Q3 2018 Earnings Call

Company Participants

- Edouard Schmid, Group Chief Underwriting Officer
- John Robert Dacey, Group Chief Financial Officer
- Philippe Brahin, Head-Investor Relations

Other Participants

- Andrew J. Ritchie, Analyst
- Edward Morris, Analyst
- Frank Kopfinger, Analyst
- Jonny Urwin, Analyst
- Kamran Hossain, Analyst
- Sami Taipalus, Analyst
- Thomas Seidl, Analyst
- Vikram Gandhi, Analyst
- Vinit Malhotra, Analyst
- William Hawkins, Analyst

MANAGEMENT DISCUSSION SECTION

John Robert Dacey {BIO 4437051 <GO>}

Thank you very much, and good afternoon or morning to all on the call. I'd just like to quickly introduce the nine-month results with a couple of thoughts of my own. And then, we turn quickly over to questions. The first to say the obvious, at nine months we do have a very positive result $1.1 billion for our net income. I think the magnitude of the losses that we've had from nat cat sector materially different than last year, but the third quarter reminded us that in fact these losses will recur and recur across various jurisdictions.

The second point, the resilience of our P&C Re business in spite of those large man-made and nat cat losses $634 million of profit for the first nine months annualized ROE above 8%. I think a resilient business, which we expect to continue to be able to grow as we've done modestly in the first nine months of 2018.

Third, the very strong performance I would argue of the Life & Health Reinsurance, again, $640 million of profits for the (00:01:20) nine months and annualized ROE above 12%. Importantly, also a real growth in this business coming from a combination of an expansion in high growth markets broadly in China, specifically and the continued success in bringing home important transactions in more developed markets.

Fourth, on the investment side a stable running yield of 2.9%, we started to see interest rates move up in the U.S. Unfortunately, not much motion in Continental Europe. Nonetheless, we've been able to predict (00:02:00) that running yield.

Overall, the return on investments of 2.8%, if you adjust for the U.S. GAAP change in guidance, it would have been 3.0% for the nine months. And last, I'm sure most of you have noticed, we published a Group SST estimate for July 1 of this year, a positive movement from the beginning of the year from 269% at January 1 to 285% at July 1. This reflects what we believe to be a continuing increase in the value generation of the Group. We'll have more details on the full year number when we publish it based on the full year EVM results.

And with that, I'd turn it over to our host again today, Philippe Brahin to manage the questions.

Philippe Brahin {BIO 19081619 <GO>}

Many thanks, John, and good day to all of you also from my side. So as you know, we have adjusted the format of our reporting and our comments during the call will be focused on our nine-month results, in line with the scope of our press release. Also and as usual, I would like to ask you to restrict yourself to two questions and register again for follow-up questions. In the room here today, we have also Edi Schmid, our Group Chief Underwriting Officer to answer your questions.

So with that operator, could we please have the first question?

Q&A

Operator

The first question here is from Edward Morris from JPMorgan. Please go ahead.

Q - Edward Morris {BIO 16274236 <GO>}

Gentlemen (00:03:33), thanks for taking my questions. Two, please. The first is on Life & Health. I wonder if you could just talk a little bit more about the performance there, because you seem to be suggesting that the capital generation and EVM and Solvency Swiss – SST seems to be very strong. So I just wonder if you can talk a little bit more about that and maybe anything that we can't see just from the – our first sort of U.S. GAAP net income figure?

And the second question is on your comments about future actions on the capital management. It seems to be a sort of slight change in tone from the way you've talked about things previously that I appreciate you're still referring back to the Group priorities, but can you just talk a bit about what you mean there and is there any sort of timing that you may have in mind for something?

A - Philippe Brahin {BIO 19081619 <GO>}

Thank you, Ed. John, do you want to start.

A - John Robert Dacey {BIO 4437051 <GO>}

Sure. I think. I probably take both of those. On Life & Health, I think, we've been trying to emphasize two things. One, based on some important restructuring we did in Life & Health Re in 2013-2014, we put ourselves on a path to long-term profitability. You see that in the U.S. GAAP results, which have met the target, we put out of 10% to 12% ROE. But more importantly or as importantly from our point of view is, the continued progress of our EVM results on the Life & Health side.

We haven't released those for nine months, but reach back all the way to a year-end 2017, I think you'll see a continued positive movement in the EVM earnings of Life & Health that actually exceed the U.S. GAAP and demonstrated the what we're putting on the books today provides the opportunity for future earnings, which will come through the U.S. GAAP's accounts as these portfolios continue to mature.

So, and since the EVM is the basis for the calculations on the SST, that's where you see the positive impact coming through as well. Vis-à-vis capital management, I'd say the tone is not materially different. We've said for quite some time, our goal in the first case is to protect the dividend to be sure that we are able to fund new business opportunities, deploy the capital organically in the first case inorganically should the opportunities arise, we've demonstrated examples of this with a bolt-on acquisitions we've done in Corporate Solutions.

And at the end of the day, if we find ourselves with more capital that we can successfully deploy on a value creating basis, we will return it to shareholders. We started the buyback program in 2018. And without the caveats that we've had on previous years, we're well along in that share buyback program with respect to any capital management issues regarding 2019. I think it's safe to say we'll wait for our full year results and engage in any (00:06:47) appropriate discussions with our own Board of Directors and let people know subsequent.

All right. Thank you, John. Thank you, Ed, for your questions. Can we have the next question please?

Operator

The next question is from Gandhi Vikram from Societe Generale. Please go ahead.

Q - Vikram Gandhi {BIO 18019785 <GO>}

Hi. Thank you for taking my questions. Firstly, can I just check how far is cautious (00:07:10) aggregate cover from attaching (00:07:12) and if you've already had some recoveries. Can you share how far is it from the point of exhaustion? Secondly, given some of the recent court rulings in the U.S., can you shed some light on your comfort level around the Group's asbestos results? Thank you.

FINAL

Bloomberg Transcript

A - Philippe Brahin {BIO 19081619 <GO>}

Thanks. Maybe, Edi, you want to take those questions.

A - Edouard Schmid {BIO 18942809 <GO>}

So, the first one if I understand correct is on CorSo's aggregate cover we put in place as we mentioned in previous calls to protect the portfolio a bit better not just from large (00:07:41) events, but we have also put something in place that protects them against a series of mid-sized hurricanes. I mean, so far we have seen Hurricane Florence, which disclosed as a total for the group of $120 million and about half of that is in CorSo. So, CorSo is still well protected by the aggregate. So, it's not yet close to that aggregate cover. Yeah. I think that's how we've described the situation.

And the second is around A&D reserves. And actually our P&C reserves in the third quarter a tiny bit negative, and that's one reason as we strengthened A&D to some extent in this quarter. Overall, we think we're now fine in line with all the different benchmarks we used to set A&D reserves. So, yeah, that's how I would describe A&D.

A - Philippe Brahin {BIO 19081619 <GO>}

Thanks, Edi. Thanks, Vikram, for your questions. Can we have the next question, please?

Operator

The next question is from Thomas Seidl from Bernstein. Please go ahead.

Q - Thomas Seidl {BIO 17755912 <GO>}

Yeah. Thank you. Good afternoon. First, ReAssure Life capital (00:08:45) suffered from the weak UK capital markets. I wonder if you could give us an update on how this would influence and where you are actually in your preparations to IPO ReAssure. Is it getting more difficult now? And how are you doing there?

And secondly, I go back to this capital thing. I mean with this SST ratio, you published today you have $11 billion of excess capital according to your own metrics. So, you would need to write another $11 billion of premium to consume this capital, which probably is not likely in the next couple of years. So, what keeps you actually from making a more significant (00:09:25), let's say, bring it down by $5 billion, $6 billion?

A - Philippe Brahin {BIO 19081619 <GO>}

All right. John, Back to you.

A - John Robert Dacey {BIO 4437051 <GO>}

Thomas, I'll take both of these. With respect to the IPO, what I can say is, the preparation continues the pace. I really have no new insights for you compared to where we were in August. We specifically said, we would expect to be able to go to an IPO sometime in 2019 without being very specific about precise timing. Obviously, we will pay attention to market conditions, but that's not new, it's exactly what we've told you back in August. So, again, nothing changed there.

With respect to capital, I take your point that 285% is quite some distance away from 220% and arguably is moving at least on one dimension further way during the course of 2018, at least as of July 1. The year is not over and let's see where we actually land the year. But the opportunity is for us to rethink where the capital is required. We'll continue to be a point of discussion for the executive committee and ultimately, the board of the group. I will suggest that one of the reasons why this number remains relatively high relates to our defensive posturing on asset risk.

We remain in a range that's defined by our strategic asset allocation. So, there's been no fundamental change in the ranges that we've put on since the beginning of the year. But we remain cautious in accepting additional asset risk. You could imagine the situations where some combination of opportunities for writing new reinsurance and then primary insurance business, plus a – some increases in asset risk in the future would provide opportunities to deploy a substantial amount of those capital.

A - Philippe Brahin {BIO 19081619 <GO>}

All right. Thank you so much for your questions. Can we have the next question please.

Operator

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

Q - Sami Taipalus {BIO 17452234 <GO>}

Yeah. Hi. Afternoon everyone and thanks for taking my question. My first one is actually coming back to the capital generation in the first half, which was very strong. Is it possible to give just a little bit more of a breakdown of what was behind that capital generation? I mean, you already alluded I supposed a little bit to the Life & Health Reinsurance new business, but if it's possible to just potentially spit out any market movements, or management actions or anything like that, that would be really helpful.

And then the second thing comes back to your I suppose comments about dividend capacity, you linked be I suppose capital returns to this SST ratios somewhat in the statement. Is that, we should think about it or actually, do we also need to cross check it against the capital you have available at the holding company level, because I guess that the two are not necessarily directly linked? Thank you.

A - Edouard Schmid {BIO 18942809 <GO>}

So, Sami, to your latter point, yes, there are multiple dimensions which we evaluate the dividend capacity. The Group SST is clearly, one of them available capital that we do have at the holding company, a second and overall liquidity position. I'd say, at the moment, we remain in fairly robust shape on most dimensions. And so, that's the starting point and frankly a good place to be in these times where we've started to see some increase in volatility, both in financial markets and some real losses coming through in the third quarter on the insurance side.

We're not providing much more detail about the development of the SST at six months. I'd remind you that 285% is an estimate. We think it's probably a pretty good estimate, but has not been audited. It doesn't go through the same rigor that we have for the full year result and therefore, I think my comments before about, relatively modest levels of asset risk in the big picture and a clear capital generation of our first half businesses including in Life & Health is about as much detail as we're prepared to provide at this point.

A - Philippe Brahin {BIO 19081619 <GO>}

Thanks, Sami, for your questions. Can we have the next question please?

Operator

The next question is from Andrew Ritchie from Autonomous. Please go ahead.

Q - Andrew J. Ritchie {BIO 18731996 <GO>}

Hi, there. I think both questions for Edi. First of all, could you give us an update on the re-underwriting cost? So, well, both I guess both partly maybe underwriting, you were planning to do the portfolio cleanups and also progress on achieved average increasing rate that you've managed and of course so to-date?

And secondly, can I just follow-up on the reserve comment you made for P&C Re. I think there was some adverse outside of the asbestos review. Is that the same problem areas as in the first half, which I think was particularly U.S. also related liability? Is it something new? Is this part of a sort of lumpy review process just any bit more color straightly assurance would be helpful. Thanks.

A - Edouard Schmid {BIO 18942809 <GO>}

Yeah. Thanks, Andrew, for these two questions. On the first one around re-underwriting, both P&C and CorSo. Like what we highlighted over the last few quarters that we took quite a different deal particularly on U.S. motor that's a bit older, but also on the U.S. liability and there, particularly when it comes to large corporate risks, where we have seen just significant large verdicts and settlement.

So our portfolio prioritization clearly U.S. liability, is very much prioritized, or what we call risk reduction, margin improvement and not for growth. And on the other hand, more the short-term business, the property cat business with great stabilization, even some rate increases. We have started to grow that business a little further. And actually, we're on a good track to achieve this portfolio actions and that over time it will also help the underlying combined ratio. So there's no change in this prioritization, we'll continue also on this path into 2019.

And on the second one regarding the P&C Re reserves, so for nine months overall, reserves development for P&C Re is positive. It's just the third quarter, it's a little bit negative. And one comment I made, which strengthened asbestos and environmental a bit and the other contributor is actually some man-made losses from previous accident years that had to be strengthened this time on the P&C Re side. But we don't see any let's say underlying voting trends and we continue to be very confident with the overall reserves assessed independently at the Group actual control level in the 60% to 80% range.

So A&E will strengthen a bit in Q3 and a couple of man-made losses from previous accident years were strengthened. That explains the tiny negative, but overall still in the positive territory for P&C Re.

A - Philippe Brahin {BIO 19081619 <GO>}

Thanks, Andrew for your questions. Can we have the next question please?

Operator

The next question is from William Hawkins from KBW. Please go ahead.

Q - William Hawkins {BIO 1822411 <GO>}

Hello. Thank you very much. First of all, in Christian Mumenthaler's closing remarks in your press release, he refers to an inflection point in the P&C Reinsurance pricing cycle. Could you elaborate on the extent to which that's a confident forward-looking statements? Because we know the rates increased in the first half of this year, but my understanding was the momentum was very much coming back, if not actually back in a declining mode into January. So, could you just discuss a little bit more – you mean by an inflection point of pricing?

And then secondly, clearly, we don't have all the detail for the nine months or third quarter, so it's a bit tricky. But you've told us very clearly that P&C Re has had some pretty big knockouts. You've talked about negative reserve developments. My inference from that is the underlying attritional experience has been extremely good since you've last reported, is that kind of fair? And if so, why has the underlying experience excluding cats and reserve development being circa? Thank you.

A - Philippe Brahin {BIO 19081619 <GO>}

Thanks, William. I think, Edi, this is all for you.

A - Edouard Schmid {BIO 18942809 <GO>}

Yeah. Thanks, Williams. On the first one, regarding inflection point. And maybe if we go back after the record losses in 2017, that clearly was an expectation that there would be a significant inflection point particularly for P&C Re, we have achieved in our business. In P&C Re, on the cat business and other parts some improvement, maybe not as strong as expected and it's fair to say that momentum was not too strong throughout the year.

Let me talk about the inflection point. I think it's more important not just to look at reinsurance but to look at P&C business globally and there over the course of this year, if you look at all the indices produced, we clearly see positive rate trend now in the commercial businesses. It was still a bit slower in the first six to nine months. Just more recently we see even a bit more momentum there in markets like Australia, markets like Germany, where clearly there's more pain than before. We actually see positive momentum and that paints this picture of an inflection point.

And then, I would also refer to a sigma study we released a couple of months ago, where we analyzed by the institutes, the five, six biggest P&C markets overall. And there, you can clearly see that if you want to achieve a sustainable return on equity above cost of capital, these P&C markets overall, so really the original business likes quite a bit of underwriting margin. So, these pictures together with the loss to the CDC development see in many markets we feel as this is an inflection year.

And then on your second one is the combined ratio for P&C Re at 99.5%. I think it's important to look at it on a normalized basis. We have this significant loss burden from nat cats and from man-made. But it's important to differentiate the first six months were actually very benign. We had hardly anything on the reinsurance side and Q3 as a standalone quarter, clearly above average, but if you take everything together, both nat cat and man-made, this loss burden is broadly in line is what we would expect for the year.

And that's also why we still feel the target or the estimate we gave for the full year of 99% combined ratio. We are set to achieve this over the full year. Maybe what is important to reflect that actually that the third quarter is quite a hectic one in terms of nat cat exposure, so also we earn a lot of the margin in that year, that's make it a hint on why the combined ratio could be bit lower in your analysis. And also, what I referred to before, we continue to have a rather course stance on U.S. casualty business, while we try to go a bit more on property cat again, which will also help the combined ratio a bit to trend a bit more to the low end as.

And then obviously, we have achieved underlying improvements in the P&C Re book. The quality is improving. So, that takes time to earn through, but we start to see some impact of this. So, the bottom line is overall for this year, we still think the 99% combined ratio P&C Re is a good estimate.

A - Philippe Brahin {BIO 19081619 <GO>}

Excellent. Thank you, Edi. Thank you very much, William, for your questions. Can we have the next question please?

Operator

The next question is from Kamran Hossain from RBC. Please go ahead.

Q - Kamran Hossain {BIO 17666412 <GO>}

Hi. I have two questions. The first one is just on I guess the different - I guess, the first one to add is on the difference in renewals and the dynamics between I guess $1.1 billion and $1.4 billion, and kind of how you think this might impact the 99% combined ratio's starting point that you just talked about? So, that's first question. And the second question, just coming back to ratio, ahead of any potential IPO share. Can you just remind us, if there are any additional kind of pockets to cash, so any kind of cash optimization that you might be able to do and kind of dividend up to creep ahead of that? Thank you.

A - Philippe Brahin {BIO 19081619 <GO>}

Thanks. Edi, you start it and John, I guess.

A - Edouard Schmid {BIO 18942809 <GO>}

So, the question is about, let's say, the different renewal timing, so you referred to $1.1 billion and $1.4 billion, maybe you also meant to include $1.7 billion, yeah. So, we had $1.1 billion, where we only have moderate price increases, it was mainly the European book. Then we have Japan, $1.4 billion, where I think the picture was largely flat and then we had probably some improvement, but also our business flattish into $1.7 billion, yeah. So, actually, it was not a very different pattern across these renewal cycles.

What is again important to understand is how these businesses earned, so it's the lag in terms of renewal cycles and that is how the businesses earned on a GAAP basis. So, this year still we earn about 50% of the business return in 2017, where there was some rather quality reduction. Now, the business grow this year, 50% of these improved business will only be earned into 2019, so there's as always this gap here.

It will turn out now in $1.1 billion, that remains to be seen. We still expect a flattish type of environment. There's still capital out there and quite a bump ins, that's fair to say. But as I explained before there's also losses. There is pain in the system. So, for P&C Re, a flattish outlook I think is the least we expect.

Q - Kamran Hossain {BIO 17666412 <GO>}

So, Edi, my question relates to the first half, as it relates to kind of your difference in upcoming dynamic is for $1.1 billion versus $1.4 billion.

A - Edouard Schmid {BIO 18942809 <GO>}

Okay.

Q - Kamran Hossain {BIO 17666412 <GO>}

I don't know $1.7 billion a little bit far away?

A - Edouard Schmid {BIO 18942809 <GO>}

Yeah. So, the only point I would make in this respect is obviously, there are significant losses out of Japan with Typhoon Jebi, where we said it's about $6 billion market events and our share about $500 million, they were also smaller losses. So, that will clearly drive the dynamics of $1.4 billion, which is mainly at Japanese one. And $1.1 billion is mainly Europe, where there was not significant loss activity, so that is this flat picture. It's probably a fair view.

A - Philippe Brahin {BIO 19081619 <GO>}

Thanks, Edi. Maybe John, on the ReAssure.

A - John Robert Dacey {BIO 4437051 <GO>}

On ReAssure, again, I'm not allowed to say vis-à-vis the actual IPO process other than we continue to move ahead as planned. The one thing I would say is the Life Capital is a division, demonstrated a continued strong growth cash generation up to $1 billion for the first nine months here. And among other things, this provides opportunities for some flexibility as we think about right capitalization levels and potential dividends before, after IPOs. But the IPO itself is – there's no real news on.

A - Philippe Brahin {BIO 19081619 <GO>}

Thanks, Kamran, for your questions. Can we have the next question please?

Operator

The next question is from Frank Kopfinger from Deutsche Bank. Please go ahead.

Q - Frank Kopfinger {BIO 16342277 <GO>}

Yes. Good afternoon, everybody. I have also two questions. My first question is on your tax effects. Obviously, if whenever you have high loss burden, there are some sort of offset to our tax effect. Can you shed some light on how big they have been in Q3 in P&C and CorSo? And then secondly, can you also provide some thoughts on Hurricane Michael and your potential loss there?

A - Philippe Brahin {BIO 19081619 <GO>}

All right. Maybe John on tax and Edi on Michael.

A - John Robert Dacey {BIO 4437051 <GO>}

So, on tax – you're right, the geography which absorbs the losses has a different tax impact. I would simply suggest, we are in a little different world with the U.S. corporate tax down to 21%, the variations are smaller than they used to be. We have put in place the Swiss Re AG Limited regional coding company in Singapore, which has a even lower tax rate. So, some of the tax laws carry forward some losses that would be booked through Singapore might be even more modest than the 21% that we'd see in either Switzerland or the United States. But net-net our goal is to make money here and the after tax effect and how important to us is less important when we get back on our feet in terms of the underwriting.

A - Philippe Brahin {BIO 19081619 <GO>}

On Michael, maybe I'll just jump in, Frank, we really can't say anything yet about what those losses might be that will be part of the fourth quarter. And we've got no clear line of sight of either our position or frankly our own Swiss Re estimate, you've seen the market estimates here between CHF 6 billion and CHF 10 billion, that does not feel unreasonable.

Edi, you might have additional view?

A - Edouard Schmid {BIO 18942809 <GO>}

I would also have quoted some of these loss estimates from CHF 6 billion to CHF 10 billion, that's not unreasonable. What I would also point out that Swiss Re is a little bit under rate in Florida, as we have commented in the past. So, as John said, it's too early to come up with any specific at this point. But also as we said, we still think the 99% combined ratio is a reasonable estimate for the full year. So, I think that describes the picture.

A - Philippe Brahin {BIO 19081619 <GO>}

Thank you, Frank, for your questions. Can we have the next question please?

Operator

The next question is from Jonny Urwin from UBS. Please go ahead.

Q - Jonny Urwin {BIO 17445508 <GO>}

Hi, there. Thanks for my questions. Two quick ones. So, firstly, how is the profitability of the casualty book developing in recent underwriting, as far as your expectations please? And secondly, what's your FX growth in both P&C Re and CorSo, going into 2019, should the pricing environment be flat? And should we expect any mix changes in P&C? Thank you.

A - Philippe Brahin {BIO 19081619 <GO>}

Edi, do you want to take the two questions?

A - Edouard Schmid {BIO 18942809 <GO>}

So, the first one is on Casualty quality of the portfolio, as I commented on earlier, particularly in the U.S. market, on the motor side, but also on the liability side, portfolios where we push for risk reduction for margin improvements we have achieved. Some of that this year. We still think that market has to improve further. I think the pain is increasing in U.S. liability. But as always, I will not make too many forward-looking comments on how it turns out.

Your second question is more about the outlook in terms of growth. I would also there reiterate what we said earlier, which is let's say a flattish price environment, the quality of our book in good shape, we will capture opportunities, speed on the transactional side also in some of the core business, cat business we clearly have appetite. We like that business so is the stable pricing of further slight increases will also grow in some of these segments. So overall there is the potential for growth, but it goes without saying that we'll still do that with underwriting discipline.

A - Philippe Brahin {BIO 19081619 <GO>}

All right. Thank you Jonny for your questions. Can we have the next question please?

Operator

The next question is from Vinit Malhotra from Mediobanca. Please go ahead.

Q - Vinit Malhotra {BIO 16184491 <GO>}

Yes. Good afternoon. First question please. Just maybe a bit of extra comment please on Corporate Solutions where the 1H growth was 18.5% and the nine month data is 9%. Is this just normal volatility? Is it just - is it that with management change CorSo, you're making a step change or you're planning some step changes? Just to hear some thoughts on CorSo growth please in the first half and nine months?

And second question is, just a bit more, in last night's reporting, AIG has flagged that they expect a lot of the fourth quarter losses to come to the reinsurance market, because the attachment points are being hit, I mean generally do you think there's been bit more aggregate sort of covers being sold to clients from your perspective or market perspective? And are these some things that are going to be important as we think of the next year, but also fourth quarter? Thank you very much.

A - Philippe Brahin {BIO 19081619 <GO>}

Edi, you take those questions?

A - Edouard Schmid {BIO 18942809 <GO>}

On CorSo growth 18% (00:31:32) versus 9%, so 9% is for the first nine months, so that's in line with strategy to grow that book and most of that comes from the Primary Lead initiative which starts to bear some fruit and I would again also point to the joint venture Bradesco in Brazil, that adds to the growth.

The reason why this is more in the first six versus now, because (00:31:53) is a one off effect, but I don't want to go into the details there. And the second one regarding this AIG comment, so we'll not comment on any company individually, but your comment was more regarding aggregate covers in the market. I mean aggregate covers is nothing new and have been around for a long time.

Since we have (00:32:13) written some of those and we'd also continue to do so. It can be a very good mean to take out volatility from an insurance company. But, obviously, it will be underwritten with the necessary rigor. All we have to be careful at this point in time that as a reinsurer, you should not take let's say the better part of the business away from the seeding companies (00:32:37). So it just has to make - to make sense. But aggregate as such is a valuable reinsurance tool. We used to support our insurance company clients with the necessary underwriting discipline that's a product, where actually we made decent returns over many years.

A - Philippe Brahin {BIO 19081619 <GO>}

Great. Thank you, Vinit for your questions. Actually, they are the last questions of the day. So, we've come to the end of our Q&A session. Thank you very much to John and Eddie. Thank you also for - all of you for joining us today. Don't hesitate to reach out any member of the Investor Relations team if you have follow-up questions. Thank you again for your participation today. Operator, back to you.

Operator

Thank you for your participation, ladies and gentlemen. You may now disconnect.