

Y 2019 Earnings Call

Company Participants

- Jarmo Salonen, Head of IR & Group Communications
- Knut Arne Alsaker, Chief Financial Officer & Member of Group Executive Committee
- Morten Thorsrud, President & Chief Executive Officer, If P&C Insurance Holding Ltd
- Torbjorn Magnusson, Group Chief Executive Officer & President

Other Participants

- Analyst
- Blair Thomson Stewart
- Derald Goh
- Jakob Brink
- Jan Erik Gjerland
- Matti Ahokas
- Niccolo Dalla Palma
- Per Gronborg
- Sami Taipalus

Presentation

Jarmo Salonen {BIO 1860650 <GO>}

Ladies and gentlemen, welcome to this call on Sampo Group's 2019 Results. I'm Jarmo Salonen, Head of Investor Relations at Sampo, and with me at this call I have our Group CEO, Torbjorn Magnusson; Head of P&C Insurance, CEO of If, Morten Thorsrud; and group CFO, Knut Arne Alsaker. Torbjorn will start with a brief presentation of the developments in Q4 and 2019. But before handing over to him, let me remind you that you can follow this call sampo.com/results, and a recorded version will later be available at that same address. With these words, I hand over to Torbjorn.

Torbjorn, please.

Torbjorn Magnusson {BIO 1863476 <GO>}

Thank you, Jarmo. This is the first time I present Sampo's results as Group CEO and I'm pleased to be able to present the strong last quarter for 2019, with successful developments in all our business areas, as well as in our investment operations. First and foremost the P&C operations continue to excel at underwriting. The stability in combined ratios is second to none as usual.

In addition to this the combination of a very low and all the time improving cost ratio together with large investments in digital services has also produced record growth for expediency, over 5% growth for the full year. And the company is in a very strong position indeed in its markets at the moment. Topdanmark, our other P&C asset had another strong year with combined ratio 84 for the full year. The company is very efficient, and it's rapidly building more digital services in the Danish Market. In 2020, we will see the benefits of the distribution agreement with Nordea come into play also for Topdanmark.

All our insurance operations not least Mandatum were held by the favorable equity markets last year. Mandatum's unit linked savings reached an all-time high last year as equity values appreciated substantially, at the same time efforts to speed-up the shrinking all the way profit book for fruit. And the book is now some EUR300 million smaller than a year-ago.

A word or two on Nordea. Nordea has gone through a protracted period of difficulties and now has new management and new targets. As owners it's gratifying to see that the new management shows a great deal of determination to work towards the new targets, and the results this morning were a first step in the right direction. One quarter is of course a short time period, but still the Q4 results included progress on capital, progress of cost and high quality income that looks very encouraging.

Now to our dividend proposal and the new dividend policy. As we said in October, we were expecting to propose to the Board a dividend of EUR2.10 to EUR2.30 per share and the Board planned to review our dividend policy in early February.

The Board has now decided to propose a dividend of EUR2.20, and has reviewed and updated our dividend policy. I'd like to provide some context to the dividend policy from my perspective. First of all as a management team, we remain committed to an attractive dividend and our dividend policy reflects that. We are focused on creating shareholder value and believe that it's best done over time by increasing the earnings of our operations and our holdings, which in turn ultimately underpin the dividends to our shareholders.

Consequently, it makes sense to link our dividend to earnings, and we wanted to acknowledge that by updating our dividend policy and committing to a payout that is increased from the previous at least 50% to at least 70%. Finally, an important part of the jigsaw. We have today also announced an updated outlook for our operations and our business profile and returns support the new dividend policy.

Obviously, I might say. And from here we look forward to growing our earnings, and with that to paying an attractive dividend. The completed succession of Sampo is off course a very continuous one. All positions were filled internally. The management team has deep knowledge and skills in the financial sector with an emphasis on insurance. The world around us will offer both challenges and opportunities in the period to come, and the team looks forward to using these skills and the possibilities given by the balance sheet, for the benefit of our shareholders.

And with that I'll hand back to Jarmo.

Jarmo Salonen {BIO 1860650 <GO>}

Thank you, Torbjorn, and operator, we are now ready for the questions, please.

Questions And Answers

Operator

(Question And Answer)

Ladies and gentlemen, if you have a question for the speakers (Operator Instructions) Our first question is from Matti Ahokas from Danske Bank. Please go ahead.

Q - Matti Ahokas {BIO 2037723 <GO>}

Yes. Good afternoon. So I am Matti Ahokas from Danske bank. Two questions please. Firstly, Torbjorn you mentioned, last year, I believe that you wanted to see Sampo, and you see Sampo

more as an insurance focus group. And some people have interpreted this that you might be considering divesting the Nordea stake. What's your take on this?

A - Torbjorn Magnusson {BIO 1863476 <GO>}

Pretty awkward timing to ask that, I guess today Matti. I was very pleased with the new targets in the Autumn. I was very much part of that. Today is a very strong step in the right direction. And I'm certainly not thinking about divesting the stake.

Q - Matti Ahokas {BIO 2037723 <GO>}

That's very clear. Thanks. The second question is on the non-life business and especially the business in Sweden. We've seen quite turbulent new car sales, and you've obviously have a fairly big exposure to the motor insurance segment. Would you say that now in Q4 the situation has normalized or are we still seeing the kind of ripple effect from the tax changes that we had in 2018? And how should we look at the motor insurance in Sweden in 2020? Thanks.

A - Morten Thorsrud {BIO 16111627 <GO>}

Yeah. Morten Thorsrud here. I think if you look at the car sales in Sweden for 2019 as a whole, it's actually quite stable compared to 2018. However, we've seen quite some movement sort of from quarter-to-quarter, and in the fourth quarter, new car sales in Sweden was up by some 50% compared to fourth quarter 2018. So I think depending on tax changes, of course, you can see these changes from kind of one quarter to another. But I think it's more fair to look upon this on a full year basis and then you see quite a stable situation actually.

Q - Matti Ahokas {BIO 2037723 <GO>}

And this should continue into 2020 as well.

A - Morten Thorsrud {BIO 16111627 <GO>}

That's hard to predict, but I think 2018-2019 fairly stable development in terms of new car sales at least.

Q - Matti Ahokas {BIO 2037723 <GO>}

Great. Thank you very much.

Operator

Our next question is from Sami Taipalus from Goldman Sachs. Please go ahead.

Q - Sami Taipalus {BIO 17452234 <GO>}

Yeah. Hi, everyone, Sami from Goldman Sachs here. So, my first question just coming back to the dividend policy, it also mentions buyback. I've been interested to know, what the parameters you'd look at here on the buybacks are. Is this linked to capital or excess earnings, or what are the things that might trigger a buyback? And then my second question is on the industrial P&C business. Could you comment a little bit on what you saw at the 1st January renewals here?

And second also related to this. I think you've said before that, it's a business that you're interested in longer term, but given that some of your peers appear to be have plans to pull back a bit. Do you see a chance to potentially take the market share here? Thank you.

A - Torbjorn Magnusson {BIO 1863476 <GO>}

The buyback, we're as a management team committed to paying an attractive dividend and we believe that our owners are interested in that. Buybacks in history of Sampo has been used very

infrequently I think the last time was probably 2011 maybe, when the share price was very weak.

Q - Sami Taipalus {BIO 17452234 <GO>}

Okay. So, are you saying that this is something that you would only -- the trigger for this would only be a weak share price? Or there are other potential triggers as well as?

A - Torbjorn Magnusson {BIO 1863476 <GO>}

That's obviously a Board decision, but that would be my expectation.

Q - Sami Taipalus {BIO 17452234 <GO>}

Okay. All right.

A - Morten Thorsrud {BIO 16111627 <GO>}

On your question on industrial growth Sami, what we saw last year was quite a good combination with increased volume stemming from increased turnover, with key clients, increased shares on some of the more structure than the programs that we participate at. We clearly saw some price increases in the large corporate segment, and we had a record high retention in that segment.

When it comes to new sales it was more of a normal situation, but those other very positive factors gave a very positive outcome in terms of growth for industrial in 2019. And we pretty much seeing the same development, when looking at the first development -- the first renewal. So quite a favorable development in the industrial market. Of course, needless to say that these growth rates just now we are somewhat growing market share, but of course you can look at from this over a longer term period they've been going up and down in volumes in here so.

Q - Sami Taipalus {BIO 17452234 <GO>}

Okay. But you're happy with the returns obviously, that you're getting in the market given that you're willing to take on a bit more volume.

Operator

Okay. Our next question is from Michael Hoffman. Please go ahead.

Q - Analyst

Hi there. I have two questions, the first one is on stakes. You mentioned more insurance, you've got the list of stakes you built up mostly in banking and payment apart from the Viking deal, which is the most recent one. So I just wondered if there's a change there, if you are going to stop doing these more banking stakes, are you going to sell them all, just to get a feel for that.

And the other one is on the remittance from Mandatum. So excluding the one-off in 2018, that will make them flat. In the past you've said, that reducing back book means that you can have less allocated capital to Mandatum. So I would have expected the wrong word, but I was kind of thinking maybe you could have paid -- Mandatum could have paid more to the parent. And I just wondered if there's a moving part were not sitting?

A - Knut Arne Alsaker {BIO 18730318 <GO>}

Hello, Michael, it's Knut Arne. I will start here on the first part in terms of the investment portfolio in the holding company. It had as you will have seen from the changes in the fair value reserved in the comprehensive income by segment in our report, a really good year in 2019, so the return will strong, and obviously we could at one point in time decide to sell and take some profit also in that portfolio as we do in other investment portfolios throughout the group.

When it comes to Mandatum, I'm not exactly sure, I got your question, but the release of capital from the runoff of the with profit book, is still happening. So to speak we released more than EUR200 million last year, or the highest guaranteed products and then also some additional of lower guaranteed products. And that did release capital to the tune of EUR100 million -- between EUR100 million and EUR150 million. There's no change there. The possibility for us to the pay a dividend from Mandatum, remains and we said, that we expect Mandatum to pay a dividend now in March of EUR150 million which was about in line with what we expected it to do, when we start the 2019. So everything according to plan in Mandatum, when it comes to the capital release and the dividend for that last year.

Q - Analyst

Nothing. Thank you.

Operator

Next question is from Blair Stewart from Bank of America. Please go ahead.

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

Good afternoon. Thank you. First question on our favorite topic of underlying combined ratio. Torbjorn, the adjustments that we can make from the disclosures we get, suggest that for the full year, the underlying combined ratio was broadly stable. And in Q4, it looks like it deteriorated a little. I wonder if you can just give us a little bit of color on that. I know we're not able to do all the adjustments that would be necessary, but one would have expected with pricing at or better than the claims inflation that might have improved.

And secondly, just interested in your comments around Denmark with a rollout of the new systems. What impact that might have on that business going forwards. And finally, just on the growth outlook, the growth 5.7% and higher than that in Q4 discreet is impressive. I wonder if you expect that going into this year as well? Thank you.

A - Torbjorn Magnusson {BIO 1863476 <GO>}

I will take the middle one and then give you a better shot than with me on the underlying combined ratio with Morten. But on Topdanmark's new systems, I don't think that we should see that as a revolution around the corner, but the Danish market is very -- has been very slow after picking up internet web sales services Topdanmark has not invested enough to lead the market there and they're investing heavily in that, and you will see this year for instance a number of products being made available on the web there. So it's a gradual development, that we're investing quite a lot more -- Topdanmark.

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

Sorry, Torbjorn, is it only in top or is it also in your own Danish operations that the IT investments increasing?

A - Morten Thorsrud {BIO 16111627 <GO>}

Yes, I could comment on that. Within if we are rolling out a new base system currently doing that partially in Sweden and also starting up in Denmark. So that means that in Denmark we have -- they could see -- you can say that they have a little bit of trouble IT cost, right now kind of still having to maintain the old legacy systems, and then at the same time rolling out the new core system. Then to your other questions, I guess the topic of underlying improvement is probably one of your favorites perhaps not necessarily ours.

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

Torbjorn loved talking about it in the past, so I'm hoping for a good answer from you.

A - Morten Thorsrud {BIO 16111627 <GO>}

Exactly. No but I think there's so many moving parts, so it's kind of really hard to do a proper -- of that. I think we are really happy about the current profitability level delivering 84.5 in combined ratio. We see a good competitive situation. We have said throughout 2019 that we are pricing somewhat above inflation mainly due to the fact that there is a bit of reprising within the commercial segment. So I think that's what we can say about it. We have also seen published and not look for 2020, which is 1% lower than the outlook last we published at the same period last year.

And then finally to your question about growth, we report as we've mentioned 5.7% growth, in 2019 for the full year and then 8.5% for the fourth quarter stand alone. Proportion of the growth is coming from increased retention rates in particular in the private segments. We do believe that we have a little bit of a tailwind, given that we're seeing clear improvement in key customer metrics. And that really gave us, also a good competitive situation in 2020.

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

Okay. Great. Just one come back on the Danish situation. When would you expect to not be running with dual costs in IT and what maybe impacts of that be presumably fairly modest and it's a small operation, but they'll be worth knowing?

A - Morten Thorsrud {BIO 16111627 <GO>}

Hard to pick the exact date on that. It takes a couple of years to roll-out the current base system that we roll-out and then you need to close out -- close down the existing or the legacy systems, so it easily takes some few years. But we are progressing according to plan.

A - Torbjorn Magnusson {BIO 1863476 <GO>}

I think the -- maybe the relevant answer Morten is that, you know very well that we are committed to improving the cost ratio by a couple of decimal percentage points every year and this will contribute to that and we see into that promise.

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

Okay. Gentlemen, thank you very much as always.

Operator

Okay. Our next question is from Per Gronborg from SEB. Please go ahead.

Q - Per Gronborg {BIO 15910340 <GO>}

Yes. Thank you. Three questions from my side. The first relates a bit to the last question, when we listen to your peers as well in this context probably took being the most relevant, they have talked about, the weather related case being very benign in 2019. Are you seeing the same picture? I know you don't report on the topic?

A - Morten Thorsrud {BIO 16111627 <GO>}

It's a bit different from country to country. So I think on the Nordic level, I would necessarily say that the weather was more benign in 2019, than '18. You've seen some few events in Sweden for instance in '19, so it's not a big difference as I see to between 2018 and '19 on the Nordic level. And then again, there is clearly variations when you go down on the country level.

Q - Per Gronborg {BIO 15910340 <GO>}

Of course. My second question related to your new dividend policy. Basically the key question is, any updates since of showing an annual increase in dividend going forward or should we look more

for Topdanmark at look alike dividend that fluctuates with earnings. Should we expect a reset from the current the 2.2 is approximately 100% payout, the only promising to pay out above 70 that doesn't really sound like sample, but still I have to ask a question.

A - Torbjorn Magnusson {BIO 1863476 <GO>}

Sampo is a much bigger animal than Topdanmark. We get diversification on a number of levels and I mentioned, compared to Topdanmark. Our ambition is you're quite right to increase earnings, and that the dividend will reflect those earnings, but I also expect that to be more stable than Topdanmark.

Q - Per Gronborg {BIO 15910340 <GO>}

But we bought seeing a decent dividend that is not else without any longer as it was in the old days. Is that correctly interpreted?

A - Torbjorn Magnusson {BIO 1863476 <GO>}

I didn't catch that.

Q - Per Gronborg {BIO 15910340 <GO>}

Okay. Perfect. My final questions your investment returns on the bond side. Can you give us any indication what the yield maturities on your bond portfolio. And if and in Mandatum, these low interest rate markets?

A - Knut Arne Alsaker {BIO 18730318 <GO>}

The running yields and Mandatum is currently 2.4 and for If it's 1.8 and the mark-to-market yield is roughly some 50 basis points lower than that.

Q - Per Gronborg {BIO 15910340 <GO>}

Okay. So 1.9 in Mandatum and slightly below 1 in If.

A - Knut Arne Alsaker {BIO 18730318 <GO>}

Slightly below 1 in If.

Q - Per Gronborg {BIO 15910340 <GO>}

Okay. Perfect. Thank you.

Operator

Our next question is from Jan Agastia from SEB. Please go ahead.

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

Hello, Jan Erik Gjerland from ABG. I have some questions about your premium growth. And it looks like you have a sort of lagging a little bit behind if you can see say it like that on the commercial side. Could shed some light into that kind of business line to say, how you will thinking going forward, And is the claims quiet on the premium growth of the movement in that business unit?

A - Morten Thorsrud {BIO 16111627 <GO>}

When it comes to growth in commercial lines, I think we pointed out throughout last year that we started with a weak-ish first quarter mainly driven by loss of some business in workers' comp in Finland. And then it's been improving sort of course over the quarters in 2019. When it comes to

pricing I think again, we said that the commercial segment, we do see price increases somewhat above what we would assume to be normal inflation.

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

Okay. Thank you. On the combined ratio, could you shed some light into the underlying level if you strip out the discount rate in both Sweden and Finland. Is it sort of a normal run off rate on top of that or should we look upon these two countries in specific?

A - Morten Thorsrud {BIO 16111627 <GO>}

And again, I think it's repeating a bit the story as we talked about of during the quarters throughout 2019, good underlying combined ratio. We obviously, I think it's more important to focus on the total combined ratio. When it comes to run off gains, yes, they've been on a somewhat higher level over the last, yeah, almost 18 months I guess now, more around 4%, and then historically has been more on 2%. And then we sort of are not giving any sort of guidance on how the -- really depends on the land development compared to our reserve models.

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

Why has it been more 2 -- 4-ish rather than 2-ish, the last 18 months. Is there such any trend you're seeing in the high court judges or anything, is it peculiar motor accident has come off or if people are ill or what is the main reason here?

A - Morten Thorsrud {BIO 16111627 <GO>}

It's back to then the development in Swedish -- seeing clearly a more benign development than what has been assumed in the reserving models. And this as you know is an extremely long tail business. So that's what's driving it.

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

But have you changed your reservation or is that you still using your old tariffs when it comes to this back book and front book?

A - Morten Thorsrud {BIO 16111627 <GO>}

Of course, you update your reserving model sort of constantly sort of taking into account the new data.

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

Okay. On Denmark, you have a very high cost ratio. Is that linked to the IT system development stuff you have in the Q4 or is it something structural?

A - Morten Thorsrud {BIO 16111627 <GO>}

It is a situation that's been there for a while in Denmark obviously replacing the IT system is one contributor in taking that down, and then it's back to the overall kind of focus on the cost improvement in it. So clearly there is a target of reducing the cost duration in Denmark.

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

Okay. Finally on Mandatum, you have lowered your sort of buffer, or is it called yum[ph] below your discount rate for down to 1.25 for '22, probably you are seeing a very strong financial in the Q4 numbers. How should we look upon the 1.25 versus this 75 basis points -- 25 basis point for the other years? Is it so that you want to be down to the 25 basis points as well for Mandatum by '22 and how should it be running there? Is it just by financial strong results that will get you there?

A - Knut Arne Alsaker {BIO 18730318 <GO>}

We may make predictions[ph] on discount rate sort of at every quarter depending on how the rate environment looks. There's of course no change in the guarantees in Mandatum, which on average currently is just around 3% and for us to prepare for a lower -- for longer interest rate environment, also going forward. We have no plan to change that, but we don't have a guidance for how we will be exactly with the discount rates reserve going forward.

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

Okay. So were they running yield is round 2.4 as you peg and then we should think about it being coming down towards 1.5% to 2% somewhere, and that you should be happy with 1.25 --?

A - Knut Arne Alsaker {BIO 18730318 <GO>}

We were happy with 1.25 right now, but that doesn't mean that we will not take it further down at one point in time going forward.

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

Helpful.

Operator

Our next question is from Jakob Brink from Nordea. Please go ahead.

Q - Jakob Brink {BIO 20303720 <GO>}

Jakob Brink here from Nordea. Sorry just coming back to the payouts policy, once again sorry. But how do you look at such -- this is a payout ratio on net profit, but these days of course there is a different right now between payout ratio of in Nordea,, it's not 100%, so there is difference between the cash flow and the actual profit that you consolidate. How do you look at that in connection with the dividend policy?

And then also in addition to that what if at some point Nordea would start to do a buy-back. Then I guess, that could be a meaningful change to the cash flow that you could be starting to incur. So how would you there to get the potential for sample to start doing buy-backs or would you accumulate the capital over time? And how would that work? Thank you.

A - Torbjorn Magnusson {BIO 1863476 <GO>}

If the dividend policy that we will have published today is a balanced one, so clearly we have taken into account the Nordea dividend policy. It's not much more to say about that. On buybacks, that's potentially in the future as the rules and regulations look today, we allow our holding Nordea to increase above 20%, but we don't know what that situation will look like if and when Nordea decides to start with buybacks.

Q - Jakob Brink {BIO 20303720 <GO>}

Okay. I think that was it. Thank you.

Operator

Okay. Our next question is from Derald Goh from Citigroup. Please go ahead.

Q - Derald Goh {BIO 20775137 <GO>}

Afternoon all, thanks for taking my question. Just going back to the general renewal. Could you give the stance of the rate improvement the improvements that you're seeing possibly by region and how does it compare to 2019? I think in 2019 there was a bit more rate in industrial Norway. Has that picked up outside Norway as well?

A - Morten Thorsrud {BIO 16111627 <GO>}

I think I will avoid going too much in detail. So I think it's been a positive renewal for us. I commented that we do see rate increases in industrial book and continue to see rate increases, price increases within commercial. I think apart from that, I think will be comments that it's more clear that although the price increases are strong in Norwegian market, but we see it little bit across the board.

Q - Derald Goh {BIO 20775137 <GO>}

Okay and my next question is just on the large losses in the commercial segment. I think it's the second or third year in a row where exceeded expectations. Could you said -- could you maybe talk a bit about, what are the issue by the spectral[ph] line or maybe by countries. And also are you taking any action, to address that?

A - Morten Thorsrud {BIO 16111627 <GO>}

No, I think it's kind of certain volatility that you would expect from and it's -- we've seen over the last year somewhat more losses in the commercial segment in the fourth quarter stand-alone. It was clearly less than expected. So, this is moving any kind of varying a bit from country to country -- so and from industry to industry.

A - Torbjorn Magnusson {BIO 1863476 <GO>}

Let me add to the rate increase question that, Sampo, the main target for If P&C is to exceed 17.5% ROE, post-tax, which it has been able to do with a margin for a long period. The rate increases are designed so that we would meet that the rate increases carried out in 2019 and 1:1 now have been able to meet that.

Q - Derald Goh {BIO 20775137 <GO>}

Okay. Thank you all.

Operator

Okay. Our next question is from Niccolo from BNP Paribas. Please go ahead.

Q - Niccolo Dalla Palma {BIO 16052945 <GO>}

Yes, good afternoon. Three question for me. Firstly, at Q3, you told us that was reasonable to answer questions about strategy the next year, so here's the next year want to double check. If you already have something to share or whether we should expect an update on this later in the year? And maybe if you can tell us what changes you can already give us a from you about what will not change?

And secondly on Nordea coming, you mentioned earlier that this a good time to ask whether it be selling it, maybe you can give us a bit of a longer term perspective in terms of whether you can -- you look at this as a strategic or financial stake by which I mean, do you think your there are reasons, you're better owner then the market of it, and or are there -- or will you try and create value for shareholders by of course selling it if you think it's at the right price to do so, so that's the second question. And lastly, on the -- on the new money yield, if you could tell us what you have been investing it at most recently in Europeans e-portfolio. Thank you.

A - Torbjorn Magnusson {BIO 1863476 <GO>}

I will take the first two then. Strategy for next year, I think, I actually covered what I could cover in my introduction, the strategy is on a ripe operational level Nordea, starting to move towards the target and supporting that. For If P&C and Topdanmark, keep the combined ratios where they are. And obviously If P&C, at the strong position they are, should also be able to pursue a higher growth figure than in the past, that will increase the profits of the group. So that's a very

operational strategy. Part in that we'll use all the skills and knowledge that there is in the management team to see what opportunities the world brings.

Then on the longer-term perspective on Nordea. Well, Sampo has always been agile and use phrases like everything is always for sale, at an extremely high price, of course, at this point in time, we believe that we can develop Nordea and Nordea's Management team can develop Nordea to much higher values, and that's the focus. So, I see no reason to speculate in what happens after that.

Q - Niccolo Dalla Palma {BIO 16052945 <GO>}

That's very good.

A - Knut Arne Alsaker {BIO 18730318 <GO>}

And Niccolo It's Knut, on answering your last question about the yield we had been invested and you mentioned Q3, you reference Q3, where I was signaling a possible clear drop in the running yield during 2020. The fixed-income investments we have done in the fourth quarter help to stabilize the running yields the level the indicated earlier are more positive to being able to maintain the current running yield 2.4 to 1.84 Mandatum is during 2020, then it was a quarter ago, meaning that we've been able to invest in yield slightly higher during the last three months than during the first part of the year -- last year.

Q - Niccolo Dalla Palma {BIO 16052945 <GO>}

Thank you.

Operator

Can we have a follow-up question from Jan Agastia from SEB. Please go ahead.

Q - Analyst

Yes, thank you. My question is really answered. Thank you. So I'm going to -- sorry.

Operator

Okay. (Operator Instructions). There are no further questions at this time. Please go ahead speakers.

A - Jarmo Salonen {BIO 1860650 <GO>}

Thank you operator. Thank you all for your attention and have a great evening.

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