Q2 2016 Earnings Call

Company Participants

- Andy D. Briggs, Chief Executive Officer - Aviva UK Life & Chairman - Global Life
- Chris J. Esson, Director-Group Investor Relations
- Mark Andrew Wilson, Group Chief Executive Officer & Executive Director
- Maurice Tulloch, Chairman Global General Insurance and Chief Executive Officer, Aviva UK & Ireland General Insurance
- Thomas D. Stoddard, Group Chief Financial Officer & Executive Director

Other Participants

- Andrew J. Crean, Analyst
- Andy Hughes, Analyst
- Arjan van Veen, Analyst
- Ashik Musaddi, Analyst
- Blair Stewart, Analyst
- Colm Kelly, Analyst
- Jon M. Hocking, Analyst
- Oliver George Nigel Steel, Analyst

MANAGEMENT DISCUSSION SECTION

Chris J. Esson {BIO 6194371 <GO>}

Welcome, everyone. Thanks for attending Aviva's First Half 2016 results. Just before we kick off, the usual disclaimers. And now, I'll hand over to Mark Wilson, our group CEO, to kick off the presentation.

Mark Andrew Wilson {BIO 7102576 <GO>}

Well, good morning, everyone. And welcome to Aviva for our interim 2016 results. And it was only a month ago that you're all sitting here in this very room with our Capital Markets Day where we set out what I think were some pretty clear expectations, what you can expect, what our investors can expect from Aviva. Now, we also provided you with some significant extra disclosure in detail, and there was a lot of it during the meeting, and I know you've had a fair chance to assimilate all that now.

But my objective then was to make our investment propositions simpler. We wanted to make it more transparent, and I wanted to make it more predictable. So, it's good to have you with us back here today and to provide you with an update of that progress and show the numbers.

Now, I'm going to keep this presentation section of these results short. So, I want to leave plenty of time for Q&A and make sure we can get through it. I know it's a very, very busy day for a number of you. Now, uncertain environment in which we find ourselves post the Brexit vote, I think there's three questions that investors have been asking of Aviva and, indeed, all financial firms. Number one, how resilient is your balance sheet? Number two, how sustainable is your dividend? And three, how will you grow?

And I think all of this is in the backdrop of some very uncertain markets, but I've always found in these situations that the best antidote for uncertainty is the facts. If in doubt, look at the facts. And I think that facts of these results go some way towards answering these questions.

So let's look at the snapshot here on the screen behind me. Operating profit has grown, up 13% to £1.3 billion. Our balance sheet remains strong, and our Solvency II capital ratio cover of 174%, that still remains near the top end of our working range. And this confirms our resilience to investment market fluctuations.

Now, for the first time, we are showing you our capital generation and the Solvency II, free cash flow. This is a very satisfactory £1.2 billion that's net of group and debt costs. The business has actually produced £1.5 billion. And by the way, this £1.2 billion equates to 10 percentage points on our Solvency II ratio. I think this is, I'm sure you'd agree, is highly satisfactory.

And our confidence on capital generation and our earnings underpins a growing sustainable dividend, which we have increased 10% to £0.0742 per share. And I think this is a continued progress toward our 50% dividend payout ratio by full year 2017. So what about operating profit? Let's go into a little bit more detail on that.

And we have a headline growth number of 13% growth in operating profits. Of course, this number is flatted by an additional quarter from Friends Life, which I might add continues to look like a very good deal. As you know, we also had an increase in average share count, which reduced EPS. The net impact of this is captured in operating EPS, which has increased 1%. And this is obviously before you see all the benefits of the cost synergies coming through later this year and next year.

Now, we've had a number of headwinds to deal with in our operating profit. For example, new government levies in Poland and the Flood Re, which is also a new government levy in the UK. That added £27 million to our operating expense base. We included those figures in our operating expenses. Similarly, weather in France and the UK and those terrible fires we had in Canada, that all added £55 million higher in half year 2016 than what was a relatively benign half year 2015.

Foreign exchange was favorable to the tune of £24 million. An important point to note in foreign exchange here, because this will become more material for us in the second half of the year, given the recent falls in sterling. Now, these results here, this is a benefit of our geographic diversity. And I think it's very easy for us all to forget that 42%, to be exact, of our earnings are now outside of the UK.

So, in summary, with operating profit, there are a few moving parts here. But netting out all the ups and the downs gives an underlying growth rate in the mid single-digit range. And I'll let you Tom take you through all the detail on operating performance market by market. So, I just wanted to touch on a few highlights mainly business line by business line.

Our Life business has continued to deliver solid growth momentum. What might surprise a few people, this is pretty much led by the UK. Globally, we delivered 9% growth in VNB, actually 7% in constant currency, which is what we're reporting on VNB. We had strong protection sales. They were up about 36%. We also saw a good fund flows, particularly into our UK Life platform. That grew assets under management by 23% to £10.3 billion at the time when many competitors actually saw outflows. So, I think that's a pretty good result.

But as we predicted, bulk annuities were down significantly. That was leading into Brexit, although I would note that that seems to have changed a bit post-Brexit. And I think we now have a pretty good pipeline as we look into the second half of the year. Maybe we can cover a little bit more on that later.

In terms of operating profit, we started to see the cost savings of the integration of Friends Life that's come through with a £40 million benefit to the bottom line just in the UK Life businesses, and there's more benefits in things like our asset management business as well. Those figures are pretty pleasing.

In General Insurance, I'm encouraged by the progress. And it's been a little while since I've said that. Now, you do see a decline in the headline operating profits. Now, these figures are actually a little misleading as this was caused by some significant upfront costs from government levies from Flood Re. It was caused by adverse weathers I've shown you and the fire costs. And also, there was quite a significant new business strength from some strong growth here in UK. Now, this was unique for us. It's been many years since we've seen growth like this, particularly in the UK. And so, those things together amass some pretty positive trends in the underlying performance of the General Insurance business.

To be clear, we have returned to growth. Net written premiums actually increased 7%. Now, that was, in part, from new distribution partnerships, but it's also driven by quite a difference in the competitive landscape and our improved competitive position. And I'll explain why. We've had cost improvements over the last few years. We've had quite a significant advantage from Solvency II. What I mean there is our Solvency II diversification benefit that a lot of monoline competitors just cannot match. That helps us.

And also, as I'll talk about in a moment, we've seen some quite big gains from our digital initiatives coming through perhaps a little bit earlier than we would have anticipated. Now, this 7% growth does not include any benefit from the Royal Bank of Canada acquisition, which only completed on the 1 of July, and that will continue – or that will start to contribute in the second half of this year. So, I personally like the trajectory of our General Insurance business.

But again, just to be very clear, and I've said this on a number of occasions before, we do not reward our GI teams for top line growth. Our focus has and remains on combined ratio and underwriting profit. And just to be clear, our pricing has remained consistent, albeit lower in the digital space because we have much lower expenses. So, we're seeing the competitors move out of Solvency II. We have also put some rate through as well and perhaps we can get Maurice to talk a little bit about that later.

And in the half year 2016, we did post solid results with a combined ratio of 94.6%. Now, that figure, just to be clear, that excludes the impact of Flood Re and HomeServe, so you can get more of a like-with-like comparison.

Fund management continues to make progress. And look, that's been a long, hard slog over a few years. You'll recall it's only, I guess, two and a half to three years ago, we changed out our entire leadership team in fund management. And what you've seen, again, you've seen fund management growing operating profit by 48% in the first half. Net fund flows in Aviva Investors have turned positive after quite a few years of negative. And that's helping to drive up gains in AUM. Now, just to be clear, that was positive excluding the additional benefits of the Friends money is starting to come in and I guess maybe we shouldn't exclude that because that did come from other fund managers. So, you can add that on top.

More importantly, these fund flows are concentrated in much higher margin propositions like AIMS, but not just AIMS, and that bodes well for future revenue growth. So, I say again, we have high expectations for it. But I believe, fundamentally, to be successful in asset management, you must be known for something that differentiates you. And the big change in our strategy over the last couple of years is we said, while we're going to be known for something, that something is AIMS. It's something that my friend, Euan talks about with passionate religious zeal and almost when he's talking about AIMS and you know what is working. Our flagship AIMS range of funds are making exceptional progress with assets under management in AIMS more than doubling in the first half to £6.2 billion. And in these times of economic uncertainty and market volatility, it's multi-strategy funds like AIMS that tend to outperform and indeed AIMS is continuing to do so.

Now, finally, I should also say on that, by the way, that, as I said before, also look at asset management including the fund management platform and then the fund management platform, that's increased to £10.3 billion. That's a 23% increase. And in our platforms the interesting thing is now that Aviva Investors is getting around 30% of the fund flows. That's quite a big number as well. That's up from – I think it was about 12% just a short few years ago.

Now, finally turning to our digital operations. Digital is transforming our business. It's the future. We want to own this space. Why? Because it has much higher margins. We showed you that in the Investor Day. We have the products, we have the systems, we have the people, and we're starting to get rather good at it. Now, I've said before, I believe that insurance globally is in the stone age in terms of digital. And how would I characterize us? Well, I think Aviva is probably we've now just invented the wheel. We've probably discovered fire. We have plenty of tools, and let's see what we can build. And it still remains to be seen, but I think we're making some pretty good progress.

I said that the leading indicator here is MyAviva registrations. Now, that's a key leading indicator. We've surpassed the 3 million customer mark. That's up from 1.8 million at the start of 2015. And this figure will certainly gain more traction and momentum in the second half of the year. I've got a note from Blair this morning and he said, getting all the customers on to our single database is important. As of this morning, we've just passed the 10 million customers on that single database. So now, we can start getting all of them on MyAviva. So, it really is changing and we're moving at pace. We will have all the systems in place by the end of this year.

Now, digital is also delivering tangible results. Now, it's contributed £111 million. That's probably a bit bigger figure than most people are predicting. Now, that's contributed to our operating results in our UK businesses in the first half. And of course, that's double counted because the profit goes into the manufacturers, but it's still an important figure and an important trend. And we would expect this number to grow at pace. And indeed, under any measure £111 million in six months at half year is, indeed, quite meaningful.

But at the end of the day, I know you will remind me, my investors will remind me that all of our work must translate into dividend. And we have a progressive dividend, and to have that, you need good franchisers. We need a strong balance sheet. We need capital generation, and we need confidence in our future. Ladies and gentlemen, we have all of those things.

And at our recent Investor Day, we highlighted our plan to increase the dividend payout ratio to 50% of operating EPS in 2017. That's up from the 42% in 2015. And in accordance with this expectation, we've increased our interim dividend per share up 10% to £0.0742 per share. Clearly, we remain confident in delivering sustainable and growing returns as we say we would in our Investor Day.

So, what about our future? What about the things on the horizon? For example, what about interest rates, which seemed to be a fairly topical story today? Well, I'm very aware that many investors around the world still think that because we have a large life insurance company, we must be naturally sensitive to interest rates. I mean, that's what life insurance is, right? Well, let me be clear, we are not. Frankly, assuming all financial services companies who impacted the same way with interest rates is like saying that all racing cars perform the same way in wet weather. It just is not the case. Now, we have structured ourselves deliberately so that we aren't sensitive to interest rates, and our capital position and numbers reflect that.

Effectively, we fixed our balance sheet and we fixed our products. I say we fixed the roof while the sun was shining. And if we have a look at our business model, let me be equally clear, we don't like interest rate risk. For example, we don't have high guarantees in our back book. And on our new products, our new products are not interest rate sensitive. Our new products, such as AIMS within Aviva Investors, work extraordinarily well in low interest rate environments. We don't like major interest rate risk that we cannot match. And our future earnings are also not dependent on rising rates.

So, overall, I think it's been a pretty solid period for Aviva. We'll probably deliver just a little bit more than what we said we would. We're delivering consistency. We're delivering stability. We're delivering growth. We've maintained a strong and resilient balance sheet, as you can see. We've got Solvency II coverage ratio of 174%. That's at towards the top end of our working range. We've increased earnings and dividends despite headwinds from weather and the new government levies and fires, et cetera.

Our Friends Life integration remains well ahead of schedule, and we are now very close to delivering the targeted £225 million of synergies one year ahead of schedule. And we are starting to see, which we all want, the expense savings flow through into our results, but there is much more we can do in expenses. And we will also continue to reallocate capital and you will see this over coming months.

I believe where are we at? I think Aviva is differentiated by being a self-help story, that we designed our company deliberately to be in control of our own destiny, despite all the volatility in the markets. And I think these numbers and the underlying growth behind them, I would characterize them as encouraging as we continue to execute. And we are under no illusions. We need to continue to execute quarter after quarter.

And on that note, ladies and gentlemen, I'll hand you over to our CFO, Tom Stoddard, who will take you through some of these numbers in detail. So, Tom?

Thomas D. Stoddard {BIO 15071280 <GO>}

Great. Thanks, Mark. At our year end results announcement back in March, Mark talked about how we fix the balance sheet and become more fit as a company. He likened this to a runner who's ready for a 10-K and now training for a marathon. So, in keeping with that metaphor, I'd say that we've kept up the pace in our half year results, but have more to do.

For the first time in recent memory, we've seen strong top line growth in General Insurance in the UK and Ireland, with net written premiums up 10%. At the same time, Aviva Investors is bucking industry trends with net fund inflows rather that outflows. Meanwhile, we're continuing overall delivery on the three key dimensions of operating profit growth, Solvency II capital generation and cash dividend increases.

So, looking specifically at results, in the first half, we've benefited from performance of our core UK franchise and the inclusion of another three months from Friends Life. This has helped us overcome a few negatives such as government levies in the UK and Poland, and adverse weather.

The net result is that operating profit was up 13% overall, while operating EPS was up 1% after the increase in our weighted average share count from the Friends Life acquisition. Now, looking ahead, since the second half has typically been better for us over the past few years, these results keep us in the race to deliver growth for the full year 2016.

And before I get into the business unit performance, I want to address some of the accounting impacts of recent market movements. As you know, we mark-to-market most of the balance sheet at the end of each period. In the wake of Brexit, market conditions on the 30 of June affected our net asset value and total EPS. Nevertheless, NAV per share was up 6%, driven by operating profit and favorable foreign exchange and pension impacts.

And one of our strengths is risk management, and you can see that on our pension fund. It's fully funded on an economic basis and well-hedged so that on an IFRS basis we benefit from lower interest rates. Also note that within life insurance economic variances, we've decreased our valuation of commercial mortgage and equity release portfolios by approximate £250 million to reflect our revised expectations of future property prices and rental income. I'll talk more about this later.

I should also point out that foreign exchange has had a different impact on our income statement than on the balance sheet. The mark-to-market on our euro-denominated borrowings has gone against this in the income statement as a non-operating item since we don't have hedge accounting treatment on our own debt. So, this hits the P&L, but overall, the value of our subsidiaries has gone up from foreign exchange, so NAV is higher. It's not something to worry about.

So, moving down the slide, AVIF amortization increased because of another three months of Friends Life and we also have some accelerated AVIF amortization in the period because of market movements. This slide also indicates we've reduced integration of restructuring costs by 39%, but we still have room for improvement.

And finally, I have to point out that many of these impacts are non-cash impacts. The important takeaways are that NAV is up and our pension fund is in a good position.

So, turning now to our business units. Andy Briggs and team continue to do a great job completing the integration of Friends Life and achieving cost efficiencies in UK Life. The combined business delivered operating profit of £699 million, up from £555 million in the first half of 2015. Growth was driven by the addition of Friends Life and cost efficiencies, together with positive momentum in protection, savings and individual annuities, partially offset by lower BPA sales. Adjusting for Friends Life, costs are down approximately 14%. The UK Life also remitted £577 million in cash during the first half of 2016 and should remit a further amount in the second half.

So, on the next slide, the UK Life profit driver analysis shows results, which are consistent with what Andy outlined at our Investor Day last month. And looking at the four main profit drivers. In long-term savings, new business strain is in line with our expectations. Assets were up to £95 billion at the half year and the margin is at the low end of our target range. In total, long-term savings generated £64 million of operating profit.

In annuities and equity release, individual annuity volumes have picked up, but bulk purchase annuity volumes were down. We've been disciplined in the bulk market, while others appear to be more aggressive on pricing. However, the pipeline for the second half looks promising. The new business margin was up because of internal asset strategies on individual annuities and should return to target levels. The margin on the existing business also benefited from investment strategies. So, in total, annuities and equity release generated £246 million of operating profit.

In protection, we benefited from cost efficiencies and higher volumes. In total, protection generated £114 million of operating profit.

Finally, in the legacy portfolio, we generated £192 million of operating profit with a higher margin than targeted. So, all in all, we're very pleased with the progress in UK Life and hope this provides you with a better sense of where our profitability is coming from both for this period and for comparison in future periods.

Now, moving on to Aviva Investors. Under Euan Munro, fund management continues to build momentum. Operating profit growth is strong at 48%, despite the deliberate choice we're making to spend more on expanding the business. We've seen external net fund flow turn positive to £0.6 billion at Aviva Investors, while strong trends in the UK Life platform have pushed up AUM by 23% during the half to £10.3 billion. Euan's flagship product, AIMS, remains a star. AUM has more than doubled to £6.2 billion and the quarterly run rate of net fund flows into AIMS has accelerated sharply.

And Maurice Tulloch also has reason to smile as UK and Ireland General Insurance has returned to growth, while delivering improvements in underlying profitability and efficiency. Net written premiums increased 10%, helped by the new distribution partnership with HomeServe and increased competitiveness.

Now on its face, the headline combined ratio deteriorated, but after adjusting for prior year development, weather, the Flood Re levy and the distorting impact from HomeServe, the underlying combined ratio improved by just under 1% relative to the first half of 2015. And please recognize that the HomeServe commission, which was reflected in its entirety upfront, will moderate as the business earns through over time. So, we're very encouraged by the prospects for UK GI, given its competitive strengths.

Canada also grew in terms of net premiums written, but had a more challenging period in terms of profitability with forest fires and lower levels of reserve release causing a decline in the underwriting result. Expenses also increased as we spent more on growth, including laying the foundations for the integration of RBCI, which we acquired on the 1 of July. RBCI will increase the scale of our Canadian GI business by about 20% and will diversify and enhance our distribution footprint.

In Europe, David McMillan's team delivered stable results despite a challenging backdrop. The value of new business was up 14% with continued follow-through in Italy and good results in Ireland.

Life profits were flat on a constant currency basis, with improvements in protection, and with profits offset by a new regulatory asset levy in Poland, the impact of weaker equity markets on fee-based revenues and higher project costs in France. The GI result also saw headwinds in the form of adverse weather with the French floods costing in excess of €20 million, equivalent to about a 3 percentage point impact on the combined ratio.

Asia increased operating profit by 46%. The results were merely stable excluding the additional three month contribution from Friends Provident International. VNB was also broadly stable after allowing for the discontinuation of the DBS relationship in Singapore. Chris Wei and his team are channeling their efforts into pursuing distribution strategies that can disrupt mature agency channels. And you may have seen that our financial advisor network in Singapore recently expanded, which is something we're very excited about for the future.

So moving now on to the balance sheet and Solvency II. We maintained a strong position despite various challenges presented by investment markets. Our Solvency II coverage ratio of 174% remains towards the upper end of our working range. There are several things to highlight on this slide.

We made a strong start to the year in terms of business unit operating capital generation, which is £1.5 billion. After debt, center and other costs, operating capital generation was £1.2 billion, equivalent to 10 points on our opening SCR. This is a good start towards our overall ambition of £7 billion of business unit capital generation from 2016 through 2018. We're very pleased with this level of capital generation, although we recognize we have further work to do in optimizing Solvency II results in the businesses.

Now, to address some of your questions on what comprises the 10 points of Solvency II OCG, we estimate about three points are attributable to management actions. As we continue to transition into Solvency II, we expect to realize further positive capital actions. UK Life, for example, remains on track to deliver £1.2 billion of capital synergies from Friends. And we have capital optimization projects underway in France. We have ample coverage for the dividend. In fact, UK Life actually had excess capital above its working range at the end of June.

You can also see that, for us, market variances were relatively modest in the context of record-low interest rates and broader investment market pressures. The net impact is that our surplus was down only about £200 million overall at £9.5 billion at period end. Our capital position remains amongst the strongest. As an aside, in the Analyst Pack, we've provided a value of new business table on both an MCEV basis and a Solvency II basis for comparative purposes. We'll continue to enhance our disclosures on Solvency II at year end.

So, moving to the next slide. Our capital performance demonstrates the resilience of our balance sheet and the relative stability of our coverage ratio. As you can see from this illustration, our Solvency II ratio has limited sensitivity to investment market movements, and we therefore remain confident in our ability to manage the group through a range of market conditions. Let me reiterate that we do not like an interest rate risk and we've structured our business to avoid it as best we can.

From an ALM perspective, we try to be very tightly duration-matched in our life insurance businesses and we use hedging strategies to reduce interest rate risk further. In the UK, for example, we are buy-and-hold investor and only write annuity business we can match upfront with attractive yielding assets. In Europe, our portfolio yields exceed our crediting rates and we do not rely on the ultimate forward rate, or UFR, as others do.

In fund management, our outcome-oriented products such as AIMS are designed to provide good returns and are especially attractive in a lower-for-longer rate environment. And in GI, we rely primarily on underwriting profits to drive the business. And if rates continue downward, we'll target even lower combined ratios. So, neither our business model nor balance sheet is especially sensitive to interest rates. As this slide shows, at the end of June, a 25 basis point move downward in rates, we've only had about a three point impact on our Solvency II coverage ratio.

Now, one of the topics we've received a number of questions on since the EU referendum has been on our balance sheet exposure to real estate, and in particular, commercial mortgages. I don't want there to be any confusion here.

As we've highlighted in recent presentations, we've taken a number of actions over the past two years to improve the quality of our portfolio. This slide provides some tangible evidence of the improvements we've made. The loan-to-value ratio is down to 60% at half year from over 100% at the end of 2011. Loan interest cover provided by rental income is now well in excess of 2 times compared to just 1.3 times in 2011.

And arrears have fallen materially over recent years. At half year 2016, the total balance of loans in arrears is only about £100,000, negligible in the context of a £6.7 billion portfolio. And finally, under half of the £250 million provision we took after Brexit relates to commercial mortgages, with the balance relating to equity release. You should note that we've not yet seen any direct impact on these mortgage portfolios and maintain conservative loan to values. Nevertheless, we have estimated a slowdown in the future growth of rental rates and a decrease in home values. Whether this, in fact, turns out to be prudent, only time will tell.

So, to wrap things up, I want to return to Mark's key messages. We're building predictability and consistency into our results and half year 2016 is more evidence of that. Aviva has strong core franchises and we're growing operating profits. Our half year dividend is up 10% and is on track to hit a 50% payout ratio in 2017 and grow with operating earnings thereafter.

Solvency II capital generation covers the dividend and will sustain future growth. As we look forward, self-help activities will continue to play an important role. Mark highlighted that expense efficiency remains a key focus. We will continue to pursue strategies that will drive down our future unit costs.

So, to conclude, we need to be still leaner and faster, but we remain on pace for the marathon ahead. And with that, I'll hand back to you, Mark.

Mark Andrew Wilson {BIO 7102576 <GO>}

Well, thanks, John. I mean, with the running metaphor I think in the first half year, we probably had a few hurdles to overcome, but I think we've done that pretty well. At the Capital Markets Day, we said three things then. We said we wanted to focus on earnings, want to focus on cash flows, want to focus on dividend policy, and we remain confident in our ability to deliver.

Our medium term growth is mid single-digits. And in a pretty much zero interest rate environment, I think that's a pretty compelling proposition, but we're just going to focus on we do best and that's execute. And I think and I hope you would agree that we are getting a track record of at least delivering everything we say we would. And I think these results are probably a bit more evidence of that.

So, we're just going to keep on delivering, but I know you'll have a lot of questions and I wanted to put plenty of time aside from that.

So, let's open up for questions. Chris, if you can control the mic and we'll do the questions and try and answer the detail that you may want.

Q&A

A - Mark Andrew Wilson {BIO 7102576 <GO>}

Where is he? In the middle.

Q - Arjan van Veen {BIO 5197778 <GO>}

Thank you. Arjan van Veen, UBS. I just have one question on capital generation and just looking for a bit more color in terms of the future. As you mentioned, you generated 10% in the first half and annualized that, take off higher expectation dividends, you're running at the top end, if not, above your 5% to 10% as per your statements this morning. So, I'm just curious, and I appreciate this 3% of management actions, but you also indicated there's much more to do on that front, plus all the other initiatives you're doing.

And then on top of that, the headlines this morning we saw across the Newswire indicate you're a bit more bullish than the 5% to 10% indicatively on that front. So, I'm just curious as to the outlook, when you're looking at cash flows, your confidence in being able to grow that. And it looks like you're tracking it to well above where you're guiding to at the moment.

A - Mark Andrew Wilson {BIO 7102576 <GO>}

Yeah. It's a fair question given the results today. I wouldn't say we're more bullish. What it says is this, we're in the early stages of Solvency II and you would expect us it still hard to work out exactly how it works as you go through Solvency II. It does appear that our businesses are generating the capital and we have a lot of management actions to come through as well.

But we're not going to change our guidance. Our guidance is still 5% to 10%. Okay. That maybe looks fairly prudent. Now, we accept that after the first half, but I still want to just take some time and see how it works. It is clear just as well that we're not optimized for Solvency II yet. We spent a whole lot of money and an extraordinary amount of work getting ready for Solvency II and we've got this resilient balance sheet now.

We've still got to optimize how it comes out, but I don't really want to give you any guidance. As it develops, we will. And, yes, I'd accept that the first half figures are probably above your expectations and ours and that probably is a surprising upside. Do you want to add anything?

A - Thomas D. Stoddard {BIO 15071280 <GO>}

No. I think you got it covered, Mark. I mean, it is still early days in Solvency II. And we said we want to leave this for a while. So, we're not giving any different guidance or changing any of the targets that we're setting right now. But we are spending a lot of time with our management team asking ourselves how we can do better.

We're investing in the GI businesses and there's a little bit of upfront strain as we do that. And hopefully, that will result in better capital generation in the future. So, again, no change in the guidance, but we're pleased with the first half result.

A - Mark Andrew Wilson {BIO 7102576 <GO>}

It does give us a bit of flexibility to invest just in organic growth, doesn't it? And you've seen a bit of that when digital seen a bit of that with Aviva Investors. And I don't know. I can say, as a CEO, it's nice to be able to now run a business the way it should be run and get some decent solid organic growth and spend the money where we should.

And yes, you are still going to get some lumpy pieces of capital coming in as well as we do Part VII transfers and other things. I mean, just ride with us for a bit on this one and we'll see how it develops. But, yeah, I accept that's pretty good number.

A - Chris J. Esson {BIO 6194371 <GO>}

Blair.

A - Mark Andrew Wilson {BIO 7102576 <GO>}

Where's Blair? Yeah.

Q - Blair Stewart {BIO 4191309 <GO>}

Thanks. Thanks, Chris. It's Blair Stewart from BofA Merrill. Couple of questions. The 10% growth in the dividend, is that a good indication of what you might do for the full year, please? Just back on capital, is it possible to get an idea of how much of the capital generation came from your cash and then the other stuff? And then on synergies, where are you on synergies and how much of those have hit the bottom line, please?

A - Mark Andrew Wilson {BIO 7102576 <GO>}

Okay. So, on dividend, would you like a forecast for the second half or don't?

Q - Blair Stewart {BIO 4191309 <GO>}

Well, ordinarily the interim is a good indication of the final (37:36)

A - Mark Andrew Wilson {BIO 7102576 <GO>}

Yeah. Look, I think what you can read into that, if you have a look from 42% to 50% over this year and next year, you would assume a 18%, it works out about 18%. So, yeah, this is probably a nice indication of our trajectory. I wouldn't want to predict what second half is going to because I think it all depends on results. And we've said you've got – we're moving to 50% cover, yeah, but then equally, we've got – we'll see what happens with the results. And then dividend in the year after that, and the year after that would move depending on the results. So, we're not going to add any more color on that today. We'll see how that develops.

How about, Tom, I'll let you talk capital. And then, Andy, if you want to talk about synergies – where's Andy, yeah, and synergies and how that's coming through the bottom line.

A - Thomas D. Stoddard {BIO 15071280 <GO>}

Sure. On capital, you're question was about capital and cash and how it relates, Blair?

Q - Blair Stewart {BIO 4191309 <GO>}

Yeah.

A - Thomas D. Stoddard {BIO 15071280 <GO>}

So, again, I'd say there's a pretty close correlation there, although the cash will lag. So, we've got to generate the capital first and then sort of go through a process of declaring dividends. There will be a bit of a lag naturally from capital generation and the cash, but they should correlate relatively closely in terms of our ability to remit money up. There may be times when we decide to hold some of that capital in the businesses to fund future growth. But in terms of our ability to remit cash, there should be a pretty good correlation to that going forward.

Q - Blair Stewart {BIO 4191309 <GO>}

I'm just really wondering how much of that £1.5 billion was cash.

A - Thomas D. Stoddard {BIO 15071280 <GO>}

How much of £1.5 billion was cash?

Q - Blair Stewart {BIO 4191309 <GO>}

Yeah.

A - Thomas D. Stoddard {BIO 15071280 <GO>}

It's capital, so it's sort of all cash. I mean, it's not remitted up to the holding company. It's down in the businesses, but it's real value.

A - Mark Andrew Wilson {BIO 7102576 <GO>}

Think of it as a pretty good proxy for cash.

Q - Blair Stewart {BIO 4191309 <GO>}

Right. Okay.

A - Mark Andrew Wilson {BIO 7102576 <GO>}

Yeah. That's a pretty good proxy. And now, as we move forward and as we work out how it behaves in all situations, we'll try, and as we go forward, give you a bit more disclosure about how that works, but think of it as cash.

A - Thomas D. Stoddard {BIO 15071280 <GO>}

Just on synergies, I think, overall, we've had sort of an incremental £53 million or so that had come through and a big chunk of that's UK Life.

A - Mark Andrew Wilson {BIO 7102576 <GO>}

Can we get a mic to Andy, please? You've got mic there.

A - Andy D. Briggs {BIO 4311809 <GO>}

So, I'll quickly just add to the previous. So, we – in managing each of the business units, we are looking at the capital generation, but then we're looking at the liquidity because obviously you can't pay dividends out PIF (39:57) on the balance sheet. You need the liquidity. Suffice to say, we're very comfortable with our liquidity position and hence are able to pay the dividends we want to group very comfortably. So, we manage the capital ratio overall and make sure we have sufficient liquidity to pay dividends.

As Thomas said, so basically, the incremental P&L benefit in the second half from synergies is £53 million. So, at the end of last year, we had a run rate of, I think, £168 million of synergies. So you kind of expect at least £84 million, but obviously we had a P&L benefit already in the first half of last year. So, the incremental P&L benefit is £53 million for the half year.

A - Mark Andrew Wilson {BIO 7102576 <GO>}

Yeah.

Q - Andy Hughes {BIO 15036395 <GO>}

Hi. Thanks so much. Andy Hughes from Macquarie. I've got three questions, if I could. I'll start with the really easy one. The HomeServe, it looks like £50 million of costs for £200 million of premium. So, is that £50 million or £40 million or so, is that for multi-year or is that just for this year? And I guess, you got a much improved sort of loss ratio and combined ratio in the second half of the year results.

Second question is about the equity release and commercial property charge of £250 million. I'm kind of struggling a bit with this because obviously we talked about 20% fall in London property and a 10% fall in values outside the UK being £100 million. So, what's driven the charge? And if UK house prices fall, do we get another charge or is it something else completely different that means that it's not related to house prices or anything like that in the future?

And then third question is on mortality improvements. Obviously, the CMI are sort of looking at the new tables for the end of the year, which are even lower than potentially the CMI 2015 tables, and obviously the minimum rate of improvement is much lower – sorry, rate of improvement is much lower. I'm just wondering what would happen if you were to adopt those tables in your operational cash numbers as well as lower the minimum rate improvement by, say, 50 bps. Just a sensitivity there because I think it could be a lot of cash released. Thanks.

A - Mark Andrew Wilson {BIO 7102576 <GO>}

I'll start with the equity release and then property charge, and then we'll move on to Maurice and then Tom on the last one, mortality tables. I knew you were going to ask that question on the equity release because when you see our numbers, you're saying, well, why take a charge, right? Yeah, I get that. I think we want to be prudent on that. There's actually no – nothing that's come through that showed a decline yet. We're just saying, look, out in the future, well, maybe there's one we'll be prudent.

Just to be clear. So on the equity release, we've got loan-to-value ratios of about 30%, okay? So, just put that number in your head. On the commercial mortgages, we've got LTVs, loan-to-value ratios of 60%, and so we're just in such a fundamentally different position. We're just trying to say, reinvestment rates, we're just trying to be conservative. Let's not be over prudent. Let's just see. But we just think that's a good place to be. Now, do we anticipate further charges? Well, no. We thought we'd take the charge and just be prudent.

A - Thomas D. Stoddard {BIO 15071280 <GO>}

Yeah. So, Andy, we're trying to get out ahead of this. And whether that's the right number or not, who knows, but we're basically trying to mark the balance sheet to market, look at our capital. We're trying to hold capital for a rainy day. So is that the right number? Who knows. Hopefully, it will turn out to be prudent and hopefully we won't have to restate (43:18).

A - Mark Andrew Wilson {BIO 7102576 <GO>}

Yeah. It took a couple of points of our Solvency ratio. Is that something that's keeping us up awake at night like it did three years ago? No, it's not. It wouldn't be something I'd close on. Maurice, where's Maurice? The second question, £250 million. Just want to take that?

A - Maurice Tulloch {BIO 17683736 <GO>}

Yeah. Hi, Andy. The volumes are probably close to about £250 million on HomeServe. The strain at the half year is 2 points. You should expect to see that on the full year be about half of that and the long-term strain is about 0.3%, and on a going basis, you'll see that come in 2017.

A - Mark Andrew Wilson {BIO 7102576 <GO>}

Mortality?

A - Thomas D. Stoddard {BIO 15071280 <GO>}

And lastly, on mortality, you're right, Andy. We did do a little bit around CMI 2015 at the half year, but that's offset by some other basic changes that we've made. So, we have net relatively a small benefit. As you look forward, longevity is something that we will continue to look at. We think there's some favorable trends there. So, there are possible upsides on longevity that we may see in the second half of the year out next year.

Q - Andy Hughes {BIO 15036395 <GO>}

(44:15)

A - Thomas D. Stoddard {BIO 15071280 <GO>}

I don't think we've disclosed that sensitivity. So, if and when we get there, we'll let you know.

A - Mark Andrew Wilson {BIO 7102576 <GO>}

And all this stuff, there's always a bit of up and downs, too. Yeah. We'll let you know as we get closer.

Q - Jon M. Hocking {BIO 2163183 <GO>}

Thank you. Jon Hocking from Morgan Stanley. I've got three questions, please. First on the Solvency II capital generation. The contribution from UK GI within the £1.2 billion is pretty small. It's about 0.1 (44:45), I think. I guess that's clouded by the investment in the HomeServe, et cetera. What is the long-term potential for the GI to chip into the Solvency II capital generation? That's the first question.

Second question, just look at the top line you've got in GI, the 7%, roughly how much of that is rate and how much of it is policy count growth? And what is the good sort of number to be working with going forward? And then, just finally, on the RBC deal, I realize it's not a distribution that you're buying, but buying the company, but is there any impact in the second half in terms of strain or capital impacts, cash impacts from that deal? Thank you.

A - Mark Andrew Wilson {BIO 7102576 <GO>}

Thanks, John. Good questions. Yeah, I think £200 million is fairly modest for General Insurance, isn't it, Maurice? But to be fair and I said I'm actually quite comfortable with those results, it's modest for some very good reasons. We had some really good growth and you had the fires and stuff. Yes, we would expect that to grow from where it is. As I said, this is one of those strain situations. The operating profit actually isn't really a good indication of how well that business has done. It's done very well. And so, Maurice and Colm and the team have a big job to get the number up fast.

Do you want to talk about rates and RBC new business strain as well, Maurice?

A - Maurice Tulloch {BIO 17683736 <GO>}

Good morning, John. Let me start with RBC. So, what you should expect to see, and Tom alluded to it in the second half, the incremental growth on our business is about 20%. There's not a lot of seasonality. So that will come on pretty equally. There's a little bit of new business strain when that first comes on. Over the next 18 months, we're going to move that business over to the Aviva, the Aviva rating system. So, that will actually give us that will accrue. I mean, one of the things that RBC didn't have as a non-P&C insurer, as a core business was the sort of predictive analytics that we have. So, we're expecting that business to look exactly like the Aviva business within 18 months.

If you look at the UK and trying to determine the delta between the 7%, how much is rate, how much is PIP, well, first of all, most of the growth is coming from the HomeServe transaction. So, that's real underlying growth. If you look at our motor book, our motor book's actually up 4%. There's actually two stories there. Our digital business continues to grow very attractively. Our digital business is actually up 15%. And our broker business, our intermediary business, is actually down 13%. We took sort of rating action there. So a big chunk of that growth was actually real growth in PIP count and motors up 3%. If you look at the home business, home is actually down 3% in terms of the top line. Our rates are flat, but actually up about 1.5 points if we put the inflation factor in. And PIP is actually down 3 points. So, we've taken some action on some underperforming business.

And lastly in commercial, our PIP count is up about 3%. There's virtually no rate and most of that growth is coming in the attractive smaller and low end mid-market segment.

A - Mark Andrew Wilson {BIO 7102576 <GO>}

It's going to be interesting. I'll give you a teaser here. In the last quarter, we're just about ready to launch our digital home offering. It's pretty attractive and that's going to be really interesting to see how that performs. I don't know the answer yet, but we're going to launch it and it's going to be very interesting.

So far, the digital sales have probably beaten our expectations for where we thought we'd be because we haven't really started it.

A - Chris J. Esson {BIO 6194371 <GO>}

Oliver.

A - Mark Andrew Wilson {BIO 7102576 <GO>}

Yeah. Oliver.

Q - Oliver George Nigel Steel {BIO 6068696 <GO>}

It's Oliver Steel, Deutsche Bank. I wonder if Andy could just take us through the quite sharp increase in the margins on the back book for annuities and also the legacy business, both of which surprised me, at least on the upside. Secondly, I think there's some evidence that the Flood Re levy has been passed through to customers. Is that what you're seeing?

And then thirdly, just sort of relating back to Jon's question on the RBC strain. More generically across the volume growth you're seeing in UK GI as well as Canadian GI, given your diversification benefit, what sort of capital strain would you expect per unit of extra premium?

A - Mark Andrew Wilson {BIO 7102576 <GO>}

Good question. Andy, take the first one, if you can.

A - Andy D. Briggs {BIO 4311809 <GO>}

Sure. So, morning, Oliver. So, I mean, basically the margins are getting driven overall by cost reductions. So, if you look at one of Tom's slides, you can see that, including Friends for the first quarter of last year, our costs in UK Life are down 14%. That's a big, big driver in terms of margins. On the specifics, so that applies to both legacy and annuities, on the legacy side, I mean basically the team managing that back book are actively working and managing a range of actions to improve the profitability of that book. They're looking at consistency and outflows. So we're performing well and hence, been ahead of expectations. I wouldn't change my guidance on the long-term range there. They just had a good first half.

What's happened on the annuity side is basically Euan's guys – we work very closely with Euan's guys in origination in liquid assets. They've done an excellent job for us in the first half. And then, if you like, part of the benefit of having written less bulk annuities in the first half is our annuity margins, both new business and existing business, are stronger because we're going to apply the excellent liquid asset origination that Euan and the guys have done, been able to apply that to just the individual annuity new business and to the back book of existing annuities. So that's been favorable for us as well.

A - Mark Andrew Wilson {BIO 7102576 <GO>}

On the Flood Re, of course, you take the Flood Re hit upfront because you're taking the premiums. Maurice, do you want to talk about your pricing philosophy going forward? And then the RBC, just on RBC just as a point, if you looked at RBC, just the deal by itself, it was roughly a 15% ROCE. When you include diversification benefits, it works out to be about 20% or 21%. So you can see that for us that investment in Canada made a lot of both strategic and financial sense. Just want to add some color, Maurice?

A - Maurice Tulloch {BIO 17683736 <GO>}

Sure. Let me talk to your Flood Re and I'll talk to the RBC. So, I was actually on the Flood Re board. So, I'm pretty close to this. So, the total levy that's been issued was £180 million. Our portion based on market share was £23 million. That came out. Flood Re went live April 6. Effectively, the industry paid its full first year levy upfront. So, what you're seeing, with all the companies, is effectively one year of levy booked in the second quarter. The cost per household in the UK is £10.50. That is the cost that has started going on our household customers' premium. So, that will be recovered.

In terms of the RBC, and the broader part of that is diversification benefit under Solvency II, our increase in SCR was circa £100 million in our model to effectively write the back book, which is £800 million, which is coming over.

A - Mark Andrew Wilson {BIO 7102576 <GO>}

Did that helps? I mean, as we said at the Analyst Day, that's a structural advantage. And I keep on saying - maybe no one believes me, but I keep on saying that there's now a structural advantage for being a competent insurer and there just aren't many competent insurers around. But if you've got a better geographic diversity and some good product diversity, you are going to get a systemic advantage. And for the first time in our history, that's baked into Solvency II. So, it makes it a nice position to be in for us. Yeah.

Q - Colm Kelly {BIO 19140684 <GO>}

Colm Kelly from UBS. Just going back to capital generation of the - obviously, they're quite strong numbers today - of the seven points excluding actions. How confident are you in the ability to grow that component sustainably over time and how should I think about that growth? Should it be closer to, say, the operating EPS growth targets or should they be closer to, say, the growth in MCV and volume of new business, et cetera?

A - Mark Andrew Wilson {BIO 7102576 <GO>}

Yeah. I mean, it's a good question. I understand you asking it. I'm not going to give any more guidance on it today. So, what we are saying is, yes, it was a strong set of numbers.

Remember, we put out a target that I think, from most of the reports, everyone liked, we said £7 billion over the next three years. Yes, I accept this is a very good start. I'm not going to put out a target and then change it just because we had a pretty good half. We need to see how it behaves. We need to see how consistent we can get.

It does make our £7 billion target look very achievable though, doesn't it? I will accept that, but we're not just going to - we're just not going to even speculate what the means going forward.

A - Thomas D. Stoddard {BIO 15071280 <GO>}

Yeah. And to give you a little bit further sense of it. I mean, in the businesses, we're trying to optimize Solvency II, so that would cause you to think we'd be able to do better on Solvency II over time than maybe some of the other underlying trends.

On the other hand, there's strain, in particular, on GI side in terms of some of the things that we may want to do investing for the future. So looking at it one period versus another period, we're trying to think about this from a shareholder perspective so that we're maximizing capital generation over time. That may mean that in the short-term, it's depressed for various reasons. So, it's kind hard to give you a good growth forecast on that.

A - Mark Andrew Wilson {BIO 7102576 <GO>}

The takeaway you can take away is right at the top end of our range. We've got some quite big chunky capital things coming in. We have plenty of capital to run the business properly. This is a high quality problem, particularly now that not many companies have I suggest. So that's probably the take away of it.

Q - Ashik Musaddi {BIO 15847584 <GO>}

Yeah. Hi. Good morning. Ashik Musaddi from JP Morgan. Just one question. It looks like your sensitivities to drop in interest rates have reduced quite a lot versus your last reported. If I remember correctly, it was 100 basis point drop versus like 16 points. Now, it's like 7 points. So, what's going on there? Is it because you have changed that number because of your better experience in the first half or is it because you have changed something in terms for your underlying hedging or something? Thank you.

A - Thomas D. Stoddard {BIO 15071280 <GO>}

Yeah. So, I'll take that one. There's a number of factors, but one of the things I point to is we've agreed our policy on transitionals reset with the PRA, which relates to interest rate moves. And that's one of the factors that's effectively changed the sensitivity there.

A - Mark Andrew Wilson {BIO 7102576 <GO>}

Yeah, remember, we have designed our business to not be sensitive to interest rates. I keep on coming back to that. And unfortunately, there's this general prevailing macro view in the world that if you have a life insurance company, of course, you must be sensitive. That just is not the case. And it does differentiate us I would suggest.

Mr. Crean.

Q - Andrew J. Crean {BIO 16513202 <GO>}

Hello. It's Andrew Crean from Autonomous. Can I ask three questions? Actually, following on from that, your business is not sensitive to interest rates, but you've got a lot of credit and you've got a lot of property or property loans. Could you give us sensitivities to falls in house prices or real estate prices at some point? And also, could you give us a sensitivity to elevated credit migration? I think those are important issues for us to understand.

Secondly, could I ask about the £111 million of digital profit? How did that move since the first half of 2015 and where does it fall within the different profits? And also, what is the – is the platform now profitable?

And then thirdly, could you talk on the P&C side about large claims? Everyone talks about weather movements, but actually large claims are a much bigger proportion and how those have been behaving over the two periods?

A - Mark Andrew Wilson {BIO 7102576 <GO>}

Okay. So, I'll just talk the digital first, Tom can take the property and large claims probably Maurice I'd suggest. The digital, this is the – and I'm not trying to be obtuse here, but I actually don't know what the number was in 2015 because we didn't have the number. We've just started measuring it. And it was actually a far bigger exercise than you'd think to work out what the profit is coming through. So, we're sure of the number of the profit, but I don't know what it was last year. And we do know it's grown significantly. I mean, I think we put on 135,000 actually new sales just over that period, which is quite remarkable for a business that we haven't actually started campaigning on yet. What we found is when we put the website up, the MyAviva, we're getting the sales, but the real juice will come when we start actually doing the campaign management of that. And we can't actually do that until next year.

The number I would focus on, I mean, the £111 million is a great number, but it is double counted because it comes out of the manufacturing arm. The number I would focus on is the MyAviva registrations. How many can we get by the end of the year? So, we have gone from 1.8 million to 3 million. 3 million is still not enough. Let's see what we can get by the end of the year. We will have them all on the same database by the end of the year and then let's see what we can do, but I'd say the trends are highly encouraging. Remember, we have a 30% cost advantage when we do this and get them on. So, let's see.

On the property, you want to talk about it.

A - Thomas D. Stoddard {BIO 15071280 <GO>}

Well, the third question, Andrew, in terms of asking for additional disclosure in the future. So, we'll take that away and consider that a number of things. As you can see, in terms of credit spreads, we're very, very insensitive. We've taken actions around that. In terms of underlying credit and defaults, we have a very high quality bond portfolio and you can see from the statistics around property that we've got high quality there. So, we're not experiencing issues with default.

In terms of ratings migration, that becomes sort of a harder, more theoretical issue with a lot of assumptions. It is something that we look at and we'll take that away to see whether we can provide more information for you on that in the future. But again, a lot of that is making assumptions about various things and how they would carry through. And I guess, in terms of large claims, Maurice.

A - Mark Andrew Wilson {BIO 7102576 <GO>}

Yeah. Maurice, do you want to just add some color?

A - Maurice Tulloch {BIO 17683736 <GO>}

Good morning, Andrew. Our large claims ratio is about 50.5%. That's the first half. That's a UK and Ireland GI number. It's about exactly as it was this time last year and actually slightly down from the second half of last year. And if I take it on a three-year view, it's up about 25%, but what I'd say is, every quarter, we look at all of our rating factors. So, we started rating for an increase in large losses about 18 months ago. Those numbers that I'm showing are also similar in Canada. Actually, it's slightly more pronounced in Canada, but once again, we rate for that. And if that's something you're interested in perhaps in future periods, we'll actually start disclosing large claims at press release class level, but what I've just given you is the overall number.

A - Mark Andrew Wilson {BIO 7102576 <GO>}

Just another – just a word and probably it's – and I have to reemphasize this certainly, but we have sold – at the bottom end of our commercial mortgages and property we sold, I think I'm right in saying, over the last few years about £3 billion or might have been £3.5 billion of it. And so, we've really taken out – while the property prices were good, we said, right, we're going to derisk that portfolio. And I see John Lister in the front here nodding, because we made -it was a conscious decision to derisk while it was good. And that's looking like a pretty good decision now.

Another decision we made very consciously was on the latent portfolio. We disclosed that. That was – we did them in a good times and that has derisked the GI side a lot. That would have cost us a lot of money with falling rates and now it didn't. So, what we've tried to do is get predictable, sustainable earnings that are robust and resilient, more robust and resilient than most. And I think that's what hopefully you're seeing.

Now, we have had headwinds, but without sounding like a weatherman, we have had headwinds. But we're trying to do business that is up to us to get the outcome. All right. More questions.

A - Andy D. Briggs {BIO 4311809 <GO>}

I'm just going to answer your question on the profitability of the platform.

A - Mark Andrew Wilson {BIO 7102576 <GO>}

Sorry. I missed that. Sorry.

A - Andy D. Briggs {BIO 4311809 <GO>}

About (01:01:03) Andrew's question. So, the way to think about it is think about long-term savings. We put the MyAviva digital front and across. So, as far as our customers are concerned, there's been three kind of platform-related sort of elements within that. You've got the platform we talked about assets rising 23% to just over £10 billion. You've got workplace pensions at over £50 billion of assets, and you've then got the kind of individual pensions book. Totality of assets there rose from £88 billion at the year end to £95 billion at the half year. So, strong growth, £2 billion of positive net fund flows. And that long-term savings business within UK Life is very profitable, £64 million of profits in the first half. So, kind of think about the £95 billion across the piece of those three legs, workplace pensions, platforms, individual pensions, £95 billion of assets, £2 billion positive net fund flows, £64 million of profit in the first half.

And from the customers' perspective, they come into the digital MyAviva front end and they're able to go into any of those different elements and kind of see it all consolidated together, along with their General Insurance and healthcare and anything else they might have with us.

A - Mark Andrew Wilson {BIO 7102576 <GO>}

Anything final? No? Okay. Ladies and gentlemen, well, thank you. I know our IR team is itching to speak to you after this. And as always, I look forward to reading your comments and your advice. So, thank you all.