Q1 2014 Axa SA Activity Indicators Conference Call

Company Participants

- Andrew Wallace-Barnett, IR
- Gerald Harlin, Group CFO

Other Participants

- Andrew Crean, Analyst
- Blair Stewart, Analyst
- Daniel Bischof, Analyst
- Farooq Hanif, Analyst
- Francois Boissin, Analyst
- Nick Holmes, Analyst
- Paul De'Ath, Analyst

Presentation

Andrew Wallace-Barnett {BIO 18671460 <GO>}

(audio in progress) -- Issued by the Company just a few minutes ago and which is available on the Website. This will be followed by a question-and-answer session. Gerald, the floor is yours.

Gerald Harlin {BIO 7424807 <GO>}

Thank you, Andrew. And good evening to everybody. Before moving to the Q&A, let me give you a quick recap of the main figures for this quarter.

Overall, I would say that the trading conditions were quite positive, with total revenues up 2% on a comparable basis. I would like to remind you of the strong ForEx impact compared to last year, the euro, the strength -- the euro strength and against the yen, the US dollar. And other Asian currencies.

It explains, again, the difference between the reported and comparable basis. You will see that the year has started with further improvement in product mix across all segments. We are continuing to be very selective in the business. We are right in line with our Ambition AXA strategy.

Let's start with life. From the life side, the revenues are up 1% to EUR15.8 billion, APE down 6% to EUR1.6 billion, mainly due to the product repositioning Switzerland and some exceptional sales in the First Quarter of 2013, principally in Germany and the UK.

In the quarter, NBV was up 1% to EUR0.5 billion. And our NBV margin continued to increase up 3% to 33%, driven by the improved product mix.

One feature of the quarter was a decrease in protection and health NBV, largely due to the repositioning of our Group Life product mix in Switzerland towards pure protection products with lower premium and higher NBV margin.

These declines were partly offset by continued increased volumes in France, US, MedLA. And high-growth Asia.

We remain confident about our overall growth momentum for the year 2014. And we are well positioned to increase our life and savings APE compared to last year.

Let's speak now from the P&C. On the property and casualty side, revenues were up 3%, mainly driven by 2% average tariff increases and higher volumes in high-growth markets plus 10% and direct plus 8%. Personal lines grew by 2% and commercial lines by 4%.

We believe that this good momentum should continue through the year and translate into higher growth in 2014 versus last year.

On asset management, revenues were up 2%, thanks to both AXA I mean and AllianceBernstein. Net flows amount to plus EUR1.5 billion for the period with plus EUR4.8 billion inflows at AXA I mean and minus EUR3.3 billion outflows at AB.

AXA IM benefited from strong net inflows in fixed income, while AB had limited outflows driven by the loss of two large contracts in the institutional channel, partly offset by net inflows in the private clients channel.

Note also that our economic solvency ratio continued to improve during the quarter and was estimated to be around 210% as at the end of March.

So overall, we had a strong quarter with revenues up across all segments, good performance across the board in P&C and a further improved product mix and a higher NBV in life.

We did see a decline in life APE due to the product repositioning in Switzerland and the nonrepeat of exceptional sales in Q1 2013 in Germany and the UK.

As I said, we are confident about the gross momentum for 2014 and expect to increase both our life and savings APE and P&C growth compared to last year.

I'm happy now to answer your questions.

Questions And Answers

Operator

(Operator Instructions) Paul De'Ath, RBC.

Q - Paul De'Ath

Yes. Good afternoon, everyone. Thanks for taking my questions. A couple of questions, please. Firstly, looking at the performance of Changping because I know this isn't actually included within your numbers due to the change in the accounting methodology and would be good to get an idea of how that business is operating.

And second point is just on the US variable annuity buyout here. I know in the release that a large part of the outflows that you're seeing come from that, from the buyout. And just a bit of an update, please, on how that's going. Is it now finished? And kind of what level of pickup did you get overall on that project? Thanks.

A - Gerald Harlin {BIO 7424807 <GO>}

Okay. The first point about Changping, Changping is not in these figures. It's not consolidated.

The second point is about the net inflows. Net inflows amounted to EUR1.8 billion. But you are right. That means that the buyout of the of the VA explains minus EUR0.9 billion, which means that, excluding net elements, we would have -- we'd have net inflows of EUR2.7 billion, which is quite a good number.

Q - Paul De'Ath

Okay. Thanks. And just on -- and I register that Changping's not included in the numbers. But if there's any kind of at all comment you could make on how that business is going?

A - Gerald Harlin {BIO 7424807 <GO>}

No. It's going well, in line with our expectations, nothing specific to mention. It's -- the profit is quite nice.

Q - Paul De'Ath

Okay. Thanks.

Operator

Farooq Hanif, Citigroup.

Q - Farooq Hanif {BIO 4780978 <GO>}

Hi there. Hope you can hear me clearly.

A - Gerald Harlin {BIO 7424807 <GO>}

Yes, hello.

Q - Farooq Hanif {BIO 4780978 <GO>}

Hi there. So firstly, you're talking about (being) -- APE growth for full year. Can you explain what's going to get you there, given that you have the FX effects and (adverse others) that you've already seen in Q1, if -- because it's comparable to later in the year, or is there something else that you point to that's concrete?

And in particular, I noticed that your new business margin in the US is up quite a lot. That's before interest rate adjustments year to date. So I was wondering whether you're still willing to be more aggressive in growing in the US. But that -- so, just (growth) is one question.

And second question, you talk about your mix being better. But protection and health has been very weak, the APE. So just kind of wondering where you see that going. Thanks very much.

A - Gerald Harlin {BIO 7424807 <GO>}

Okay. Let's be clear. What I said is -- clearly, is that our APE are expected to be positive for 2014. That's what I said.

You are absolutely right saying that protection and health is at minus 15 from the First Quarter. But besides that, it's due to one-off elements that are not expecting to be recurring during the year. Let's explain why.

The first element is due to Switzerland. As you know, we have two type of -- you know that, in Switzerland, the most important part of our life business is protection. It's group pension. And we have two different type of contracts, two protections. That means that we are covering biometric risk plus investment risk and semiautonomous, which means that we are covering exclusively biometric risk. That is death and disability, excluding savings part.

What we decided to do, as you know, in Switzerland, we have the SST, which is the Swiss solvency test, which is Solvency 2. But even tougher. And that means that, in a low interest rate environment, reinvesting as we did in the past CHF3 billion to CHF4 billion a year is some -- in a low interest rate environment, it's something which brings (inaudible) dilution, which is not favorable for the policyholders but also for the shareholders.

So what we decided is that, for no change, I would say, on the traditional (inaudible) agent side because it's mostly full protection that we sell there. But on the broker channel where we deal with medium and large companies which are exposed to, I would say, price competition, there, we decided mostly to move to the semiautonomous part.

Why? Because it saves capital. And the return is better. And that explains why the Switzerland case explains most of the negative performance of the APE.

On top of this, we have Germany. And in Germany, in fact, what happens is that we had -- remember maybe that, last year, we had a strong production in health due to the nonrepeat of -- and we had -- and we didn't repeat the strong sales for the First Quarter. Why? Because there was a change in regulation. And during -- up to mid-2014, we had strong sales due to the anticipated switch to unisex tariffs.

Last but not least, we had strong one-offs or strong production I would say, new business in the UK due to the pension -- what we call pension (tips). So these three elements explains most of what I would call the seasonality effect plus some one-off effects in the First Quarter. And that's why we are confident in our ability to post a positive APE growth for 2014.

Q - Farooq Hanif {BIO 4780978 <GO>}

And just going back on the US business, some of your competitors, who are making very strong margins in the US, see this as a good sign to grow. And what's your attitude toward the VA market right now and willing to grow?

A - Gerald Harlin {BIO 7424807 <GO>}

Okay. What I can tell you, Farooq, is that, in the First Quarter, annuity grew by 8%, which is quite strong. And it's -- and life was down 19%. And life is not much smaller. So that means that, yes, on the annuity side, we are growing. And we still expect to grow during the whole year.

That means that we -- the US posted a plus 5% growth on an AP basis in -- no, it was 4%, sorry. We posted plus 4% on an APE basis. And that means that our NBV margins went up from 24% to 22% -- 32%, plus eight points. And this compares with an average NBV margin for 2013 of 27%.

So you can see that we are growing, point number one. Also, this growth is slowed down because the life business is not so profitable. So we prefer to be down in life. And the profitability is going up quite strongly.

And as you can imagine, last point, most -- we had a very strong growth in products like (inaudible) (Stone), which are accumulator type of products, VA type of products. But which are less (difficult) to hedge because we benefit from (inaudible) propose a viable guaranteed (interest rate).

Q - Farooq Hanif {BIO 4780978 <GO>}

Okay. Thanks very much.

Operator

Nick Holmes, Societe Generale.

Q - Nick Holmes {BIO 3387435 <GO>}

Hello. Thank you very much. Yes. A couple of questions. First one is just coming back on the variable annuities. A lot of US players are backing away at the moment. And just interested if you could elaborate a little bit more. I know you've given some commentary on this already, on the risk-reward profile that you see in this business.

Is it, do you think, an opportunity to get back into the top five in that type of product, or are you more sort of circumspect about the risk appetite?

Then, secondly, just on France, just looking at unit-linked production, you've been making progress there. And I just wondered what scope you see to really improve unit-linked production further. Do you think there's a sort of level above which you can't go in France because of cultural sort of references, or do you think there's quite a good story for the unit-linked possible in France going forward? Thank you.

A - Gerald Harlin {BIO 7424807 <GO>}

Okay. Nick, answering the first part of your question related to the US VA sales, of course, we manage a certain level of risk appetites. That means that what we did in the past. And we have been among the first ones to go -- to revise the conditions of the products, to update them and so on and so forth. It's not (in order) now to go back to the top of the link table of the VA sales, not at all.

That means that we have strong growth. But as I mentioned before, answering Farooq's question, we take care that we -- our growth is on less risky products. Also, they are extremely profitable. So we are combining growth, monitored growth with high profitability. But our intention is not to be back, as you said, in the first five, for example. And nevertheless, we still are quite ambition in our global growth of the US.

About France, as you know, we are at the level of unit-linked, which amounts to 30% of our savings, which is a good level, not very fast on twice the average level for France. And last year, we were much lower. So that proves that we have gradually an improvement.

Do we see a limit to this? I would say that depends also on the financial markets. But globally speaking, we are encouraging -- including with our commissioning, we are encouraging our sales force to sell more unit-linked because the profitabilities are much higher.

Q - Nick Holmes {BIO 3387435 <GO>}

And Gerald, just on that point, is it still correct that profitability for unit-linked is about three times higher than for traditional?

A - Gerald Harlin {BIO 7424807 <GO>}

No, because we improved the profitability of the traditional. I would say that it's -- today, it's -- we could say that it's between 1 to 1.5 and 1 to 2, something around this because we think it (definitely) improve because you know that -- keep in mind that, in a country like France, we kept our expenses flat during the last years, which means that, gradually, when you have growth, we benefit from a unit cost which are going down. And even for the general accounts, this makes -- this is quite helpful. And it enhances our profitability.

Q - Nick Holmes {BIO 3387435 <GO>}

Okay. Very good. Thank you very much.

Operator

Blair Stewart, BofA Merrill Lynch.

Q - Blair Stewart {BIO 4191309 <GO>}

Yes. Thank you very much. Can you hear me okay, Gerald?

A - Gerald Harlin {BIO 7424807 <GO>}

Yes, yes, hello.

Q - Blair Stewart {BIO 4191309 <GO>}

Thank you. Good evening. A couple of small questions from me. Can you talk about the unit-linked net flows? I think there was a EUR2 billion swing from one year to the next. Now, obviously, half of that is the US. Can you just talk about what the other half is? Does it relate back to these exceptional items you talked about?

The second question is Japan, quite a lot of volatility in the volumes there. Is the EUR82 million you've printed for Q1 2014, is that a good run rate for the business going forwards now?

My third question is, just looking at the Mediterranean region, volumes up. But margins quite heavily down. I just wondered what's going on there if you can comment on that, please.

And the final question is in the P&C business. I see that price increases are starting to come down from the level we saw last year. I just wonder what impact, if any, that's going to have on your growth strategy in P&C. Thank you.

A - Gerald Harlin {BIO 7424807 <GO>}

Okay. Let's start with Japan. And I'll cover all your questions. Let's start with Japan. Your question is, are you satisfied with this level. You know the decline in Japan is mostly explained by the lower sales following the redesign of our -- some of our protection products, which is long-term life products. And it was in April 2013. So we had strong sales in the First Quarter of 2013. So the reference is pretty high.

Does it mean that we are -- that we expect during the whole year to be at the level which is so much down because, as you know, we had APE, as you said at EUR82 million, minus 15% compared to last year? The answer is no.

And we consider that this (NCCP) high sales volume in the First Quarter of last year means that, there again, it's -- we have a seasonality effect that should disappear during the year.

On the MedLA region, which was your third question, on MedLA, yes, you are right. You said -- your remark was to say that we had APE growth which was quite strong but NBV margin which was down. It's just -- look at the relative level of sales. That means that we are still at high level of profitability and that -- mostly due to the fact that it's due to the business mix. That means that, at the (seal) of MedLA, last year, we had a level which was low. And the business mix meant that we moved down from, on average, 32% NBV margin to 28%. But no worry on that side. We still are focusing (inaudible) on protection and unit-linked.

The P&C pricing increase, yes, indeed, we can say that the price increase was 3% last year. It went down to 2.2% in the First Quarter. But I would say that it's -- I would say that the P&C outlook is quite good. As you remember last year, we were at zero in the mature countries. We are plus one. And we consider that price increases at 2.2% is an absolutely good level. So we are quite positive, as I said, on the P&C. And we don't consider this lower price increase as (poor) news.

What was your first question? Yes. It's mostly in the UK. So that means your question was about the net inflows in unit-linked. It was the US and the UK.

Q - Blair Stewart {BIO 4191309 <GO>}

Okay. Can I come back on a couple of those, please? So -- .

A - Gerald Harlin {BIO 7424807 <GO>}

--Yes, sorry -- .

Q - Blair Stewart {BIO 4191309 <GO>}

-- Japan, I wasn't implying that you'd be down 15% for the full year. I'm just wondering, is the EUR82 million, is that a good run rate in absolute terms going forward? That doesn't look to be a huge amount of seasonality in Japan, looking over the years. There's some. But not huge amounts. Just wonder -- that was my question more on Japan.

A - Gerald Harlin {BIO 7424807 <GO>}

Yes. But you -- I believe I answered your question. But (sorry for that), no, that means that we -- I cannot consider that it's a good run rate. And you can see on the -- I believe that, in the appendix, you can see that the -- it's in currency. Yes. You can see in the appendix the run rate and you asked the -- that's the revenue. So it's not the APE. But we could offline give you a bit more detail about this. But the run rate -- I hope that the run rate will be higher, yes.

Q - Blair Stewart {BIO 4191309 <GO>}

Okay. Thank you. And on the MedLA, sorry, I just didn't quite get what's actually changed in the year. You've had volumes up but margins down. I don't think there's -- unless I'm wrong, there's not been any change in the product strategy over that time, has there? I would've thought that, just naturally, with volumes going up, your margins should be going up, assuming the product mix is staying the same.

A - Gerald Harlin {BIO 7424807 <GO>}

We had a relative higher share of (GA) savings, mostly in Italy and in Portugal. That's the reason why. So we had GA savings which was extremely low in the past. Why? Due to the economic situation, especially in Italy.

So on a relative basis, no specific change. What I meant in my answer was that there was no specific change in our philosophy and in our approach. But on a relative basis, there is a bit more GA savings.

Q - Blair Stewart {BIO 4191309 <GO>}

Okay. Thank you, Gerald. That -- and finally, sorry, just on P&C pricing, is the 2.2%, is that enough to cover or to offset claims inflation at the moment?

A - Gerald Harlin {BIO 7424807 <GO>}

Yes.

Q - Blair Stewart {BIO 4191309 <GO>}

Thank you.

A - Gerald Harlin {BIO 7424807 <GO>}

Okay.

Operator

Francois Boissin, Exane BNP.

Q - Francois Boissin {BIO 16045021 <GO>}

Yes. Good afternoon. A question on the outlook for life margins, please. You reported 33% NBV margin in Q1, which is healthy. I just wondered what the outlook was for this number for the remaining of the year 2014.

Basically, what is the -- in what -- in which geographies do you expect to potentially raise this number and in which business lines? And I guess the other question is, to what extent are you worried by the current interest rate environment? And how could current interest rates impact this number?

And as a follow up, I would like to know if you release an internal rate of return for Q1. Thank you.

A - Gerald Harlin {BIO 7424807 <GO>}

No. We don't. And first of all, we don't release any internal rate of return. We do it once a year.

The second point is, at the NBV margin, my comment was more to say that the -- I was expecting the top line to grow NBV margin at 33%. Last year, we had 35%. So it's already an excellent level. What I'm expecting is and the message I wanted to convey is the fact that we were not expecting to be on an APE basis at minus 6% for the year. But that we would be positive.

And your question was, where do we expect growth? We expect growth in the US, we mentioned already. So we're starting the year at 4%. But we can expect to be higher for the whole year. Southeast Asia, China, the UK as well, in France, we will be -- we should be positive. And Japan. Japan, as I explained, answering a previous question, we started at minus 15%, which is quite low. And we expect to be positive this year in Japan. So that's mostly.

On the reverse, I could say that the situation I described for Switzerland, since as you know, most of the significant part of the new business is slow during the First Quarter, we'll still be significantly negative in Switzerland for the reason I explained before, i.e. the fact that we move for some part of the contracts to semiautonomous products.

And also, in Germany. But we can expect that, progressively, it will -- the effect of this First Quarter and the high sales in health in the First Quarter due to change of the regulation will go (fading). So that's mostly it.

Q - Francois Boissin {BIO 16045021 <GO>}

Okay. And on the current interest rate environment and the potential impact on margins?

A - Gerald Harlin {BIO 7424807 <GO>}

I don't -- what I said is that, of course, we don't publish margin. But in the First Quarter, we don't publish our earnings. But what I can say that we are still managing a long duration. It's more than seven years in life. We didn't change. So that means that we are quite well. We don't have a mismatch between assets and liabilities, which means concretely that I don't expect that this might have a small effect. But I repeat a small effect. I'm not expecting a large effect on this low interest rate environment, at least for this year. We'll see after.

Q - Francois Boissin {BIO 16045021 <GO>}

Okay. Thanks very much.

Operator

Farooq Hanif, Citigroup.

Q - Farooq Hanif {BIO 4780978 <GO>}

Hi there. Thanks for taking a follow up. Sorry to prolong this. But just wanted to know, firstly, going back again to the growth questions that you think APE will be up in -- absolutely in local currency terms. Is that going to come from protection and health that you -- you've obviously, you've given some regions. But what about products?

Secondly, can you tell us what your early thoughts are (AO) stress test? Thanks.

A - Gerald Harlin {BIO 7424807 <GO>}

Okay. Two different questions. On the first one about -- my comment on the global APE is valid for protection and health. That means that we expect protection and health APE to be positive this year.

On the second question, it's on the stress test, I have no specific worry for the stress test of the AO (parcel). It's part of the exercise. We did it last year. So no worry.

Q - Farooq Hanif {BIO 4780978 <GO>}

Okay. Thank you very much.

A - Gerald Harlin {BIO 7424807 <GO>}

Again, as you noticed, we have a strong solvency position. So no specific worry.

Q - Farooq Hanif {BIO 4780978 <GO>}

It's just that, when you look at the test, it looks fairly harsh and, if I may say so, not very well thought out. But you obviously seem comfortable. So that's fine.

A - Gerald Harlin {BIO 7424807 <GO>}

Yes, no, we still have discussion on the test, on the curve, on the yield curves. We have some open questions. But again, I don't have any specific worry.

Q - Farooq Hanif {BIO 4780978 <GO>}

Okay. Thank you, very, very much. Thank you.

Operator

Andrew Crean, Autonomous.

Q - Andrew Crean {BIO 16513202 <GO>}

Good evening, Gerald.

A - Gerald Harlin {BIO 7424807 <GO>}

Hello, Andrew.

Q - Andrew Crean {BIO 16513202 <GO>}

Couple of questions. One, if you look back over the last seven years, on the life net flows, over half the net flows in the year appear in the First Quarter, which suggests a level of seasonality there. In fact, do you see that as likely to recur this year, or do you think that there are special factors this year which may change that pattern?

And secondly, going back onto the AO stress test, the more you've looked at your own economic capital of (sort of) (inaudible) base relative to the Omnibus 2 stuff, which was provided at the back end of last year, do you think there will be -- if you were to do your economic capital on the -- for the current long-term guarantees, do you think it would change the numbers and then -- and the coverage significantly?

A - Gerald Harlin {BIO 7424807 <GO>}

Okay. On your first question relative to the net flows, I would say that, if I exclude the US impact and the 0.9 I mentioned before, we would be at EUR2.7 billion. Last year, we posted 1.1. And excluding the exceptional, last year, we were at 4 -- slightly above 4. I can expect this year to be better than last year in term of net inflows. But it's a bit premature to tell you exactly where we will be.

But on your second question, which is a question on (QIS) -- .

Q - Andrew Crean {BIO 16513202 <GO>}

-- Yes.

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

Could you repeat your question, Andrew, perhaps?

Q - Andrew Crean {BIO 16513202 <GO>}

Yes. The capital coverage ratio which you publish is -- doesn't bake in some of the Omnibus 2. So long-term guarantee issues. What I was wondering -- I know I may have spoken on this at length, what would happen to your economic capital coverage if you were to sort of bake in all the sort of newer -- ?

A - Gerald Harlin {BIO 7424807 <GO>}

-- Okay. I see your question, which is an important one. But I remind you that I cannot precisely answer your question yet. I know that Alliance mentioned 20 to 30. And I'm sure that you are referring to this, a 20 to 30 points impact.

As I said in (one and one) (inaudible), my initial feeling was that it was high. But I cannot be more precise. As you know, we will review our models with the (SAPR). We'll review our models in -- by the end of the year. And we'll get a full clarity I would say next year, most probably mid of next year.

So I have no -- I'm not at all anxious starting from a position of 210. No doubt that there will be some adjustment. And adjustment which concerns all the companies. And you can see that, starting from a comfortable point, that level, that 210, is that I'm quite comfortable for the future.

On the magnitude of these adjustments, unfortunately, it's too early.

Q - Andrew Crean {BIO 16513202 <GO>}

Okay. Well thanks.

Operator

Francois Boissin, Exane BNP.

Q - Francois Boissin {BIO 16045021 <GO>}

Yes. Actually, my follow-up questions have been answered. Thank you.

Operator

We have no more questions. (Operator Instructions) We have no more questions. Daniel Bischof, Helvea.

Q - Daniel Bischof {BIO 17407166 <GO>}

Yes, good evening. Just on the group life business in Switzerland again, I'm a bit surprised about the timing of your (inaudible) product offering (inaudible) is growing the (inaudible) strongly in 2013. And interest rates were quite a bit lower. And since then, the SST has rather been (relaxing for price). And so, why did you plan the repositioning right now? And did the proposed pension reforms or (inaudible) play a role there as well?

A - Gerald Harlin {BIO 7424807 <GO>}

I would say that, as you know, our profitability is quite good. I remind you that we have, on average, an IRR in Switzerland which should be around 13%. For a country where rates are below 1%, it's quite good. That's on average.

But as you can imagine, the marginal impacts. And we take care of the marginal impact of the new production. And what we said is that we have two type of business, as I said. We have the business with the (inaudible) (agents). We have the business with the brokers. And the margin on profitability of business with brokers is lower. And that explains why we prefer to optimize our capital.

Such type of decision is absolutely in line with, I would say Ambition AXA and what we call selectivity. That means that -- and more and more going forward, we will have to take care of capital and marginal return on capital. And that's the reason why we decided this year to do it.

It doesn't mean that it's impressive because you have a decline in the APE ratio. But you know -- keep in mind that the semiautonomous type of business makes that the NBV will be above 100%. NBV margin will be above 100%. So this explains why.

And beyond Switzerland, we could expect in the future to be faced in the Solvency 2 world research type of move, which will be aim -- which will aim at optimizing the return on capital. And from time to time, it's at the expense of the top line. But what is important is the bottom line and the return on capital.

Q - Daniel Bischof {BIO 17407166 <GO>}

It's just I assumed that the returns were probably quite a bit lower last year. And you took this decision early this year.

A - Gerald Harlin {BIO 7424807 <GO>}

No, no, it's only because, progressively, you know -- look -- I mentioned that, among the reasons that I mentioned just before, we have also the fact that, progressively, we have to invest at lower interest rates.

So that's mainly the point. And keep in mind as well that some part of this business of the investment part will be done with AXA IM. And on top of this, we will benefit on this new (improved) business at AXA IM.

Q - Daniel Bischof {BIO 17407166 <GO>}

All right. Thank you.

Operator

We have no more questions. We have no more questions for the moment.

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

Okay. Well thank you, everybody.

A - Gerald Harlin {BIO 7424807 <GO>}

Okay. No more questions? No?

Operator

No more questions.

A - Gerald Harlin {BIO 7424807 <GO>}

Okay. So I wanted to thank you all.

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

Yes. And wish you a good night.

A - Gerald Harlin {BIO 7424807 <GO>}

Bye, bye.

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

Bye, bye.

Operator

Ladies and gentlemen, this concludes the conference call. Thank you for attending. You may now disconnect.