have an extremely high quality result this time, with excellent Q2 numbers for every segment of business that we write, as well as a solid balance sheet, a very satisfactory development indeed.

Let me, anyway, as in Sampo's Board, of course, give you a brief introduction to the numbers and developments. This summary page in front of us starts by line about our most important business, P&C insurance, where the results are truly outstanding. Maybe the most important number is not the headline 80.7 combined ratio, but rather the fact that in our largest business area of P&C, we've been able to increase rates and improve risk selection a further 1.5% during the 12 -- the last 12 months. These premium levels will now stay with us for a period as insurance contracts are normally, of course, for 12 months.

As I stated also in Q1, there is no important segment in the Nordics where we find it difficult to raise rates, at least, in line with claims inflation.

Secondly, on this page, the observation about the performance of Nordea, in itself strengthening our balance sheet and making our planned further reductions easier. Nordea's Q2 numbers were in many ways similar to our own now, in that they delivered excellence in every possible way. In Q2, we sold another 162 million shares, giving us both a level of leverage within our target range and the solvency even exceeding our target.

We had promised some synergy information on Hastings in the second half of this year, and we have now worked bottom-up with this in the spring and can now confidently give you a first set of very positive numbers, I'll return to those in a minute.

Next page here summarizes the total performance. Our six-month profit before tax succeeds EUR1.3 billion, equivalent to an EPS to $1.80. Underwriting profits adjusted for things one should encounter, adjusted for grew by 12%; and combined ratios, well, are second to none again.

If P&C, as already mentioned, the combined ratio for If P&C improved even further from the excellent starting point a year ago by as much as almost 1.5%, both for the half here and for the quarter. This means that we have improved risk selection and increased rates more than claims inflation. Claims inflation for building materials have picked up a little bit recently, but this is a minor part of our total claims cost, and it is dampened by long-term agreements and cash settlements. And also, claims inflation as a whole has stayed low.

Growth in If P&C is also worth saying two words about. In Q1, we had a number of technical effects that kept the number artificially low. I said then not to worry, and we now start getting that back, and the headline growth is 7% for the second quarter. The half year number is 4.5%, a continuation of last year's progress, maybe that's a better number to use for the present situation.

Turning to Hastings, I am pleased to be able to report excellent numbers also there, as for the rest of the group, but also in addition a very fruitful collaboration on knowledge transfer and synergies. First of all on the results, the rates in the UK motor market have been a bit volatile during COVID, and Hastings has maintained a very disciplined, Sampo like, if I may, attitude, and relied on their own judgment. Market rates have been more stable in May and June, but the next period will, of course, depend on how the pandemic develops.

Secondly, we have now identified, on the next slide here, concrete synergies of EUR45 million per year between If P&C and Hastings. These are, as I said, initially bottom-up identify by the people who are going to deliver them. They are detailed in this slide and are partly about running our respective insurance operations and partly about capital management.

My last slide today is just basically to report on meeting the targets we set in February, and we beat all of them by a margin. The one quarterly exception is If's cost ratio, which always varies quarter-on-quarter, but it's managed more carefully on an annual basis. We will meet the cost target also for this year for the 13th consecutive year.

It only remains to address the question of the rising capital surplus. The proceeds from the Nordea's sell-downs up to now have largely been used to strengthen our balance sheet in preparation for a post Nordea situation. Of course, there has also been an additional effect of Nordea's improved share price. As our balance sheet is likely to continue to strengthen then over the coming 12 months, we will either find bolt-on targets in the Nordic insurance industry or return money to shareholders.

Our appetite for M&A has not changed since the Capital Markets Day in February, and is indeed very limited. So this will not this will not consume anywhere near of the total projected surplus, and may even result in no acquisitions. The consequence of this is to expect some sort of extra capital distribution during 2022 at the latest.

And with that, Sami, we open up for questions and dialogue.

### Sami Taipalus {BIO 17452234 <GO>}

That's the presentation finished. Operator, we're now ready for the Q&A.

## Questions And Answers

### Operator

(Question And Answer)

Thank you. (Operator Instructions) Our first question comes from the line of Jakob Brink from Nadia. Please go ahead.

### Q - Jakob Brink {BIO 20303720 <GO>}

(Inaudible) thanks actually. So the first one might be a bit detailed, but you're right in the text there that you had some loss ratio support from prior year gains and bodily injury.

Can you maybe give us a bit more flavor on how much and for how long time could we expect this to continue?

## A - Morten Thorsrud {BIO 16111627 <GO>}

Yes. Hi, Jakob. Morten Thorsrud here. That is really the old story with the reserve situation in motor Sweden. It is a situation that has lasted for a while now, of course, we try to refrain from predicting about the future, but the reserve releases on poly injury claims in Sweden has been developing more favorably than what the actuaries models have been assuming, and it's been the situation going on for quite a long time now. So that's the same.

## Q - Jakob Brink {BIO 20303720 <GO>}

Sorry, I think, if I'm not misunderstanding, isn't that -- I was actually referring to Hastings. You're right -- sorry for that if I was unclear. But isn't that what you write for Hastings as well, that the fable development on the large bodily injury claims was the reason for the strong loss ratio? Or am I misunderstanding something?

## A - Morten Thorsrud {BIO 16111627 <GO>}

Torb, maybe you could jump in on this one.

## A - Tobias van der Meer {BIO 16628969 <GO>}

Yes. Hi, good afternoon, everybody. Toby van der Meer from Hastings. Just to I guess add a bit of color, to say that the overall strong profit results from Hastings was due to a combination of factors, including underlying performance following from a lot of the investments we've made over the last two years, of course, some of the benefits of the lower frequencies from COVID and good underlying performance in the underlying claims patterns, including bodily injury, and I wouldn't draw too many conclusions from the bodily injury committee in isolation, the overall strong results are a combination of all of those things coming together. And I guess similar to what Morten just said is, we would not typically provide commentary or guidance on future patterns in bodily injury, but we are confident that the patterns and bodily injury are well understood and appropriately reserved for.

## Q - Jakob Brink {BIO 20303720 <GO>}

Okay, fair enough. Just to come back on it, so you also mentioned COVID impact, how big was that in Hastings?

## A - Tobias van der Meer {BIO 16628969 <GO>}

As you can imagine, COVID has impacted almost everything in the business, operationally, in terms of premium and competitive dynamics and in terms of claims. So, I would say very difficult to pull out in isolation. But it's fair to say that we've seen a reduction in driving behavior across the country last year and continuing into the first part of this year. Of course, more recently, driving behavior across the UK is returning nearly too normal levels, so that benefit is receding, but has led to lower of claims frequencies during the first half of the year.

That's been partly, but only partly offset by severity inflation. And I guess the overall results reflect that total operating environment, including claims benefits, some downward pressure on premiums, but a loss ratio that we think is very good. And we would expect, based on our discipline pricing, as Torbjorn has already said, to benefit from that disciplined pricing by having a loss ratio that continues to be at or below the target 76% range that we guided to for the medium term.



## Q - Jakob Brink {BIO 20303720 <GO>}

I'm not sure -- sorry, I didn't hear the very last part. So you said that you want to stay well below, or what did you say, the cost of the loss ratio guidance you have given?

## A - Tobias van der Meer {BIO 16628969 <GO>}

So, we've previously indicated a target for Hastings of a loss ratio below 76%, and we are pricing to be consistent with that through the medium term.

## Q - Jakob Brink {BIO 20303720 <GO>}

It's just coming back to the sort of, I understand there's of roughly 4 percentage points support this year due to the acquisition cost accounting. But even adjusting for that, the operating ratio in Hastings is almost 10, 11 percentage points better than your target. So, I mean, compared to the trends or the volatility we typically see in the Nordics, that's a pretty big deviation. I'm just trying to get a bit closer to when and if we should get up to 88 or there about, or if this is sustainable or not, it's a bit tricky to follow the trends.

## A - Tobias van der Meer {BIO 16628969 <GO>}

Yeah, I think it's a one -- we may be able to take offline and unpick with you in a bit more detail if there are some technical questions about the way the ratios are calculated. I think, at this point the targets are set in stone, we're comfortable, we are on track to meet or beat them. And we'll have to leave you to do your own modeling to help you get back from the current results to those targets. But I think you should assume from these results that although there are some benefits from COVID that are bit more temporary, that overall we are very pleased with the underlying results and feel confident about the outlook, as we look ahead based on the disciplined pricing, coupled with the initiatives that are designed to both improve our growth in a competitive market, but also continue to improve our loss ratio over time.



## Q - Jakob Brink {BIO 20303720 <GO>}

Okay, thank you. And then just two quick questions on Slide 12 and 13, on your synergies, the EUR45 million and then also the grey bar on Slide 13. If -- just could you confirm that the synergies, the EUR30 million, of which two-thirds is in If, is that correctly understood that that's mainly you taking lessons from the learning's from Hastings and applying it to If on IT and technology, would that be a fair conclusion?

## A - Tobias van der Meer {BIO 16628969 <GO>}

Yes, that's a very conclusion, but in addition to that also on the claim side. So, when it comes to fraud detection, Hastings are clearly more sophisticated than what we've traditionally been at If. So it's all of those three, both pricing claims and also on the digital area.

## Q - Jakob Brink {BIO 20303720 <GO>}

Okay. And then the gray bar to the far right on Slide 13, what could be examples of additional synergies?

## A - Torbjorn Magnusson {BIO 1863476 <GO>}

Well, for instance, acceleration of strategic initiatives, of course, since Hastings is no longer a listed company, if there was a suitable portfolio in one area that we wanted that the Hastings saw as an opportunity to acquire, we could support that easily from Sampo's side.

## Q - Jakob Brink {BIO 20303720 <GO>}

Okay, thanks a lot. That was all for me.

## Operator

And the next question comes from the line of Michael Huttner from Berenberg please go ahead.

## Q - Michael Huttner {BIO 21454754 <GO>}

Fantastic. Thank you so much. I had three questions, so the biggest one is, can you give more details of your thinking on the capital return when you reduce your stake in Nordea. And I suppose the 3.1 is -- what is the amount? And B, what is the format with buybacks and dividends, special dividends? And C, the Nordea is now free to return capital itself, the ECB is not -- no longer going to continue the ban on buybacks, and whether that has an implication?

And I suppose on the amount, the question I'm interested in is, you gave a figure or there is a figure in the Capital Markets Day presentation of EUR5 to EUR6 a share, and then at the AGM there's an additional figure of EUR2 a share. And today, I think you kind of implied there may be an additional amount, but some of these additional amounts may be used to do acquisitions. So I just wondered which of these go directly to shareholders and which would be indirectly via kind of growing the business? Thank you.

And that's the first question. And then the second question, maybe you can say little bit, I got -- I get really excited by little stuff, I apologize for that, but there's slight discrepancy between the net and premium growth and the gross written premium growth at If, so the growth is growing faster than net. And I just wondered how much of a profit potential that represents, how much more could we hope for in terms of underwriting profit and growth like that? That would be lovely. Thank you.

## A - Torbjorn Magnusson {BIO 1863476 <GO>}

So I'll give a first -- few broad comments to the first question, and I'm sure that Knut will add a bit, and then we'll see who volunteers for the premium question, Morton.

But on capital return at Nordea, of course, the target for us with the whole process is to maximize value, which is a reason why we don't tell in advance exactly what we'll do, and how we will reduce our holding in Nordea and when capital will appear. And not having said that is very difficult to detail when it should be returned to shareholders. But I said earlier in my introduction, of course, that we're not going to -- we have set a balance sheet framework, we have an optimal range for our solvency ratio and we will not hang on to capital for long periods. So before the end 2022 we will have acted or absolutely no later than that on a surplus.

## A - Knut-Arne Alsaker {BIO 20741452 <GO>}

And just to add to that, Michael, it's Knut on here. You shouldn't interpret the original EUR5 to EUR6 per Sampo share, and the number we have as we speak of around EUR9 per Sampo share, the difference between those numbers, you should not interpret as on kind of M&A budget or anything like that. It's a representation of the fact that our balance sheet has strengthened during the period because of good results, but of course primarily because strong development in the Nordea's share price. So EUR9 is the number that is currently valid, and the EUR5 to EUR6 was a representation of how the world looked when we had the Capital Markets Day.

## A - Torbjorn Magnusson {BIO 1863476 <GO>}

And just to repeat, we will not be drawn in to poor M&A activities just because we have a capital surplus, we are all shareholders sitting here in this room also.

## A - Morten Thorsrud {BIO 16111627 <GO>}

Then your great question on the correlation between gross written premium and net earned premium. Over time, it's fair to say that those should correlate over time. But from a quarter-to-quarter and year-to-year, there could be a bit of volatility. Both Q1 and Q2 we had an impact from a couple of large projects being written in Denmark last year, but will then be earned over time. So, over time, you should expect those two figures more to reflect each others.

## Q - Michael Huttner {BIO 21454754 <GO>}

And can I be optimistic and say, well, one wouldn't -- can I interpret they'll go up?

## A - Morten Thorsrud {BIO 16111627 <GO>}

Yeah. I mean, if you have growth of -- like we have 4.4% growth for the first six months on gross written premium, of course, then you would expect that net earned also approaches that.

## Q - Michael Huttner {BIO 21454754 <GO>}

Lovely. And on the second one?

## A - Knut-Arne Alsaker {BIO 20741452 <GO>}

Just to add to that, Michael, to also what Morten said. There's no -- since we're talking about gross and net, there's no material changes in our reinsurance purchase and anything like that, (multiple speakers). This is our direct business we're talking about.

## Q - Michael Huttner {BIO 21454754 <GO>}

Fantastic. Sounds lovely. Great. Thank you.

## Operator

And the next question comes from the line of Blair Stewart from Bank of America. Please go ahead.

## Q - Blair Stewart {BIO 4191309 <GO>}

Thank you very much. Good afternoon, congratulations on a good set of figures, guys. I've got two or three questions. Firstly, Toby, you mentioned that claims inflation was very limited, so I just wonder how you can manage to get the tariff increases that you have managed to do through, given the claims inflation is very limited.

Secondly, just on capital management, giving you've got the liquidity and the balance sheets strength and the leverage headroom to manage capital, why not just start the ball rolling rather than waiting for a big crescendo further down the line?

Thirdly, could you just confirm that you will consider revising your solvency range down when the balance sheet structure changes post your restructuring?

And my final question is just coming back to leverage. I notice the leverage chart on Page 15, it talks about leverage in relation to shareholder -- IFRS shareholder equity. But of course, you've got about EUR1 billion of gains on the Nordea holding, which would boost the actual [ph] number. I just wonder if it's better to look at leverage as a portion of NAV. And yeah, that's the -- how does that fit into your thoughts on leverage given that I think if you include that extra EUR1 billion your leverage number's actually about 1.5 points lower than the 28.4% that you sure on that slide. Thanks very much.

## A - Torbjorn Magnusson {BIO 1863476 <GO>}

A couple of comments on the first three, claims inflation growth, well, about half of the growth in Q2 was probably from rate increases, half from new customers rate increases, mainly in commercial and industrial where for some segments it's been needed. So, it's a well consolidated market, as you know, and we're acting rationally, the large insurers are acting rationally in the market, still.

And revising the solvency ratio, we said that if the company structure changes and it will likely be a rather different structure in a year's time from now, we will review the solvency ratio, or the solvency ratio optimal range, that's just natural. But they're no -- there's no promise that it will be something completely different but it will be natural to review it and, yeah.

## A - Knut-Arne Alsaker {BIO 20741452 <GO>}

I can take the leverage there, Blair. It's Knut on here. Obviously, there's different ways of calculating leverage with chosen one to have a target on. We could have had different targets -- different leverage targets. And I don't know if that has sort of been clear. You would have had -- asked which one we looked at so to speak. We've chosen this one, it's for a few different reasons, it's for continuity. We report the leverage in this way. It's the way that rating agencies look at leverage.

So, it's harmonized in that dialogue, but albeit also because of the fact that you mentioned, it does mean that we are comfortable with the leverage ratio we currently have of about 28% and a bit, and obviously even a little bit lower after the last buyback we did in July. Also, because if you measured leverage in other ways, it would be even lower. So it's a confirmation that we're comfortable according to our current definition of the current leverage.

## Q - Blair Stewart {BIO 4191309 <GO>}

Thanks. You would probably agree that if you want to do it on a mark-to-market basis, if you want to call it that, you should be adding in the EUR1 billion of gain that you have on Nordea, which would take the leverage down by another 1.5, that's fair, right?

## A - Knut-Arne Alsaker {BIO 20741452 <GO>}

As long as we have sort of an IFRS equity, which doesn't represent that unrealized gain according to our current principal, I would agree on that. That of course would be different if Nordea share price was the other way around, so to speak. But absolutely, we look, of course, internally at different ways to look at our leverage as well, exactly like you say. But now we have a target, I think it's a good way of defining leverage, and because of the strength in our balance sheet and including the unrealized gains, so to speak, in Nordea's share price, we're comfortable with being at 28% and a bit, or actually a little bit below 28% at the end of July, given our current definition.

## Q - Blair Stewart {BIO 4191309 <GO>}

Great, cool. And Torbjorn, why not kick it -- get the ball rolling now given you've got the cash, you've got the solvency, your shares are excellent value?

## A - Torbjorn Magnusson {BIO 1863476 <GO>}

I guess it's the same word that Knut used, it's comfortable to get the money first, sell the shares first and then do it.

## Q - Blair Stewart {BIO 4191309 <GO>}

All right, very good. Thanks a lot guys.

## Operator

And the next question comes from the line of Jan Erik Gjerland from ABG. Please go ahead.

## Q - Jan Erik Gjerland {BIO 5346031 <GO>}

Good afternoon. Thank you for taking my questions. I have a couple of questions on the premium side. If you can shed some light into your multi-year project business in the industrial side, is the Denmark business you talked about? Because there seems to be some delays on something in that area. And then secondly, could you give us some examples on the commercial side, which has been positive in Sweden and Finland?

And finally on the If side, why do you -- haven't you just changed and the reason to a rate? So, on the private side it looks like its most in commercial and industrial, which is no rate changes on the private side.

And on the Hastings, you seem to have a growing number of house policies, what is sort of your targeted volume, is it the same kind of clients you have in the motor as you target on the housing side? Or is it a new kind of clients you try to attract?

And finally then on the Hastings, the reinsurance share, is that part of the EUR15 million roughly synergies you painted the synergy text? Thank you.

## A - Torbjorn Magnusson {BIO 1863476 <GO>}

Morten on If and Toby please then on Hastings.

## A - Morten Thorsrud {BIO 16111627 <GO>}

Yeah. Starting with the multi-year contracts or project contracts. We have somewhere between SEK200 and SEK400 million in project insurances in the normal year in our business in industrial. In 2020, we were closer to the 400 figure, and the count to that then stood out positively was Denmark, where we had a couple of really big projects being insured in Denmark. So, that's sort of roughly the magnitude of that business.

Just a side comment, it means that if you adjust for this, our gross written premium or rather sort of net premium learned actually in Denmark grows by some 3% for the first six months of this year, and kind of excluding that effect. Then if you can repeat your second question, Jan Erik, on -- you asked about positive things in commercial Finland and Sweden, but I didn't fully get your question.

## Q - Jan Erik Gjerland {BIO 5346031 <GO>}

Could you give some examples of what kind of positive trends you see on the commercial side in Sweden and Finland in the second quarter you pointed to, especially in the commercial side on with premium trends.

## A - Morten Thorsrud {BIO 16111627 <GO>}

Yeah, I think the thing that probably stands most out there is that rather that we had a special situation in the first quarter actually, in the commercial Finland, where we were losing a bit of volumes on the workers comp side. Quite a bit of that even related to the current COVID situation where there is an elevated number of unemployed, of course, in Finland, and that hits directly on the workers comp premium in Finland. And since all of that is more less renewed first-to-first, you have big impact in first quarter. Then the development underlying in commercial in Finland and also Sweden has been good in the second quarter. Then you had --

## Q - Jan Erik Gjerland {BIO 5346031 <GO>}

Do you have any example of typical business you do in the commercial side or is it just motor and housing or is there any special things we should be aware of?

## A - Morten Thorsrud {BIO 16111627 <GO>}

That's all, I mean, it's small -- everything from small companies to medium-sized companies, it's of course motor, property, liability, sort of the whole set of breath of P&C products.

## Q - Jan Erik Gjerland {BIO 5346031 <GO>}

Okay. So it's returning to normal, is what you can say then?

## A - Morten Thorsrud {BIO 16111627 <GO>}

Yes. And then you ask about rate increases on private. Yes, of course we do rate increases on private as well. But of course, the private business is more a business where you constantly fine-tune, so you might sort of slightly change prices from almost week-to-week. So, it's quite a different machinery than industrial that is sort of real on the upper -- other side of it. But we are definitely implement thing rate increases also in private, but a more fine-tuned sort of machinery there.

## Q - Jan Erik Gjerland {BIO 5346031 <GO>}

Just when I have you Martin, could you shed some light into what -- how different would your sort of pricing be today, if there would not have been such a building inflation as we sort of talked about as such? So, what kind of price increase would you then have implemented, would they be much lower or in line with --

## A - Morten Thorsrud {BIO 16111627 <GO>}

On the total if it doesn't have a huge impact, property is about one-third of our book. Then material cost is about one-third of property claims cost. And then, of course, there are certain -- only certain building items where see certain elevated inflation. So, in the totality, it's not having a huge impact. But of course, it means that expectations for property inflation and -- is higher than what it has usually been, which we are of course pricing for and getting kind of fully through in the market.

## Q - Jan Erik Gjerland {BIO 5346031 <GO>}

Okay. Perfect. Thank you.

## A - Torbjorn Magnusson {BIO 1863476 <GO>}

In addition to that, claims inflation does not vary exactly -- actually quite distinctly from normal consumer price inflation, we all know that. And actually Morten, you've seen much higher inflation on motor items in the past few years than you have now.

## A - Morten Thorsrud {BIO 16111627 <GO>}

I think in particularly in motor Norway as a result of weak Norwegian currency sort of we've seen very higher sort of inflation numbers than this in the past, and that we have been able to price for again.

## A - Torbjorn Magnusson {BIO 1863476 <GO>}

We always monitor this, it is important, but this is no extraordinary situation about claims inflation, if I put it this way, for us. Toby?

## A - Tobias van der Meer {BIO 16628969 <GO>}

Just quickly on the home insurance in the UK then, it is the same target market and a big opportunity. Just to remind you, we have just under 300,000 home insurance policies at Hastings at the moment, so a fairly small part of what we do, albeit growing at 27% year-on-year. But it's a very large market place with 21 million insured homes, EUR5 billion of GWP. And the reason I say it's the same target market is because over 16% [ph] of all new home insurance policies these days are sold through digital channels, in particular, price comparison websites. And so, we'll be going after that same mass-market, digitally savvy customer group that is very similar in nature to the customers we have acquired over the years in car insurance. And of course, as the part of all of that, we'll also be looking to offer home insurance to the existing motor book, in addition to attracting new customers into the company.

And your second question, yes, changes to the reinsurance structure at Hastings are included in the EUR15 million -- the bottom of Page 12. To remind you, our reinsurance contracts at Hastings are on a calendar year basis, so we'll be talking to our reinsurance partners over the next few months in the run-up to the 1st of January renewal cycle. And then any changes we make to those contracts would then take effect from the 1st of January onwards for any policies written from that date onwards and so would earn through overtime.

## Q - Jan Erik Gjerland {BIO 5346031 <GO>}

Okay. Perfect. Thank you for your answers.

## Operator

And the next question comes from the line of Marcus Eovaldi [ph] from Jeffries. Please go ahead.

## Q - Analyst

Hi, good afternoon everybody. I've got three questions, please. First on Slide 12, again, the slide on synergies. And in particular relating to capital management, the Hastings had pre-existing debt outstanding prior to the acquisition, and that debt provides very much the option for you at any time to effectively redeem that debt, yes, you have to pay above par for it, but that option is immediately available to you. I'm just wondering how you're thinking about that?

Secondly, in relation to broader debt and capital management. Again, moving to the leverage chart on Slide 15, just trying to understand, should I say, what we should be expecting in terms of the stock of debt of the group going forward over the remainder of the year? You talked about obviously positive increases to debt from a recent If issue, and you've highlighted also that within that calls and maturities over the remainder of the year, could you just help me understand a little bit more, please, whether we should be expecting all of that future debt effects in September and towards the end of the adjusted roll off or whether you'd be thinking of replacing some of that? Again, that obviously drives where your ultimate leverage ratio ends up at the end of the year.

And then finally just on M&A, just slightly confused, so please help me out here. You talked about very much in your introductory comments about your core focus would be on Nordic insurance bolt-ons, and in a bit further on in the conversation today you talked about maybe supporting Hastings if it wanted to do acquisitions of portfolios in the UK. So, I'm just trying to understand and tally those two statements together, please. And then just finally, if I may, what do you see in terms of appetite for assets that you may be looking to manage for value, particularly on the term life? Thank you.

## A - Torbjorn Magnusson {BIO 1863476 <GO>}

Do you want to start Knut, I'll take M&A?

## A - Knut-Arne Alsaker {BIO 20741452 <GO>}

Regarding capital management, and you had a specific question around the debt in Hastings, and I would agree with you the way you described it. It is an option for us to refinance Hastings external debt and fund that through own means. And of course, some of that benefit is included, although it is an option, so that's not something we see - -have plans to materialize tomorrow, but it's included as a change over time, over the next three years. So that's an option

We have, and obviously just from a leverage perspective, that would reduce the group leverage ratio. In terms of more immediate changes to the gross debt, given the target we have on our leverage ratio and the significant liquidity we have currently, and we obviously would expect that to increase as well. We have no operational needs to refinance debt that matures this year, and that goes for the remainder of the issue maturing in September. And of course, also on parts of the debt that matures in If in

December, because If has already refinanced some of that debt. But we have no plans to refinance the rest of that net of the EUR300 million or so maturing in December. So, from a calculation perspective, you could expect us to reduce our gross debt by the maturities that we have for the rest of 2021.

## A - Torbjorn Magnusson {BIO 1863476 <GO>}

Then a M&A appetite, in the context of a surplus of billions of euros, we don't have any appetite for acquisitions outside of the insurance industry in the Nordics. But then of course, you got to remember that, I mean, these small changes to portfolios, partnerships in the insurance industry, we do that all the time without sending out press releases about that. And if Hastings found a portfolio, that would support the development in home insurance, I have used this example a number of times, there could be others, motor as well. This is negligible in comparison to that surplus. So, we would not (inaudible).

## Q - Analyst

That makes sense, thank you. And I have a final question just in relation to other management value assets as well and where you see market appetite for those sort of assets for the moment.

## A - Knut-Arne Alsaker {BIO 20741452 <GO>}

Are you asking about the investments -- the five investments we have in Sampo PLC?

## Q - Analyst

No, I would say, more specific maybe about mandate in life in terms of how you describe it in the deck, within the management value component of the portfolio.

## A - Knut-Arne Alsaker {BIO 20741452 <GO>}

Oh, you mean if we're going to sell Mandatum, is that your question?

## Q - Analyst

Yeah, maybe more explicit, but yes.

## A - Knut-Arne Alsaker {BIO 20741452 <GO>}

Okay. No, there's absolutely no such plan. Mandatum is, as you know, described as a part of -- we manage it for value because, of course, it's a lot of the -- it's a different type of business than the P&C. We -- it's a higher market risk, so that's where we currently generate the value. But it's an integrated part of our insurance dividend as we define it, we have made some small investments in Mandatum over the last few months in terms of tiny but still important acquisitions to support their future new business growth. So, Mandatum and we are working hard to develop that business as we are with our P&C business. But it's a smaller part, of course, of the group but it's not the business that we work hard on to sell.

## Q - Analyst

Okay. Can I just -- so, just come back on the comment around Hastings. Just could you help me understand the value of that debt to the group at the moment, why you wouldn't be looking to remove it sooner given the liquidity on balance sheet as you talked about?

## A - Knut-Arne Alsaker {BIO 20741452 <GO>}

When I said soon, it's because -- first of all, it's a smallish part of the number we've come up with today, it's a very small part. And we don't have an exact timetable for when we might do that. That's obviously a business case that need to be positive for us for Hastings. So we'll look at that over the quarters to come. And if it makes sense to do it, we'll do it. Because it's obviously, like you said, an option we have given the size of the debt and the liquidity position we have in Sampo plc.

## Q - Analyst

Okay. Thank you very much for your time.

## Operator

Then the next question comes from the line of Per Gronborg from SEB. Please go ahead.

## Q - Per Gronborg {BIO 15910340 <GO>}

Yes, thank you. Good afternoon. Two questions from my side. The first one, probably pretty simple. COVID and If, still a pretty solid tailwind in Q2, how fast should we expect this to level off? A lot of your peers are talking about this mostly being leveled off already in the third quarter, are you seeing the same picture?

## A - Knut-Arne Alsaker {BIO 20741452 <GO>}

We are reporting a 3% positive impact in Q2 from COVID. Then me don't have any decimals on that, but it's a reduced impact. So, if I should have sort of disclosed sort of our decimals on our best estimates, you would see that it is being reduced from Q1 to Q2. And of course, we expect it to continue to have then a smaller impact in Q3. We still do believe to see some impact, I mean, it's already one month into the third quarter and we steel of course see that societies have not fully open yet. But we expect now during Q3 that this will normalize. But again, that will have some positive benefits also in Q3, but obviously, much less than what we've seen so far.

## Q - Per Gronborg {BIO 15910340 <GO>}

And in the outlook (multiple speakers). Sorry, how much of the current benefit is coming from travel? I assume I'm not the only one that has forgot to cancel my travel insurance.

## A - Knut-Arne Alsaker {BIO 20741452 <GO>}

The large part is coming from motor, clearly. Travel insurance is after all a clearly small product, I think we have about a little bit less than SEK1 billion before COVID started on travel insurance. So, it's not typically that big product, whilst motor, of course, is really the big line of business. Then I think Torbjorn was trying to chip in saying that in our outlook of 81.5 to 83.5 for the full year, we have included what we know, of course, in terms of development up to date, when it comes to the COVID.

## Q - Per Gronborg {BIO 15910340 <GO>}

My second question relates to the Hasting synergies benefits you are addressing today. When I look at the historical Hastings numbers, it looks like they have spent a bit more than half of the written premiums on reinsurance. This EUR15 million, how much of that reflects that use of reinsurance will come down? I assume, writing short-tailed motor insurance, if this had been an If balance sheet you wouldn't reinsure at all.

## A - Torbjorn Magnusson {BIO 1863476 <GO>}

Let's -- we reviewed it, we have made clear that it would make sense to reduce the reliance on reinsurance as part of the new context. And we have a plan for how to do that now. And in the interest of good talks with our insurers, we don't go into that more in detail.

## Q - Per Gronborg {BIO 15910340 <GO>}

Okay, fair enough. Thank you.

## Operator

And the next question comes from the line of Derald Goh from Citigroup. Please go ahead.

## Q - Derald Goh {BIO 20775137 <GO>}

Hi, good afternoon, everyone. I've got a few questions please. So, the first one is on the trend in new car sales. So, I'm just quite keen to hear your thought firstly around the kind of the sustainability of the growth trends, obviously, 25% year-on-year, that's really strong, what have you seen so far in July? And then the second question relating to that is, it just seems as though, I know your market share is still really strong at 26%, one point drop from 27%, its probably immaterial, but is there a sense that the market is becoming a lot more competitive there?

## A - Morten Thorsrud {BIO 16111627 <GO>}

Thanks. When it comes to new car sales, it is of course, increasing a lot year-on-year here. But on the total Nordic level, we are roughly back to the level that we had pre-COVID. So, in that respect, you can say that the new car sales levels that we're experiencing now for the first time of year, all in all, it's a fairly normal level, I would say historically. And then there are, of course, some differences between countries.

We have a very strong market position when it comes to ensuring new cars and that's what we kind of indicate with now disclosing the figure that we are sort of around 26%, 27% market shares on new cars. That drop is insignificant I think, again, it's more -- the important part is that this is significantly higher than our overall market share when it comes to motor insurance in the Nordics, so we are strong in the new car sales segment.

## Q - Derald Goh {BIO 20775137 <GO>}

Yeah. And are you seeing kind of like new entrants into the new car channel?

## A - Morten Thorsrud {BIO 16111627 <GO>}

No, not really, it is the same competitors. The same competitors in all countries, really. So no change in that respect.

## A - Torbjorn Magnusson {BIO 1863476 <GO>}

Of course, our strength in this area is based on really tight collaboration with the car industry and the car dealers, and we have huge proportion of the car industry, various ways contracted in collaborations over the long term. So, it is difficult for a competitor to come into this field.

## Q - Derald Goh {BIO 20775137 <GO>}

Yep. Got it, thanks. And if you can now move to Hastings. So you've commented on earlier about how if P&C might benefit from the synergies, could you maybe also talked a bit about how Hastings benefiting somewhere along the lines of the three buckets that you've outlined? I guess I'm just trying to understand, how you're making Hastings even more efficient than it already is?

## A - Torbjorn Magnusson {BIO 1863476 <GO>}

This one's for you Toby.

## A - Tobias van der Meer {BIO 16628969 <GO>}

Yep. So we've been spending a lot of great time with Morten and his team looking in detail at what they do in pricing claims and IT and digital capabilities. And it's fair to say that Morten has already highlighted, in some areas we do some things very differently and maybe a step ahead, but it is also true that the reverse is true in a number of other areas. For example, Hastings has traditionally not been very good at underwriting profitably, new and electric vehicles. But If has built up some very strong experience there, including some interesting data sets. And as we referenced earlier, as another example in claims, Hastings historically has not been very big in home insurance, but we do intend to grow very significantly.

As a part of that, we are just about starting the build out of our own internal home claims management capabilities, having historically outsourced a lot of that work. And so again, the learning and experience at scale from If will be very useful to us in setting up and scaling our own home claims capabilities with, we think, some good shared learning's, maybe even some shared technology. And on IT and digital, the capabilities that If has developed in Riga [ph] are very interesting and maybe a great way for us to access a very high quality relatively low-cost technology pool that Hastings has not historically been able to access. So hopefully with a bit of color you can sense why a third of the EUR30 million benefits arising to Hastings from some combination of those things, which we've already started to detail, but we'll do more work over the coming months, feels very achievable.

## Q - Derald Goh {BIO 20775137 <GO>}

That's really interesting. Just a quick couple of follow-ups if I may. So I guess as all these synergies come through, do you thing that will give you kind of more scope to expand your pricing advantage? I mean, it's understood from the outside the UK market If is really competitive, is really price elastic. So, as some benefits come through, do you think you will be able to compete even more aggressively than you did before? And the second question is just a small one, is just around the trajectory of the run rate synergies in '21 and '22, because I understand that the EUR45 million is expected to be achieved over three years.

## A - Torbjorn Magnusson {BIO 1863476 <GO>}

Yes, I'll take your first question. So, for sure we believe that the combination of joint work on pricing and claims will mean that we become even better at risk selection and claims management then we have been in the past. And the combination of knowledge and data sharing across those areas will be great. Now, I think you described it as competing aggressively, I would probably wouldn't put it that, we will just become more sophisticated in risk selection, that should help grow our market share, our policy count, our premiums and our loss ratio, and that's what we're setting out to do. We've got a good track record of doing that before, but with the benefit of If's experience, I think we can go even harder.

Knut, shall I pass the timing of the synergies over to you?

## Q - Derald Goh {BIO 20775137 <GO>}

When it comes to the timing and the pace of the realization, I think we've come quite a long way in building this concrete list of synergies and we have outlined the sort of overall timeline, but not given the details today.

## A - Knut-Arne Alsaker {BIO 20741452 <GO>}

Just in terms of thinking, a third, a third, a third is not far from it. Maybe be a bit -- little bit more this year on parts of the capital management synergies because we obviously will talk to -- we ensure its already with one renewal.

## Q - Derald Goh {BIO 20775137 <GO>}

Yes. Got it, very good. Thank you very much all.

## Operator

And the next question comes from the line of Faizan Lakhani from HSBC. Please go ahead.

## Q - Faizan Lakhani {BIO 20034558 <GO>}

Thanks for taking my questions. Firstly, congratulation on very good set of results. I wanted to come back to leverage, you're only able to retain a small portion of the 2023 and 2025 bond, and you have subscribed options on bonds in 2028, 2030. Can you provide some color on what the appetite note holders would have to accept any potential proposals of what their notable mix is relative to the '23 and '25 bonds? And also, seeing that these were more expensive to retain, could you provide any indication what that cost could be?

And then my next questions are on Hastings. So the Hastings is a strong result, but given the significant benefit from COVID, your bodily injury benefit and the benefit from the multiply impact from the reinsurance structure, I'd assumed a better operating ratio even though it's very strong, is there anything I'm missing there?

And then my last question is a two-part question on the reinsurance structure. I just want to understand the rationale of changing your right to reinsurance, given that tends to be quite sort of RE boosting. And as you can see, it appears like animal that tends to be highly valued by the market. And also, given the fact that one more renewal is in fact quite too tough for motor insurers, does that limit your ability to sort of negotiate reinsurers? Thank you.

## A - Knut-Arne Alsaker {BIO 20741452 <GO>}

On the tender, I'm not sure I got the whole part of your question. I think when -- now we've done some work on the '23 and '25 issue and we have bought back what our debt investors are willing to sell at the current moment. That could, of course, change if sort of rates change or market change, but we don't -- we will not continue to work on those issues for the time being. We are in the process of looking into potential smaller buybacks on the longer bonds, you shouldn't expect those to do significant buybacks of those bonds, neither is that necessary to remain within our target range -- target leverage ratios to do significant buybacks of those bonds. Even if we would have a balance sheet where we hypothetically would have then distributed all proceeds from the rest of our Nordea shares in our private equity portfolio. And this is, of course, also just to remind what I said on Blair's question, that we are comfortable with our current leverage ratio level at 28% and a bit.

## A - Torbjorn Magnusson {BIO 1863476 <GO>}

Did I read you correctly that you thought that the Hastings result was poor?

## Q - Faizan Lakhani {BIO 20034558 <GO>}

No, no, it means accident, but it's been a case in the motor insurance in general very well. It appears that they're lying (inaudible) possible warning's been very good. And just I would have expected given the sort of multiply impact of the reinsurance structure, it could have been even stronger, given that you've seen 20%, 25% through frequency. Just wanted to understand is there's anything I missed?

## A - Torbjorn Magnusson {BIO 1863476 <GO>}

I mean, I think, not much more we can say on that. If anything, I think we can give you color on is that, of course, the COVID effect has been twofold, as I highlighted earlier. One is a frequency reduction and that you can assume is reflected in the numbers, because, of course, that data comes through in real time or pretty close to it. But, of course, there was also a greater level of uncertainty than normal about the ultimate severities of the claims that have happened during COVID, both last year and at this six-month period. And in line with our normal reserving philosophy, if we see greater uncertainty in any period, then we would prudently reserve for that increased uncertainty. And so you can assume that that has been done as per our normal reserving policy through this half year as it was last year. And to the extent that ultimate experience is better than those assumptions and, of course, that would flow through overtime.

## Q - Faizan Lakhani {BIO 20034558 <GO>}

So just to quickly follow up on that, what's your assumption of claim severity right now within the market?

## A - Torbjorn Magnusson {BIO 1863476 <GO>}

Well, we've assumed for the period impacted by COVID, the severities would be higher than normal, as a result of the delays to the repair processes and due to the uncertainty in the types of accidents that might drive bodily injury. And so, that's our assumption and a prudent one in our reserving, recognizing it is uncertain. And then, as we look ahead, we have historically talked about 3% to 5% underlying severity claims inflation then we've seen nothing over the recent period that would have not -- that wouldn't make us believe that those numbers are not directionally correct.

## Q - Faizan Lakhani {BIO 20034558 <GO>}

Okay.

## A - Torbjorn Magnusson {BIO 1863476 <GO>}

And did you have additional question on insurance?

## Q - Faizan Lakhani {BIO 20034558 <GO>}

Yes, just trying to understand the strategic rationale given that reinsurance sort of structure as similar the Hastings has tends to quite sort of well-liked by the market given RE boosting, just want to understand the rationale of reducing your alliance on reinsurance.

## A - Morten Thorsrud {BIO 16111627 <GO>}

We like -- Torbjorn said, we can't be specific about the exact changes. We obviously should have a discussion with reinsurers first. But what we have disclosed today in terms of capital management benefits as a result of careful analysis, obviously, that Hastings sit down together with us and represents more of an optimization, further optimization of the reinsurance structure also part of the new group structure. Where we get a profitability benefit without in any way deteriorating the return on capital or equity that we have in Hastings. So it's more of an optimization exercise than choosing one against the other.

## A - Torbjorn Magnusson {BIO 1863476 <GO>}

And the return on equity that we are primarily focused on is, of course, Sampo's return on equity in this context.

## Q - Faizan Lakhani {BIO 20034558 <GO>}

All right. Okay. And just final big, given that reinsurance rates are rising, is this the right time to negotiate at the 1:1 renewals?

## A - Morten Thorsrud {BIO 16111627 <GO>}

Well, theoretically, if renewal rates are increasing, it would be quite common to reduce your reliance on reinsurance at that time. But that was a theoretical answer. We wouldn't do it unless it was good for the group.

## Q - Faizan Lakhani {BIO 20034558 <GO>}

Thank you very much.

## A - Torbjorn Magnusson {BIO 1863476 <GO>}

I think just also for the benefit of the good reinsurance relationships that we have across the group, we have long-term relationships with reinsurer's and I think we will have long-term relationships with reinsurer's also when we make some changes in our reinsurance structure from time to time. So it's not an optimization game that we try to do on an annual basis where we exactly play rate levels against individual insurers.

## Q - Faizan Lakhani {BIO 20034558 <GO>}

Okay. Thank you very much.

## Operator

And we have one follow-up question from the line of Jakob Brink from Nadia. Please go ahead.

## Q - Jakob Brink {BIO 20303720 <GO>}

Thank you. Sorry, Knut, but just coming back to the leverage ratio. On the debt side, so now you try to repurchase around EUR900 million and got around EUR180 million, I believe. Is it really so that rating agencies and bond owners only look at the gross debt? I mean, you have almost EUR2 billion of cash, you have shown you're willing to buy it back, but bond owners are not willing to sell. So, isn't it a bit simplistic to only look at the 30% and using only the gross debt level? So, I guess my question is, could you maybe be less strict and only looking at gross, since you have the cash?

## A - Knut-Arne Alsaker {BIO 20741452 <GO>}

Sure. Just before -- just one comment to your introduction. What we tried to do, we structured a certain structure to sort of get back as much as we could of those two issues. Did we believe initially that would be 900? Well, it would be 900, that'll be okay, but maybe we didn't believe that. So, it was a good way to get access to what was available of the '23 and the '25.

That wasn't your question, I think you're absolutely right that it's too simplistic to look at rating agency metrics, and even leverage from just one metric. I appreciate that comment, I would totally agree. And we also recognize that we do have significant liquidity, which makes our net debt position different than the gross debt position. I'm pretty sure that will be the case also going forward, since we want to remain -- have a solid liquidity position in Sampo plc at any time.

And when it comes to rating agency, we obviously look at completely and a wide range of additional metrics than just leverage the S&P model, as an example, Moody's scorecard and other ones. So, I think you're right, this is one of the target, we had this one specific target to communicate with the market, the direction of how we were traveling -- where we were traveling in terms of our plans for reducing debt. But it is just one of several metrics we should discuss, and we discuss with rating agencies when considering financial strength.

## Q - Jakob Brink {BIO 20303720 <GO>}

So just to follow up, so looking at the two sort of constraints for excess capital solvency and the leverage ratio, then clearly the leverage ratio is the most binding one right now due to the very high aesthetic level in absolute terms. But what you're saying now actually mean that you could actually go above 30 shorter term in connection with paying out cash or excess capital, as long as you have sort of net debt level that is in line with your sort of gross that level ratio target?

## A - Knut-Arne Alsaker {BIO 20741452 <GO>}

Yes, we could. I'm not changing the target, we still have a target to be below 30. And I'm not saying we will be above 30, but obviously the exact timing when we have a strong liquidity position for them -- for the opportunity that would arise to buy back some debt doesn't necessarily have to be in the same quarter where it makes sense to, hypothetically, distribute excess capital. So it's not that much of an exact science, but we certainly stick with our target to -- long-term it to be below 30, also with this leverage definition. But the situation you described we would also be comfortable with, yes.

## Q - Jakob Brink {BIO 20303720 <GO>}

Thanks a lot.

## Operator

And we have another follow-up from Michael Huttner from Berenberg. Please go ahead.

## Q - Michael Huttner {BIO 21454754 <GO>}

Thank you very much, just two questions, one hypothetical. If you were to completely exit Nordea, what is benefit in terms of the Sampo Oyj [ph], I was estimating 60 points because the first sale was 20, but maybe I'm wrong. And then the other, you talked about reinsurance, I just wondered if you could remind us what your reinsurance cover is? And if we had a really bad storm or, I don't know, whatever big event, what would be the worst case? Thank you.

## A - Torbjorn Magnusson {BIO 1863476 <GO>}

Reinsurance net retention EUR25 million thereabouts, both for large losses and catastrophes.

## A - Knut-Arne Alsaker {BIO 20741452 <GO>}

And Michael, Knut here. I think you could, for simplicity basically, use the same number. We had shy of 20% when we -- benefit when we exited Nordea selling or when we solved 4% of Nordea. It would depend, of course, on things like where we are on the symmetric adjustment and some other factors, which doesn't necessarily make it. And then, of course, as we reduce the gradually Nordea potentially, there wouldn't be necessarily linear effect since SCR would continuously decrease during that journey. But for simplicity, I mean, it's the same shares at the same price, right? So you could use roughly that number as an estimate.

## Q - Michael Huttner {BIO 21454754 <GO>}

Thank you very much.

## Operator

And we have another follow-up from Blair Stewart from Bank of America. Please go ahead.

## Q - Blair Stewart {BIO 4191309 <GO>}

Thanks very much. Sorry it's been a long call. Just one final follow-up from me. Just based on excess capital deployment, and you touched a little bit on M&A being booked. I suppose the obvious question is, how you weigh up the value proposition of buying the part of Top that you don't already own versus buying your own shares, what's your current thoughts on that, please?

## A - Torbjorn Magnusson {BIO 1863476 <GO>}

Buying the rest of Top, I don't have a lot of new things to say. It's an attractive company that is fully valued and you've heard that many times before. And yeah, the obvious -- the question comes from the obvious situation that we might sit on several billion of capital and think that that would necessitate then using it for an acquisition, which it won't. So, we will evaluate all possibilities as neutrally as we have in the past.

## Q - Blair Stewart {BIO 4191309 <GO>}

Okay. It sounds like buying your own shares back would seem to be a bit more value creating than paying up for Top, if I read your comments correctly?

## A - Torbjorn Magnusson {BIO 1863476 <GO>}

No further comment to that.

## Q - Blair Stewart {BIO 4191309 <GO>}

I'll take that as a no comment. Okay, thank you. Thanks very much, guys. Appreciate it.

## Operator

And we have one follow-up question from the line of Jan Erik Gjerland from ABG. Please go ahead.

## Q - Jan Erik Gjerland {BIO 5346031 <GO>}

Yes, thank you. The cost ratio, you said that was some right down on IT system, is it then an expensed IT system or is it something recurring, or how should you read that one IT system? And finally, could you shed some light to the large claims in the quarter? Was it a fire in Sweden or what kind of typically large loss was it?

## A - Knut-Arne Alsaker {BIO 20741452 <GO>}

On the cost ratio, I think, the only sensible is to look at sort of full year numbers and full year type of outlook. Again, we remain committed in continuing the journey of reducing cost ratios. Then when it comes to IT, what I can comment is that, we actually don't have any IT systems with any -- on the balance sheet at all actually now, after second quarter, so we are in a good situation in that respect. And then what was the last part of the question?

## Q - Jan Erik Gjerland {BIO 5346031 <GO>}

The large loss.

## A - Knut-Arne Alsaker {BIO 20741452 <GO>}

The large claims, that's actually a couple of larger claims that we've had. It's not only one single large claim, but we've had a couple of larger claims in the quarter, so that's on that situation.

## A - Torbjorn Magnusson {BIO 1863476 <GO>}

Several countries, long standing customers, normal fires.

## A - Knut-Arne Alsaker {BIO 20741452 <GO>}

Traditional claims sort of what we see is from time to time.

## Q - Jan Erik Gjerland {BIO 5346031 <GO>}

Okay, thank you.

## Operator

And as there are no further questions, I'll hand it back to the speakers for closing remarks.



## A - Sami Taipalus {BIO 17452234 <GO>}

Thank you, operator. This concludes our call for today. Thank you, everyone, for participating. And we look forward to speaking to you again soon in the future. Thank you.