

## Q3 2015 Sales and Revenue Call - Activity Report

### Company Participants

- Andrew Wallace-Barnett
- Gérald Harlin

### Other Participants

- Andrew J. Crean
- Blair Stewart
- Farooq Hanif
- James A. Shuck
- Jon M. Hocking
- Michael I. Huttner
- Niccolo C. Dalla Palma
- Nick Holmes
- Paul C. De'Ath
- Ralph Hebgen

## MANAGEMENT DISCUSSION SECTION

### Operator

Ladies and gentlemen, welcome to the AXA Conference Call for the release of the Nine-Month Activity Indicators. I will now hand over to Andrew Wallace-Barnett. Sir, please go ahead.

### Andrew Wallace-Barnett {BIO 18671460 <GO>}

Thank you and good morning, everyone. Welcome to the AXA conference call on our activity indicators for the nine months of 2015. Gérald Harlin, our Group CFO, would like to give you a quick overview of the main figures included in the press release, which we issued last night, and which I know many of you have found that it's on our website. Following that, Gérald would be happy to answer your questions.

Gérald, I hand over to you.

### Gérald Harlin

Hello. Good morning and thank you, Andrew. Indeed, before moving to the Q&A session, let me give you an overview of the main figures for these nine months. We have continued to see growth across all business lines with total revenues up 2% on a

comparable basis and 9% on a reported basis to €76 billion. The higher level of reported numbers is coming from the strengthening of all major currencies versus the euro. The reported growth in the period illustrates the benefits of the geographical diversification of the group.

Let's start with Life & Savings. On Life & Savings, growth momentum continued with 8% APE growth. We continued to see strong top line performance in South-East Asia, India, China region, plus 21%; France, plus 11%; and the rest of Continental Europe, mainly as a result of our success in hybrid and pure Unit-Linked products; and the U.S., plus 5%.

We also had a very good performance in the UK with high sales of corporate pension schemes underlining the strength of our UK Life business. This growth more than offsets the negative impact of the regulatory changes in Hong Kong, minus 10%, which are impacting our Unit-Linked business. The repositioning of the Group Life product mix in Switzerland, minus 14%, and the continued strategy of curtailing General Account Savings business.

Overall, the NBV margin remained strong at 32%, a decrease of 2 points year-on-year. The impacts were a less favorable mix, mainly due to the high sales of the UK corporate pension scheme and the negative impact of lower interest rates in the U.S. VA products which more than offset an improvement in margin in other countries.

Life & Savings net flows for the quarter were fully up at €9.1 billion versus €2.8 billion in the nine months last year. We saw strong inflows in both Protection & Health and Unit-Linked businesses and outflows in General Account Savings totally in line with our strategy.

P&C revenues grew at 1%. In fact, it's 1.4%, to be more detailed, versus last year. Price increases were 2.3% on average. In a competitive market, we remain committed to selling profitable business as was the case at the half year. In mature markets, we continued to increase prices, mainly in France, the UK, and Ireland, and Germany, while at the same time, focusing on more selective underwriting, notably in Spain and in construction in France.

High growth markets revenues increased by 4% as we continued to improve the business mix, notably in Turkey and Mexico, and increased prices. Direct revenues were up 7%, mostly driven by strong volume growth mainly in the UK, France and Japan, and tariff increases, mainly in the UK, France and South Korea.

International Insurance revenues increased by 9%, reflecting the strong growth of AXA Assistance with third-party clients, notably new large accounts won recently in the UK, Italy and France. Asset Management business had strong net inflows at €32 billion with €27 billion net inflows at AXA IM and €5 billion at AB. Economic solvency ratio was estimated at around 212%, down 3% versus June 30, 2015 as the negative impact of financial market exposure was partially offset by operating return contribution.

I would like to take the opportunity to remind you that we plan to share with you our capital management framework at the beginning of December this year. It could be on

the 3rd of December. We have fixed this date, and the presentation will be held in the late afternoon at our London offices.

I'm now happy to answer any questions.

## Q&A

### Operator

The first question is from Paul De'Ath, RBC.

#### Q - Paul C. De'Ath

Yeah. Hi. Good morning. I've got a couple of questions, if I may. Firstly, on the P&C business. Obviously, things were a bit off on the price increases. There seemed to be quite significant price increases in the quarter. How much of that is, would you say, is kind of AXA-specific and how much is any market hardening in any of those markets that you've been raising the prices in? And that's question one.

The second point is just on the UK Corporate and health institutional pension sales that have come through in the quarter and they're obviously much lower margin than a lot of the other stuff you have in the Life business. And I just wanted to get some clarification on this. So are these essentially asset management mandates? And if so, where do the earnings come through? Do they come through in the Life business, or do they go into the Asset Management business? Thanks.

#### A - Gérald Harlin

Okay. As far as the price increases are concerned, you can see on the press release on page 15 the tariff increases by country and business line, and you can notice that on personal lines, we are 2.5%, on commercial lines 2.1%. And there is we started it out hardening in the UK with 4.8% on personal lines and in Ireland, as you know. We could say also that there are some countries, some specific countries we have some price increases, which on a relative basis have increased. The prices increased in the third quarter, and that's Turkey, for example, and Mexico. So, that's mostly what I can tell you about these price increases. You can see that we still have a capacity to increase prices, which is quite strong, which is a good news in line with our strategy to keep a strong profitability.

On your second question, about UK Corporate profitability, I could say that, from an accounting point of view, it's not accounted for the revenues, meaning that it's considered as a deposit, so it's considered as a - I would say just like an asset management, but that's not asset management because it's a real insurance contract, but of course, it's an insurance contract with a low capital requirement which makes a difference with most other contracts, but it's clearly an insurance contract. But you know that that's what we call the deposit accounting under the IFRS rules. That means that contracts which are considered mobile deposit also being real insurance contracts are accounted for direct deposit.

## Q - Paul C. De'Ath

Okay. Thanks.

## Operator

Thank you. The next question is from Nick Holmes, Société Générale.

## Q - Nick Holmes {BIO 21515144 <GO>}

Hi, Gérald. Nick Holmes of SocGen here. Just a couple of questions. First is wondered if you could give us updates on the French floods in south of France, what your exposure might be. Also, Hurricane Patricia, I know last year Odile cost you quite a lot in Mexico and I guess Patricia is going to be quite a lot less than that, but your explanation there will be great.

And then, finally, on commercial P&C, I think you've been fairly cautious in your guidance on pricing and yet tariff increases were up 2% and that seems pretty good, and I just wondered whether you're becoming more optimistic about commercial pricing. Thanks very much.

## A - Gérald Harlin

Okay, Nick. Starting first with your first question, the global cost of floods in France is roughly €600 million gross, but we have a market share which is roughly 15% and we have a reinsurance, which is a quota share on 50%, which means that the net cost for AXA, let's say, would be €40 million to €50 million net, €100 million gross and roughly 40% to 50% net before tax.

As far as Patricia is concerned, it's quite early to give you an update on this. But what I could send, as you noticed, and hopefully it's been less dramatic than what we feared on - much less dramatic than what we feared on Friday night. So that means that we don't expect it to be quite significant. It won't be zero but not at all significant, nothing to do with Odile at all.

## Q - Nick Holmes {BIO 21515144 <GO>}

Okay. That's very clear. Just out of interest, Gérald, have you increased your reinsurance covers in Mexico, just in case we get more hurricanes?

## A - Gérald Harlin

Yes, we did.

## Q - Nick Holmes {BIO 21515144 <GO>}

Okay.

## A - Gérald Harlin

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Yes, we did because you remember that – and I mentioned it in previous presentations and calls that we considered that we were not sufficiently protected, so it's done now.

**Q - Nick Holmes** {BIO 21515144 <GO>}

Okay. That's clear.

**A - Gérald Harlin**

Which, in fact, is good news. On commercial P&C, yes, I would say you're right. On commercial P&C, what I can say is that we had – we made a lot of pruning in different countries, like it was the case in France, it was the case in Spain. It's been the case also in different countries, in emerging countries and especially in MedLA. So that means that at the cost of a decrease of the top line, we indeed increased our prices, which again is a good news, which means that we have this capacity, for example, the evolution up to now, the evolution of construction in France is quite good.

So, let's wait, but this is the trend, and these trends confirm our capacity. At the same time, you can notice that on commercial line, we still were slightly positive, which means that we had the capacity to increase our prices in these commercial lines. So, so far so good. Again, it's a strong focus on profitability.

**Q - Nick Holmes** {BIO 21515144 <GO>}

Okay. That's very clear. Just one quick follow-up, where in commercial lines would you be most concerned? Which geography would you say?

**A - Gérald Harlin**

There is nothing specific, I would say. Nothing specific because I believe that now, after all the changes that we have implemented and the price increases that we have implemented, Nick, this year, I consider that most of the negative situation has been restored. It doesn't mean that there won't be any areas where we could do better. But I believe that most have been done, which bodes quite well for next year. And – so that's mostly.

**Q - Nick Holmes** {BIO 21515144 <GO>}

Okay. Thank you very much. Very clear.

**Operator**

Thank you. The next question is from James Shuck, UBS.

**Q - James A. Shuck** {BIO 3680082 <GO>}

Hi. Good morning. Three quick ones from my side, please. Firstly, on Asset Management. I was surprised to see Q3, you had €3 billion of outflows, €2 billion AllianceBernstein and €1 billion at AXA IM. Could you just shed some light on what's happening there? I mean previous quarters had turned to inflows, so I was a bit surprised to see the outflows in Q3.

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Secondly on the Hong Kong APE, I understand there's been regulatory changes mainly around the disclosure of certain fees. I'm not seeing the same kind of declines at peers though. A lot of peers are seeing improved efficiency and strong sales of products into Mainland China. So, could you just explain a little bit why your numbers don't compare with certain peers?

And then my third question is just a quick update on the Department of Labor proposal, so the 10% to 30% decline in sales that you guided to early this year. Is that still – do you still feel comfortable with that kind of level? Thank you.

## A - Gérald Harlin

Okay. Let's start first with your question on net inflows. So net outflows, that's true, we had €3 billion of net outflows in Q3 after a strong start of the year. So that means that on a cumulative basis at Q3 we have a strong net inflows. Let's say that in – at AB, I would say the consequence of the turmoil that we had during the summer coming from China with some outflows of institutional and retail.

On AXA IM, minus €1 billion was partly due to – it's not on Asia. It's mostly coming on other countries, of which we have Friends Life as you know, which represent part of it, and with the merger of Aviva, Aviva is reintegrating part of their business. So, that's mostly it.

On the second question on Hong Kong APE, you should – that's a good question, and you should take into account the fact that most of our peers – we have been quite successful in the past year in selling and developing a lot of Unit-Linked business in Hong Kong. And as you mentioned, due to change in regulation, our new business in Unit-Linked in Hong Kong went down quite sharply, roughly more than 55% in Q3.

Why? Because there had been a change of regulation due to this disclosure of commissions. But most of our peers were not on Unit-Linked business, they were on traditional G/A business. And we checked, claims-wise they are still positive. So, as far as we are concerned, sure, we foresee the minus 10% APE for the first nine months. We are working on new products that is actually part of them being Unit-Linked that is different design. And others – with other products that could be General Account product also but with a low risk and without any large economic capital consumption, I could say. So that's what I can tell you, and we are preparing ourselves to rebound in the future months and especially in 2016.

An update on DOL, unfortunately, I cannot tell you more than what we said at the beginning of August, meaning that we most probably will get news now mostly at the beginning of 2016. As you know, there are a lot of lobbying coming from congressmen and so on because there are – the Life – taking the example of the UK products, it's not in the best interest of policyholders, especially it's not the case for high net worth, but for the other one, it's not a good news. So let's wait. That's what I can say. And I cannot be more precise, unfortunately, on what we said last time, i.e., minus 10% to minus 30%. So let's wait.

**Q - James A. Shuck** {BIO 3680082 <GO>}

Okay. Very helpful. Thank you very much.

## Operator

The next question is from Niccolo Dalla Palma, Exane BNP Paribas.

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

Yeah. Hi. Good morning, everyone. I had a couple of questions on P&C. The first one, if you can give us an indication on whether you're seeing some impact on churn in France from the new Hamon Law? And the second one is concerning the reduction in net new contracts in Spain and Turkey, which has clearly been quite substantial. Could you give us at all the total number of contracts in Turkey and Spain to get a better feel on how big in percentage the 558,000 would be in Turkey and the 279,000 reduction in Spain? Thank you.

**A - Gérald Harlin**

Okay. Let's start with the Loi Hamon. We can consider that today, roughly speaking, we have 10% of our surrenders which are due to Loi Hamon for Motor. And for Household, it's roughly 9% of surrenders. So, it's a bit early because it's a bit early to judge what will be the global impact, but there is an impact. At the same time, keep in mind that there is obviously a negative impact because that means that the duration of our policyholders will go down, but an opportunity as well because we will have the opportunity to write new business.

At the same time, keep in mind that the direct business, it's an opportunity for us as well to write much more direct business. And you can see that we have been globally, we have been a plus 7% in Direct business. And for - let me check, for France, Direct was at plus 7.9%. So let's say, plus 8% for the first half, which in fact is a good news. So, yeah, plus and minuses. That's exactly my point.

About Spain and Turkey, we could say that in Turkey, we had at the beginning of 2015, let's say 4 million contracts and we had net outflows, I would say, of 558,000 contracts for the first 9 months, which means 14% down. So that mostly came from Motor, for the reason we have already explained to you. That means that due to bodily injury, we increased our prices in Turkey by 70% this year. So, you can see that it's - and we can expect that now, we are at the highest level of profitability. This concerned only TPL only. It doesn't concern our capital because the capital was profitable and we didn't have to change the figures.

Your last question was about Spain. Do you have this figure? I'm sorry. I have to come back to you because I don't have the Spanish figure. I have the global figure for MedLA, but not for Spain. We'll come back to you. I'm sorry for that.

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

No problem. Thanks very much.

## A - Gérald Harlin

Okay.

## A - Andrew Wallace-Barnett {BIO 18671460 <GO>}

Thank you.

## Operator

The next question is from Blair Stewart, Bank of America Merrill Lynch.

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

Thank you. A couple of questions left. Could you talk about the increase in - the 17% increase in UK Personal Motor volumes? What's going on there? Secondly, could you talk about the incidence of claims inflation? You've talked a little bit about higher price increases, but what's happening to the situation net of claims inflation? Is that getting better or worse?

And thirdly, just coming back to the UK, I just wonder what's the point in writing huge volumes of practically zero-margin business? In Q3, the margin dropped about 1%, I think at this rate. So, I just wonder what's the benefit of writing that business, Gérald?

## A - Gérald Harlin

Okay. Your question was about the increase of UK Motor. As you know, most of the UK Motor we had an increase of 17%, and we had on average 10% price increase in Motor in UK and Ireland. And on top of this, we had an increase in volumes in the UK of 7% and minus 1% in Ireland. So that's the combination of those, which makes that we have a strong performance.

And this is on top, we have Direct and in Direct, we have a very strong performance as well because in Direct, we had an increase in the UK of 12.2%. So you can see that we are performing quite well in the UK on both additional and Direct mainly due to price increases and also volumes, which is in itself good news.

About the claims inflation, I would say that we - I don't believe that we have no specific news compared to what I've told you for the first half. That means that we don't see any real claims inflation starting. Where we have claims inflation are the UK and Ireland, and for the other countries, nothing new and nothing specific over the last payments.

And your last question is about UK. I would say that we cannot - there are products, of course, which are less profitable, but when you have opportunities to write large contracts and when it contributes to your profitability, i.e., covering some part of your fixed cost then you do it. That's the first point. Second point, I repeat what I've said at the beginning,



which is, Blair, that it doesn't consume any capital almost. So that means that on a capital return basis, it's quite good.

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

So just going back on a couple, Gérald, do you expect to revise your unit cost assumptions in the UK given you've taken on that volume, or has that already come through, firstly? And secondly, coming back to UK Motor, and it's such a competitive market, how can you get a 10% price increase plus 7% volume? It just seems incredible.

**A - Gérald Harlin**

Please pay attention. Pay attention. Most of the capital increase was coming from Ireland. And as you know, Ireland is a very specific situation where prices increased a lot. And your other question was about the costs in the UK. Costs are adjusted, so that means that costs are already adjusted. Take this already into account in the NBV margin. So that's it. For Spain, we have 3.4 million contracts at the end of 2015.

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

Okay.

**A - Gérald Harlin**

2014. At the end of 2014, beginning of 2015. Okay, Blair?

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

Yeah. Thank you.

**Operator**

Thank you. The next question is from Michael Huttner, JPMorgan.

**Q - Michael I. Huttner** {BIO 21417183 <GO>}

Yeah. Thanks very much. I just wondered, could you possibly give us a walk-through of the change in the Solvency from 215% to 212%? It's a lovely number but a little bit of detail would be really, really helpful. Thank you.

**A - Gérald Harlin**

Okay. We could say – and that's what I said. As you know, roughly speaking and remember what I presented for the first half, the operational return represents roughly 10 points for half year. So let's say that this half is 5%, 5% to 6% for the quarter, and we had a negative impact of lower equity markets, lower interest rates. And that's the reason why we are moving from 215% to 212%. So nothing new, relatively predictable, so that's what I can tell you. Nothing specific more to say.

**Q - Michael I. Huttner** {BIO 21417183 <GO>}

Excellent. And would there be – with the economic solvencies and on the 3rd of December and the economic solvency in London, you talked about Solvency II. Are there differences we should think about?

## A - Gérald Harlin

We said that – yeah. If your question is what about the final regulatory solvency, that we will share with you on the 3rd of December, I cannot say more than what we, Denis and myself, we told you that means that it could be plus-minus 10%. So that's the points. So nothing new on that side, but let's wait a few more weeks, and you will have the final figures.

## Q - Michael I. Huttner {BIO 21417183 <GO>}

Good enough. Thank you very much.

## Operator

Thank you. The next question is from Ralph Hebgen, KBW.

## Q - Ralph Hebgen {BIO 6297020 <GO>}

Yes. Hi. Good morning, guys. Just two things. One is on the solvency ratio again. We know that you are neutralizing the sensitivity to corporate credit spreads by implementing the liquidity premium. I wonder whether you could share with us what the impact of that was. In other words, where would your solvency ratio have been had you not implemented the liquidity premiums and neutralized spread sensitivity?

And second, just two details on P&C rate increases. One is in personal lines in Switzerland. We see in the third quarter an acceleration of negative trends, if that makes sense. And I was wondering whether you could comment on that. And in commercial lines in Asia, the third quarter was the first time that we see a notable swing from increases to rate decreases. I would just welcome perhaps some commentary on these dynamics. Thank you.

## A - Gérald Harlin

Okay. First of all, relative to your first question, spreads didn't move so much in the first quarter, so – in the third quarter between half year and nine months. So, Ralph, I can tell you that the impact of the liquidity premium is very minor. It's really, what I said, it's really the impact of interest rates that went down quite significantly and equity markets. But as far as the spreads are concerned, nothing specific to mention.

About the P&C market and the negative trends that we highlight on the personal in Switzerland, you know that – I would say that and as you know, it's an extremely profitable market, and you cannot understand these moves as a softening of the market. Not at all. Nothing specific to mention. We had a slight decrease but it's – look, inflation in Switzerland is negative so rates are negative and so on and so forth, so nothing specific and it remains an excellent and very profitable market.

On commercial in Asia...

**A - Andrew Wallace-Barnett** {BIO 18671460 <GO>}

Can you repeat your question, Ralph, on this one?

**Q - Ralph Hebgen** {BIO 6297020 <GO>}

Oh, yeah. It was just that I noticed that the premium rates in commercial lines in Asia have become negative for the first time in recent history. I was just wondering what was going on there.

**A - Gérald Harlin**

No specific - we should go into a bit more detail but I have nothing in mind that would be a matter of worry on that side. So we should have a more granular - I believe that it's more to a more granular detailed analysis that I could - that we could give explanation, but it's a lot of plus and minuses and I don't see any specific and real trends that you could extrapolate for the future as far as this is concerned.

**Q - Ralph Hebgen** {BIO 6297020 <GO>}

Okay. Thank you very much.

**Operator**

Thank you. The next question is from Jon Hocking, Morgan Stanley.

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

Morning, everybody. I've just got some - two questions please. I wanted to get your comments on reinvestment yields and how that's trended over the quarter and what your current view is given what's happened with spreads over the summer period and also the fallback in yields? And the second, just to clarify, on the 3rd of December, are we going to get full appraisal Solvency II numbers based on the nine months balance sheet? Is that the intention? Thank you.

**A - Gérald Harlin**

Okay. On the investment yields, as you know, I mentioned to you last time in - for the first half, I told you that we have been reinvesting at an average at 2%. And indeed at the end of, let's say - yeah, at the end of September, we should be maybe slightly above but it's a matter of basis points. That means that - so, in other words, we will benefit but it will be small. We will benefit from higher spreads because you know that spreads went up. But spreads went up quite recently in October mostly, but it is offset by lower rates.

So I believe I'm quite conscious, I'm quite confident in the fact that we won't be lower than 2%. Maybe we could be somewhere between 2% and 2.1%, but something around this, you see. So credit in line, so that means that nothing - I'm not worried at all because

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we planned and we assumed that we would be on this level. But for the time being, I cannot say that we'll be much above this level.

About Solvency II, yes, we will update you on the 3rd. We will update you on the levels and on the level of Solvency, including at the end of September for sure.

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

Thank you. Can I just come back on the investment yields? Has your risk appetite changed in any way given what we've seen in high yields because obviously there's been some high-profile spread-wide deals on single names in Europe? Have you changed your approach? Recently, you've been quite short-duration high yields. I just wondered whether you've changed that view at all?

**A - Gérald Harlin**

Yes. We have invested in short-duration high yield. As I told you last time, we consider that it's a good risk. Does it mean that globally our risk appetite increased? I wouldn't say so. I would say that the big difference is that whereas in the first half of the year, we were quite keen on investing in liquid assets. And we are still doing it. But now, the opportunity for corporate bonds is more positive due to the slight increase. You notice that, for example, we had an increase of roughly, over the last weeks, of roughly 30 basis points on the senior lending, which indeed is a good news in that it makes the return, taking into account the cost of equity, the return is better than it was before, and we are investing in such class of assets.

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

Okay. That's excellent. Thank you very much.

**A - Gérald Harlin**

Okay.

**Operator**

Thank you. The next question is from Andrew Crean, Autonomous Research.

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

Good morning, Gérald. I had a question along the longer-term side. Just looking back to 2007, I think your revenues ex-exchange are growing by only 1% from 2007 to 2015. And over that period, I think on my numbers your underlying earnings was growing at 13% although most of that, I think, is probably post the exchange. And so here's the point I'm making is that over the long term, your profits grow in line with your revenues.

Now, just wondering as you look forward to the next sort of Ambition AXA, whether in order to grow profit to sort of 5% to 10%, you need to accelerate the revenues or whether you think that in the digital world, this is possible to grow profits meaningfully faster than revenues.

## A - Gérald Harlin

It's both. That means that, first of all, we should say that over the period that you described, we had been hit by financial conditions, which have been quite difficult. Over the long term, it's both, with or without still an increase in the profitability, and we have still levels in order to increase our profitability, both on P&C side and on Life side, of which, without any doubt, I would mention the technical side of mix products, especially Life and some sort of expense savings and, at the same time, in the top line.

That means that we can expect that over the next years, we will have opportunities. And I would like to mention the fact that we will have some opportunity to cross-sell, and that's all what we are expecting. And you know that we have been investing a lot in digital, €950 million, over the last three years, €450 million this year. So we are expecting a lot on that side. So that's why I'm telling you that it will come from both sides.

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

Okay. Thank you.

## Operator

Thank you. The final question is from Farooq Hanif, Citi.

## Q - Farooq Hanif {BIO 4780978 <GO>}

Hi, everybody. Thanks very much. I just wanted to ask a little bit about margins from an IFRS point of view, earnings point of view in the Unit-Linked business. So, obviously, you've had this big growth in the UK, which is very kind of low margin unit-linked to market. And if you look at 2014, 2013 kind of numbers for the margin that you make on average unit-linked liability, you're in the kind of 65 basis point to 70 basis point level versus - close to, I would have thought, closer to zero in UK in the corporate pensions business. I was wondering, are you confident, generally speaking, that you can maintain that level of high margin in Unit-Linked going forward, given growth potentially in the UK in particular, or do you see that margin coming down. Thanks.

## A - Gérald Harlin

Well, for the time being, I don't expect on average that the traditional Unit-Linked business, especially the individual Unit-Linked business because here we are speaking from a very specific corporate line, corporate think that we will keep the same level of margin. I would not say that it's forever, but at least we could say that in the foreseeable future, I don't expect it to go down.

## Q - Farooq Hanif {BIO 4780978 <GO>}

Okay. Thanks so much.

## Operator

Thank you. We currently have no further questions.

**A - Andrew Wallace-Barnett** {BIO 18671460 <GO>}

Okay. Well, thank you very much, everybody.

**A - Gérald Harlin**

Thanks to all and have a good day.

**A - Andrew Wallace-Barnett** {BIO 18671460 <GO>}

Have a good day. See you on...

**A - Gérald Harlin**

And thanks for attending this call.

**A - Andrew Wallace-Barnett** {BIO 18671460 <GO>}

See you on December 3.

**A - Gérald Harlin**

Yes. See you on December 3. Thank you.

**A - Andrew Wallace-Barnett** {BIO 18671460 <GO>}

Bye-bye.

**Operator**

Ladies and gentlemen, thank you for your attendance. This call has been concluded. You may now disconnect.

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