Tryg – Q1 results 2014

Audiocast and Q&A 10 April 2014

Transcript

Presentation

Lars Møller, Head of IR

Good morning everyone and welcome to the presentation of Tryg's Q1 results. Here is Lars Møller, and with me today I have our CEO Morten Hübbe and our CFO Tor Lønnum With this short introduction I will hand over to you, Morten.

Morten Hübbe, CEO

Thank you Lars. If we start with the highlights on slide 3, we show again continued improvement in our technical results, which improves 5% year on year despite an increase of DKK 150m on large claims mainly in the Corporate segment. Combined ratio improves a bit more than 1 percentage points to 89.2% in Q1, which is traditionally one of the weaker seasonal quarters of the year. The improvement is clearly driven by our savings programme, which improves both claims and costs. Investment is clearly below last year, due to equity markets. We see a slight improvement in our top-line trend, which drops 2% in this quarter, compared to -2.5% in the first quarter last year. 1.2% of that decrease is due to Sweden and the laps of the Nordea agreement. Whereas it is important that we see an improvement in the private lines area, where last years drop of 2% in the top-line has been improved to a drop of 0.5% in this first quarter.

If we move to slide 4, we have implements at a new split between Corporate and Commercial, which is expected to improve focus and service, but also reduce costs. We have implements at a number of changes in our Nordea banking concept in Denmark and Norway, and improved our IT solutions in the branches selling our insurance products. As a result we are starting to see 10% higher sales in Q1 banking compared to last year. Bear in mind that these are high quality customers and a distribution cost, which is mainly consistent of profit sharing. We have also acquired the renewal rights of a rather small agricultural portfolio from Codan, which we are now in the process of renewing in the Tryg books. We continue with an extremely strong focus on making sure that our DKK 1bn efficiency programme continues to improve results and as we see has reduced the nominal costs in Q1 by roughly 2%.

On slide 5 we show the four business areas. Three of the four business areas have combined ratios below 90, and a strong improvement in the reported combined ratio, but clearly also effected positively by higher run-off gains. Private lines improved from 90% to 88%. Sweden improves the combined ratio by roughly 6 percentage points to a combined ratio of 88.7% clearly the strongest result we've seen in a Q1 in Sweden. Commercial with an unusually low combined ratio of 81.9% and a technical result of DKK 190m. While the negative impact comes from Corporate with a combined ratio of close to 99%, and large and weather related claims having an impact of 22.5% compared to 5.7% in the similar quarter the year before.

If we look at slide 6 we see a continued positive impact of our DKK 1 billion efficiency programme that will be the main driver of earnings improvement both in 2014 and 2015. It had an impact of DDK 90m in the first quarter split by DDK 25m costs and DDK 65m on claims improvements.

If we move to slide 8 we see the development in both top-line and technical result of the various business areas. We see clearly that Private has an improvement of the technical result of 11% including higher run-off gains, and also an improved trend in the top-line from -2% last year to -0.5% this year. Corporate improves the top-line, but clearly the large claims result in a high combined ratio. In Commercial we see an impressive improvement in the technical result, while the top-line is still challenged mainly in the Danish market, while we are starting to see some improvement in the Norwegian Commercial market. There is clearly a strong improvement in the technical result in Sweden, while we see a significant negative trend on the top-line, given the laps of the Nordea agreement. Bear in mind, that this was an agreement that resulted in significant losses in the Swedish portfolio, and we should be willing to let top-line go, that has no positive impact to the bottom line. Over to you, Tor.

Tor Magne Lønnum, CFO

Thanks, Morten. If we move on to the next slide, and look at customer attention, you can see that there is a relatively stabile development, relatively small fluctuations this quarter. There is a small improvement in Commercial in Denmark, and there is a small decline in Private in Denmark. I guess the competitive pressure is still on for the Danish market, but as you can see a more stabile development in the retention level here. In terms of the Norwegian markets it is a flattish development.

If we move on to the next slide and look at the development in terms of the average premiums you can see that for the Norwegian market, it's a continued growth in average premium, reflecting the underlying indexation of all the products. If you look at Denmark, you can see that there is a negative development in motor insurance and it's a continued development since the last quarter. I guess it reflects to things, one is the change in covers for the motor products, but it also reflects the fact that we get newer cars into the portfolio where we see that there is a higher level of safety equipment and slightly lower prices. If you look at the housing product you can see that there is a 0.6% increase in the average premium, which reflects the indexation of the product but also an increased share of affinity distribution in the product.

If we move on to the next slide and look at Sweden, the retention has been stabilised although at a relatively low level, and is still significantly impacted by the Nordea portfolio that Morten mentioned. We can see that the performance in terms of profitability is relatively strong, and I guess we feel that we do have selective measures in terms of top-line development related to cross-sales and also the partnership with Danske which should help us turn the revenue stream around, although not in the nearest quarters.

If we move on to the next slide and look at the underlying claims ratio, there is an underlying improvement of 1.2% in the quarter. Of course down from the 4.1% improvement you saw last year, but still it reflects the continued improvement from our efficiency and procurement programmes. We see improvement in Private and Corporate, slightly weaker in Commercial and Sweden but from a very low level.

If we move on to the next slide and look at large claims, weather claims etc., this is really where we have the significant impact in Q1. You can see that large claims are up by 3.3 percentage points. There is no particular pattern in terms of the large claims, but we have seen some relatively significantly large claims in this quarter in the Corporate segments. You can see that it is also higher than our own expectations of 3%. If you look at the weather claims, it is more or less in line with last year, slightly lower. One should perhaps have expected an even lower level, but I guess it's important to understand that it's also impacted by the extreme winter weather that we had in Norway in Q1, among other things the extreme drought in the first month of the quarter. If we at the run-off this quarter, clearly it's significantly higher than what you've seen previously. It does, however, reflect the fact that we saw a strengthening of our reserve position throughout 2013, so it reflects, in our mind, a very strong reserving position. The reserve releases are particularly coming from workers compensation and motor TPL.

If we move on to the next slide and look at the expenses, you can see that there is slightly lower impact in cost ratio this quarter, it's only down by 0,1 percentage points. Of course it's impacted by the reduction in top-line that Morten mentioned, but also a slightly different facing in terms of expenses. So we will se an impact in the coming quarters. You can see that the number of employees has been reduced, particularly impacted by the outsourcing agreement to Accenture this quarter. Nominal expenses as Morten said are down by 2% in fixed currency, and I guess on this slide it's also worth mentioning that we are looking into some additional expenses related to the IT transitional agreement which probably will have an impact on the Q2 numbers. It means that we will see a one-off in terms of expenses, but it will not mean that we change our over-all targets for the year, although it may have an impact on the cost ratio all year.

If we move on to the next slide and look at the investment return this quarter, it's significantly lower than the same quarter last year, particularly impacted by the equity performance. Equity performance this quarter as you can see is at 1.8%. We have seen strong performance in terms of high yield and emerging market debt this quarter as well, which have been the significant contributors to the results. We have also tried in terms of reporting or opening up a bit more. You can see that there is a more granular breakdown of revenues and investments in this quarter, and it's in order to try and give you a better overview of what's going on, on the investment side.

Finally, on the next slide if you look at the capital structure, there have also been some significant changes in terms of capital. You can see that the capital requirement has increased by some DKK 350m. This is due to the new legislation in Denmark, where we're moving towards the Solvency II regulation. The main driver for the DKK 350m is related to the reserves and to workers' compensation. If you look at the available capital, you can see that it has increased by DKK 450m, and thus keeping the surplus capital at more or less the same level that you have seen before, slightly above 50%. The reason for the increased capital is that the haircut on this counting has been reduced in terms of capital allowed for the individual solvency. Finally I'd like to make a comment, we have now done about 21% of our buy back programme, and it's progressing according to plan. With that, I will hand it back to you Morten.

Morten Hübbe, CEO

Thank you Tor. On slide 19 we basically repeat the unchanged financial targets. I guess to summarize, we are very pleased that we are again able to improve our technical result this quarter by 5%, despite the DKK 150m increase in large claims. In our opinion, that shows the robustness of our current business, to be able to manage that. We are also pleased that we continue to see the positive impact of our efficiency programme, resulting in some DKK 90m in the first quarter, and an improvement in the combined ratio of 1 percentage points. An improvement of the nominal costs by roughly 2 percentage points. We expect to continue a strong and positive development in our results, and we're pleased that we're able to see the first, small signs of a slow and gradual improvement to the top-line trend. We see that our price differentiation work, it means that our selection in new sales is stronger and the quality of our new customers, and the expected claims ratio of those new customers, is stronger. We're pleased to see a slight improvement in Private lines trend. But as Tor said, we should expect to continue to see a negative impact of Sweden, and a negative development in top-line during 2014.

Questions and answers

Gianandrea Roberti – *Carnegie*

Yes, good morning. I have three questions. The first one is actually just picking up from where you left Morten, on the top-line. I suppose it surprised quite a few of us somewhat negatively. Probably most of it is due to currencies, the Nordea portfolio in Sweden was left, but also clearly in the Commercial lines you lost quite a bit of top-line there. Also, you commented that we should expect a top-line negative in 2014, and I guess everybody more or less was expecting that, but it wouldn't be fair at this point to expect a back flat if not even a tat negative top-line also going into 2015. If you can just expand a bit on the top-line it would be interesting. The second question is more on efficiency. I was actually looking at number of employees you had at yearend 2013 and benchmark that versus Gjensidige. Probably Tor can tell me something about it, but Tryg seems to have around 300 more fulltime employees against yearend. It's a good 10%, and I'm just wondering what should drive that or if your goal is to reduce it further, how much would you go down? The last question is really a bit more of a big-picture question. I understand that under European Union rules all new cars being sold from the second half of 2015 are to be equipped with something called E-call, which is a device that, if I understand correctly, allows a direct call to emergency services when a car crashes. There's a big discussion out there on the use of telematics in insurance, how much can be done, how much can improve tariff and everything. It would be just great if you could shed some comments on that, thanks.

Morten Hübbe, CEO

Good morning to you, Gianandrea. I guess you're right that the top-line development is impacted by currency, and I think we should start by sort of taking that out, because clearly a 7% difference of which 5 percentage points is currency, is of course nothing that we either can or want to do anything about. The real debate is the 2% drop in top-line. Clearly, we see this in probably three different bulks. One is Sweden, where of course a drop of 12% is significant, but bear in mind the Nordea Portfolio in Sweden had a significant negative bottom line impact, and I think that the fact that we've been able to improve the combined ratio now to 89% is a significant improvement. We see now that the none-Nordea portfolio in Sweden is actually increasing in number of customers.

We also see that our current sales in Sweden are now as high without Nordea, as it was without with Nordea. But we are not yet able to compensate for the higher Nordea laps of existing customers. It will take a while, and I think both 2014 and 2015, to close that gap in the Swedish market. So that will be a negative driver in both 2014 and 2015. The second bulk is really our priority and that is Private lines. Private Lines is by far the biggest part of our business and the biggest part of our earnings; so to turn gradually around a negative development in private lines is important. We're seeing now a slightly net positive development in number of customers in Private Lines Norway. We're seeing improvements in the Danish Private Lines, but not yet a positive development in number of customers, but clearly we have higher sales now in both Denmark and Norway on Private Lines, and you see as a result also the first trend that the top-line improved from -2% to -0.5%. I guess the third bulk is really Commercial, where we're starting to see improvements in the Norwegian market where we have higher sales and a more positive customer development, whereas the real challenge is that our current sales in Denmark are too low. Retention rates are good, but we have seen that the big changes we've done between the Commercial and Corporate segments, where we have changed big parts of the portfolio and the roles and responsibilities, has meant that the activity level and the new sales in Commercial has been lower than expected. As a result we will see negative top-line in 2014, and some of the drivers will be negative also in 2015. But we will start to see some of the positive initiatives have positive impact also, in 2015.

Tor Magne Lønnum, CFO
Just to give an additional supplement to Morten's comment which is an issue we've discussed before as well. I guess it's important to know that we are in the process of doing portfolio conversion related to the price differentiation in Denmark, and of course this process will continue in 2015 so as Morten said, there are some positive drivers in terms of top-line that we expect to have an impact, and there are also some uncertainties related to the portfolio conversion. I guess if I try to answer your question, Gianandrea, in terms of the efficiency programme and the benchmarking that you've done, the first and easy comment is that since we are down about 50 people since the yearend that will give you 250 left, but joking aside – clearly, I think it's difficult to do that kind of benchmarking on the overall level. What's important is really to look at our own efficiency and the opportunities that we see in terms of efficiency gains. Clearly, we

do not feel that we are sold out in terms of efficiency gains we do see that there are significant opportunities and that is something that we will continue to focus on going forward.

Morten Hübbe, CEO

I guest it's correct to say that more automatic breaking functions in new cars are positive, will help safety and will lower risk. I guess in the last couple of years we have seen that the newer cars have better safety equipment and lower risk, and as a result also a slightly lower insurance premium. We are currently working on a new motor tariff, where we will decide how much of this we will take into account. Clearly I guess, for both the people driving and the people insuring, that is positive.

Vinit Malhotra – *Goldman Sachs*

Good morning. Just on the large corporate losses, I was just wondering, we've only mentioned this in third quarter. At that point it was midsize corporate, and now it's some large. I'm just wondering if you have any plans to reconsider your reinsurance or any other. The reason I'm asking is I keep asking whether there is a normalisation of claim frequency on the horizon, but if this is something you're considering on the reinsurance side? Obviously, you also clarified that in Commercial volumes are down in Denmark, but retention is quite remarkably up. I know Tor, you mentioned it's only slightly up in this quarter, but over the last few quarters there's been slightly more improvement in the retentions. So, could you just clarify; what is driving this volume pressure? Is it that the exposures are reducing, and that's why the premiums are falling? Or is it that new customers are not coming in? And in this context, you've also been introducing new products. How is that working out, if you could just clarify? Thank you.

Morten Hübbe, CEO

Well, I think if I take your last question and Tor can comment your first question. You're absolutely right that on the Commercial Denmark we have seen a strong trend in the retention, which is very positive and I think a longer term driver of more stability and positive development in the top-line. But I guess we've made a large number of changes in Commercial. Just during the autumn we have changed the whole distribution organisation in Commercial from a Nordic setup to a Danish/Norwegian country-wise setup. So the entire distribution organisation has been changed. After that we have changed the split between Corporate and Commercial, where close to 80% of the number of customers in Corporate in Denmark and Norway has moved to Commercial. On top of that we've done a number of changes to which lines of business and which geographies the various employed agents are allowed to sell to. I guess the current challenge has been that we've seen that as a result of these many changes, the number of new sales per employed agent has dropped. We expect that that will pick up more during the year, and together with the positive trend that you mentioned on retention, that will improve the development in the number of customers and the top-line. But it has taken a while, and there has been an impact and it will take a slight while more before we see that settle at a more stabile and higher level. But clearly the retention will help, and the new sales need to come up in Denmark in Commercial.

Tor Magne Lønnum, CFO

I guess on the large claims, yes clearly there is more volatility related to the large claims. On the other hand, it's important to understand that when we do our reinsurance programme we try to aim to protect the capital, and we try to do that on an overall basis for the full year, where we try to protect our equity. So, some volatility should be expected between the quarters. On the other hand you can see that that has been, to a certain extend at least, aligned by the reserve releases that we had this quarter. I guess, in our mind it doesn't seem to be a trend in terms of large claims. We have one large claim, it's actually in a milk factory in Denmark, and then we have one large claim in Norway which is sort of the significant contributors, and I guess that's a part of the year, the game really, related to the corporate segment. So, in our mind it doesn't seem to be a trend as you said. I mean, we did adjust upwards our fully estimate for large claims and we don't think that we should need to reconsider that at this point in time at least.

Vinit Malhotra – *Goldman Sachs*

Thank you. Can I just quickly follow up, you mentioned Norway had some fires and some weather that was slightly higher than in the winter, but I still see a 89,8% combined ratio. Was some of the reserve releases also in Norway, or?

Tor Magne Lønnum, CFO

Yes, definitely. Reserve releases both in Denmark and Norway, and you're right, the combined ratio for the Norwegian market as you say is still below 90%, is really very healthy for a Q1, which typically as Morten said due to season allergy should be a bit weaker.

Daniel Do-Thoi – *JP Morgan*

Hi, good morning. I have two questions. The first one is on the Nordea portfolio, the second on weather losses, and the third one on your individual solvency model. So just beginning with Sweden. You mentioned that you're likely to continue seeing on that portfolio for some time, can you just give feel for how far through we are on that process? And can you just confirm again the size of that portfolio in relation to the overall Swedish premiums? And again related to that, could you just remind us again of when the new distribution agreement with Danske is set to begin in Sweden? Secondly, on weather losses, which came in a bit higher than I was expecting, could you just give us some insides into where these are coming from on a geographic basis? As I understand it, you've disclosed that 0.8 percentage points came from the fires in Norway, but if you could just comment on the remain then that would be very helpful. And lastly on individual solvency, quite a bit of recalibration during the quarter, can we expect any more of this going forward? Or have the main areas on uncertainty been ironed out by now? Thank you.

Morten Hübbe, CEO

Good morning to you, Daniel. I think on the first question we can say that currently Nordea contributes some 19% of our Private lines portfolio in Sweden. And I guess, some of that will remain with us and some of it will leave over the next few years. As I said, we've really had two challenges there; one was to replace the distribution capacity and the second was to replace the gaps from the higher laps ratio. And by now, we've increased our number of outbound sales force in Sweden from 0 in Malmö to 114 people, so we are now distributing as much without Nordea as we were with Nordea before. We are currently building up further with Danske where the agreement started in March, and where we will gradually build more distribution. We are also negotiating with several other partners to find additional distribution, but it will take a while to also close the gap of the higher laps of the Nordea Portfolio, but 19% is the current number.

Tor Magne Lønnum, CFO
The weather related claims, I mentioned the fires this quarter, accumulate to about DDK 40m. So the reminder of reported weather claims this quarter is about DKK 100m. I guess it's important to understand that although you've had a relatively benign quarter as I mentioned, you have seen weather on and off, in particular in the Norwegian market, which means that although the weather is relatively mild, you do see winter coming and going. Of course that means that you will see some increased frequency in terms of motor, you will see some increased frequency in terms of housing etc. So I think, yes it's at a relatively low level, but it's not just looking at the temperature, that's not how you interpret the weather.

If we move on to the question, about the capital model. Yes, relatively significant changes this quarter. We do not expect any significant calibration going forward for the reminder of the year, but keep in mind that there is an ongoing discussion with the FSA and of course it means that legislation and things may change during the year. One of the things that we are still sort of anticipating for instance is the level of gearing that we should be able to use in our balance sheet.

Jakob Pedersen – *Sydbank*
Hi, gentlemen. I just have a single question regarding your Norwegian activities. Could you try to explain the effects from the first quarter of 2013 to the first quarter this year in regards to drop in your technical result? Also, it's quite obvious that almost the whole technical result in the Norwegian business is run-off. Could you talk a bit about what's

happened? It seemed that the income from this business last year was of a better quality than this year?

Tor Magne Lønnum, CFO

I heard your interpretation in terms of run-off, which I don't think is the correct assumption. The main impact, the significant change that you see here is related to the currency because when you look at what's going on in terms of the difference on the top-level, between the 2% in fixed currency and the 7% in nominal or in floating currency, you can see that of course that is significantly impacted by the drop in the Norwegian Krone, and that is of course the main driver here, related to both the top-line and the technical result.

Sami Taipalus – *Berenberg*

Hi, Sami Taipalus from Berenberg. Just two things, please. First of all, could you just give a quick comment on the agriculture insurance portfolio that I think you said you've got the renewal rights for, from Codan? And then the second thing; you mentioned the motor average premiums already and it's kind of a slow progress in that, but actually if you look at the chart it looks like there's a small uptick between Q1 and Q4. Admittedly, it is very small. But is there anything that's changed there? Thank you.

Morten Hübbe, CEO

First, on the agricultural portfolio; we've seen over the last couple of years that Codan has stopped writing new agriculture business, and also that they have kicked out the larger estate and the larger accounts from agriculture. What we've agreed with them, is that we have taken over the renewal right of their remaining mainly smaller, medium-sized agricultural portfolio, which is some 1,600 customers that paid a premium of around DKK 17m in Codan. We are taking over only 8 employees, and we have to take over customer by customer, so we will not take over the entire portfolio but we will renew a large proportion of those customers, and that process started a bit more than a week ago and is progressing well. The industrial logic is that we believe that we can run our small to medium-sized agricultural business at some 5 percentage points lower cost ratio, and as a result of that, we believe that we are able to turn a profit on that portfolio and therefore it made sense. But as you can hear from the numbers, it's a fairly small portfolio, it is not something dramatic that will change our number, but it's a sensible, small add-on in a portfolio that is improving strongly but is currently selling a bit too little.

Tor Magne Lønnum, CFO
Just to add to that, I guess as Morten started off, it also contributes to balancing our own agricultural portfolio. So I think, it fits in very nicely with our own business. Number two, related to the motor average premium, I guess that is perhaps a slight hiccup in the graph. You can see that it is down 0.9% in Q1 and it was down 0.7% after Q4.

Sami Taipalus – *Berenberg*
But, that's a year on year number. I guess what I was asking about was the quarter on quarter number.

Tor Magne Lønnum, CFO
I don't think it's fair to say that there's an uptick in terms of the average premium, so I think we'll just have to look at that.

Christian Hede – *Nordea*
Yes, good morning. This is Christian from Nordea in Copenhagen. I think most of my questions have been answered, but I have two follow up detail questions. First, is on the change of IT provider, and you're now saying that that could lead to extra costs in 2014, but that will still help you reach your below 15 in 2015 target? And then you add, that it will reduce expenses even more. Should this be understood in the way that 2014 will be hit by extra expenses, then there will be a bit of extra expenses in 2015 and then it will all be much better latter? The second question is if you could remind me why you

increased the expected level of large claims during full year. What was the change that led to that at the time? Thank you.

Tor Magne Lønnum, CFO

I can answer the first question, and the perhaps we'll have to repeat the second. What I was trying to say, is that there will be some additional one-off expenses related to IT in 2014 due to the change of IT operations provider. We don't expect any additional expenses in 2015, and what I was aiming for was really to say that we do think that it will contribute to lower expectations of expenses in 2016 and beyond. So it will contribute positively.

And your second question was on why we increased the expectation on large claims? That is really due to the exposure in the portfolio, and due to the growth in the Swedish portfolio, and also related to the guarantee book.

Niccolo Dalla Palma – *Exane BNP*

Good morning everyone. I have one question on the outlook; sorry for going so much into detail on the wording, but you do mention the 20% RE as a medium term target. You hadn't used the word medium terms in your outlooks, while you had used the word at all times for the level of capital that should always be in line with that objective. So I just wanted to hear your thought on whether you still see that as achievable in 2014 specifically, or how we should read this medium turn, if we should be worried about it at all? Thank you.

Morten Hübbe, CEO

We have made no deliberate change to the wording on that target whatsoever. So if there's a change in the wording we need to check that. I don't think there is, but if so it's not intentional. So we'll check that, and you should not read any change in our view on the 20% ROE-target at all.

Gianandrea Roberti – *Carnegie*

Sorry, I bump in again. I just have a more holistic question, really. Can I start to investigate what is your view for Tryg after the savings programme is finished? I know there's still a good 40% of it to go, and in the markets we sort of discounted it already, and I understand it's more difficult than just how we see it, but in general, starting towards the end of 2015 and going forward, what is your view for Tryg? Where do you want to take this company? Can you spend some words on that?

Morten Hübbe, CEO

Well, I think first of all I'm trying to figure out if this is a friendly overall question, or if you're trying to trick us into giving you data on savings after 2015? But I guess it's fair to say that until 2015 we have our programme to take the cost below 15%, we have our programme to target the DKK 1bn efficiency measures, which we are confident that we will reach. And clearly, as we're getting closer to 2015 we are spending more time internally debating what are the targets, to follow those targets. And I guess on longer term, we don't see that the development on reducing costs and professionalising claims will stop with the current measures. We expect to set new targets for that, and also we expect to make sure that we get the benefit from the current work on price differentiation, to make sure that we both continue to improve the quality of our new customers, and therefore the claims ratio but also reach a more stabile development on the top-line. I think that you can expect that when we have new targets to talk about, capital markets day is a likely setup to do such a discussion. So at some point you should expect that to be called.

Gianandrea Roberti – *Carnegie*

Thank you. I didn't want to trick you in any way, Morten. Thanks.

Daniel Do-Thoi – *JP Morgan*

Hi. Daniel Do-Thoi here again. Just one quick follow-up question on the large losses. Just going through your report, I can see that you mention that of your roughly DKK 200m in large losses that you reported, just over DKK 100m came from the Danish part of the portfolio. I'm just trying to see, first of all if that is correct and second of all where the remaining came from, was it largely Norway or in Sweden? Thank you.

Tor Magne Lønnum, CFO

I tried to sort of give a brief overview of that earlier as well Daniel, but it's in particular one significant claim in the Danish portfolio, it's one significant claim in the Norwegian portfolio and then there's a number of smaller claims and they are deriving some from the guarantee business and some from Sweden, some from Norway and some from Denmark. So, it's scattered around really.

Lars Møller, Head of IR

Thank you very much to all of you, for participating in this call this morning. We will be around in the next couple of months starting in London tomorrow, then around in Europe, Tokyo and in the States, and hope to see you all around. Thank you and have a nice day.