

Prudential Capital Management Update

Monday, 24th June 2024

Introduction

Patrick Bowes

Chief of IR, Prudential

Welcome

Good morning and good afternoon. Welcome to our Capital Management Update Q&A session. I am Patrick Bowes, Chief Investor Relations for Prudential plc.

Together with me here today are our CEO, Anil Wadhvani, and Ben Bulmer, our CFO. I hope you have had a chance to review the RNS' slides and scripts that we published last night on our website. And we provided a brief trading update in the RNS but we have yet to reach the end of the quarter, so we will not be commenting any further. The RNS also confirmed that our half year results will be on 28th August.

I will now pass over to Anil and Ben to kick off with some opening remarks before opening up for questions. Thank you.

Over to you, Anil.

Highlights

Anil Wadhvani

CEO, Prudential

Delivering growth in value and cash returns

Thank you, Patrick. Hello, everyone. I am delighted to provide a capital management update today.

As a result of our strong capital base, the progress that we have made on our strategic priorities as well as the recent clarification of the rating agency's treatment of IFRS17 CSM, we will return \$2 billion of capital to our shareholders through a buyback programme over the next two years. This represents approximately 8% of our outstanding stock.

The share buyback is consistent with our priorities for allocating capital. And with the current share price, we see this as a compelling opportunity to create value for our shareholders. We have importantly retained sufficient capital flexibility to further accelerate organic growth and enhance our capabilities.

There is no change to our dividend policy, and our expected annual dividend growth of 7% to 9% in 2024. Given our focus on quality growth in both value and cash and on account of the progress of the execution of our strategy, we remain confident in our full year 2024 new business growth and in achieving our 2027 financial and strategic objectives. We expect that the progress towards our 2027 financial objectives will increase the potential for further cash returns to our shareholders.

Ben Bulmer, our Chief Financial Officer, will now summarise the key financial aspects of this capital management update. Ben.

Financial Review

Ben Bulmer
CFO, Prudential

Disciplined capital allocation driving compounding growth

Thanks, Anil, and hello, everyone. So look, when we introduced our new strategy in August last year, we set out our capital allocation philosophy. That philosophy remains unchanged. But there are a few developments that have subsequently clarified management's view that there is capital available for return to shareholders.

Firstly, as Anil briefly referenced, credit rating agencies have updated their methodologies to reflect the implementation of IFRS 17. We have comfortable leverage headroom even after the \$2 billion buyback. And our pro forma Moody's leverage ratio would be 15% as of year-end 2023.

Secondly, we now introduce a free surplus ratio and provide additional guidance as to how we think about the deployment of free surplus in the context of our growth aspirations, leverage capacity as well as our capital and liquidity needs.

Regulatory capital and free surplus ratio

As no doubt you will have seen, the Group's free surplus stock, which is our preferred measure of distributable shareholder capital, stood at \$8.5 billion at the end of 2023. The free surplus ratio we have defined is set as Group free surplus plus the EEV required capital of the life business divided by the EEV required capital of the life business. At the end of 2023, our free surplus ratio was 242%.

Free surplus ratio operating range

Based on our current risk profile and our business units applicable capital regimes, we will seek to operate between a range of 175% to 200%.

If we project the free surplus ratio to be above that operating range over the medium term and taking into account opportunities to reinvest appropriate returns and allowing for market conditions, capital will be returned to shareholders.

Capital management discipline

So the \$2 billion buyback we have announced today is forecast to reduce the free surplus ratio from 242% at year-end 2023 to marginally above 200% on a pro forma basis, and that is taking into account both the buyback and the 2023 second interim dividend.

Increasing potential for further cash returns

Looking forward, we expect significant acceleration in annual gross free surplus generation from the end of 2025. This will increase our financial flexibility and the potential for further cash returns to shareholders.

Back to you, Patrick, for the Q&A session.

Q&A

Kailesh Mistry (HSBC): Couple of things. I know you have just announced this share buyback. But the predictable question is, would you think about your payout policy after the

buyback is completed? Is it fair to say that you would think about it on a payout ratio similar to your nearest peer?

Secondly, in terms of financial resources, you highlight a 15% debt leverage on a Moody's basis. What is the additional debt capacity you calculate to maintain the AA rating?

And lastly, just on new business trends. You highlight the sales trends in the second quarter are similar to the first quarter. Is there any further colour you can provide on business mix and momentum and how that may or may not differ between Greater China and ASEAN?

Anil Wadhvani: Hi, Kailesh. Good to hear from you. Let me start with the third question first, and then I am going to hand over to Ben to respond to your first two.

So we did put out in the RNS that the quarter two trends are similar to the one that we experienced in quarter one. We are not going to get into specific market details. We look forward to having a much more in-depth conversation on our first half performance in August. But just to come back to what we had said at the quarter one results announcement.

Against a strong prior period comparator that reflected what we believe was a significant outperformance in 2023, those comparators and base effects will come into play when we discuss the first half 2024 results.

But as I said, we are looking forward to having the in-depth conversation on Hong Kong, Mainland China as well as on ASEAN when we speak to you in the August time frame.

Ben Bulmer: Thank you, Anil. Morning, Kailesh. Maybe I start with the payout ratio. Look, I think as you are rightly referencing, today's announcement is funded by stock. Our focus, as we have said before, in the near term is growth in NBP, and of course, accelerating operating free surplus generation.

In terms of the free surplus ratio, as we think how we move across the objective period, I am expecting to operate very much at the upper end of that ratio. We have disclosed the profile of our gross operating free surplus generation; ultimately progress towards those objectives means increased potential for further cash returns to shareholders.

Whilst I expect free surplus generation to generate in the near term, of course, we need to be mindful of our \$1 billion investment capability programme, and of course, growth in regulatory capital as we layer on successive cohorts of profitable new business.

In terms of today, as you know, our dividend policy is linked to growth in operating free surplus generation; that has not changed with today's announcement. And the underpin of 7% to 9% continues to apply in 2024.

On your Moody's leverage point, so the 15% pro forma number I gave gives us headroom of slightly north of \$2 billion.

Edwin Liu (CLSA): If I may, two questions from me. Firstly, I know this is a \$2 billion buyback programme. But I guess, if the share price does go up subsequently, would you still fully execute this \$2 billion programme? Or would there be sort of a threshold that once the share price is above that, probably the programme would not be fully executed? That is my first question.

Second question is we noted your operating range of 175% to 200%, which is a bit lower than your nearest peer. Could you share some of the consideration behind? That is the second question from me.

Anil Wadhvani: Thanks, Edwin. And appreciate your questions. So I think the answer to the first question, we strongly believe that the stock price makes it highly compelling for us to initiate the buyback programme as soon as we possibly can. And we will be in the market quite quickly to take opportunity of where our share price is.

And as you would expect, we will continue to monitor our share price. The point being that we are very focused in making commercial decisions that are both focused on returning cash to our shareholders, and at the same time, driving quality value business. But that is something that we will monitor as we believe our share price does not reflect our fair value, as well as take into account the performance that we have delivered in 2023 as well as back that up with double-digit new business profit growth in the first quarter of this year on an economic basis.

I am going to stop there. I'm going to now turn to Ben to talk about your second question.

Ben Bulmer: Thanks. Hi, Edwin. Look, clearly, it would not be right for me to comment on others. What I can say is that our operating range is obviously based on our risk profile and the applicable local capital regimes that we operate in. The range set out provides us capital to accelerate organic growth opportunities and provides a bit of additional resilience.

In terms of our in-force book, if we step back, we are very much weighted towards health and protection, with-profits style savings products and unit-linked style savings products. And these products, by their very nature, tend to have relatively low first order shareholder exposure to market risk.

Laura Li (CGSI): I have three questions. The first is about the leverage ratio. If there is future M&A, how high is Pru comfortable lifting its Moody's leverage ratio? If not, what is your target Moody's leverage ratio range?

And second is about the required capital plus our operating free surplus ratio is based on the EEV required capital. How does the required capital and hence the target free surplus ratio differ between the EEV and TEV in the future if TEV is adopted?

And third question is also about the free surplus targets. Can you give us more opinion on whether Pru may have product needs such that it needs less capital to grow versus industry average? Is the free surplus ratio target based on your conservative projected future growth rate such as the current 2023 new business profit target? That is all.

Anil Wadhvani: Yes, thanks for your questions. We may come back to you on your second question because you got cut out a little bit, so we may come back to you for your second question. But let me start with the future growth question.

You are absolutely right, I think the buyback that we have announced today is an illustration of the financial discipline that we would like to operate under as well as importantly that we are retaining enough financial and capital strength to be able to deliver growth, if not surpass, the 15% to 20% range that we had spoken about when we announced our strategy late August. And we remain confident, as I said, that we have enough financial muscle to be able to pursue the growth opportunities that exist in our Asian and African markets.

I am going to turn to Ben to talk about the leverage ratio. And if you could just kind of once again just clarify the second question.

Ben Bulmer: Yes. I think I caught that. Hi there, Laura. It is Ben here. So yes, on the leverage ratio, so Moody's has set a general default target leverage range of between 5% and 20% for companies targeting AA rating. And within that, they look to count 50% of the net CSM.

We have been waiting for some clarity on this. We have spent time with the rating agencies, all three of them, actually over the last month. As I referenced earlier to Kailesh's question, we are operating at about 15%. We have got just over north of \$2 billion to the upper end of that headroom.

I think your second question, and tell me if I got this wrong, was would required capital of the operating ratio change materially if we were to look at this through a TEV lens? I cannot tell you exact numbers, but I think conceptually it would be very similar. You would not see a change in required capital. And I would not expect the free cash flows to materially change.

Andrew Crean (Autonomous): I have three questions. Firstly, the mood music today is very different from the full year figures where there was much more talk of inorganic and bancassurance deals. Could you give us a sense as you look forward over the next few years to what level of money you're thinking about in terms of potential bancassurance deals?

Secondly, in terms of calculating the capital requirement for the OFSG each year, could you tell us what ratio of required capital, because clearly, the way you report it, it is on 100% required capital which is too low? I mean, should we build in sort of 175% or 200% of capital requirements in terms of the real OFSG?

And then thirdly, a point of clarification. When you say the second quarter new business is similar to the first quarter new business, do you mean in dollars million terms or in terms of growth rate versus the prior year, just as a definitional point.

Anil Wadhvani: Thanks, Andrew. Let me take your third question, which is relatively straightforward. So when we spoke about the trends, it was more from a year-on-year growth perspective and not from an absolute dollar perspective.

In terms of your first question on bancassurance and inorganic. So let me kind of step back. When we did announce our strategy late August last year, we had been quite explicit that our primary focus would be organic growth, given the profitability and the returns that we continue to see in terms of deploying capital to drive our organic growth.

It also mentioned that we were keen to build our capabilities so that we create a much more sustainable value-creating platform over the medium to long term.

In terms of bank partnerships, so that we provide an additional level of clarification and colour. We would like to pursue bank partnerships that complement the strength that we have in our agency force in some of our key markets.

Now while doing this, you could expect that we will be contrasting and comparing this with returns that we would get if we were to return the same capital back to our shareholders. But I think providing a lens of diversification, and you simply have to look at our 2022

performance, which was largely bancassurance-led versus 2023 when the borders opened up, it was largely agency-led.

And in terms of the size, Andrew, these are not massive Pan-Asian deals. These will be typically in country, much smaller sizes, but something that I believe will provide us a greater level of diversification as we look at expanding our distribution in some of our key ASEAN markets in specific.

But I am going to stop there and turn to Ben to answer the second question.

Ben Bulmer: Morning, Andrew. So you are right. Our reported basis has 100% of prescribed capital requirements that reflect the regulations in each jurisdiction and I do not think we are unique in that.

Of course, for our larger balance sheet, this can be a one in 200 level. But what we are saying today is we are electing to hold distributable capital in excess of this at 175%.

Now dipping below that momentarily does not necessarily stifle growth, but I would likely look to take management actions. So I think as we think about cash distribution going forward, yes, absolutely keep in mind that the 175% level that we have set out today.

Thomas Wang (Goldman Sachs): A couple of questions. Firstly, you mentioned on the slide, the operating free surplus generation target \$4.4 billion. With this buyback, do you feel the need to adjust it? Because, I mean, rough calculation that is going to remove \$100-plus million or so from 2027 free surplus generation. So just want to quickly check do you feel the need to make a small change to that?

And secondly, on this excess capital of 75% to 100% target above the required capital, do you have any comfort range in terms of how much of that is debt versus equity within the excess capital?

Ben Bulmer: Yes, sure. If I can kick off on. Thomas, your first question. No, absolutely no change to our OFSG objectives. Of course the funding that is earmarked for today's announcement is set in TopCo in our HoldCo cash, given its geography, it does not impact gross operating free surplus generation quantum, but kind of comes through in the net number. So no change to that.

I think I caught parts of your second question. If you would not mind just repeating it, sorry.

Thomas Wang: No problem. Just excess free surplus on top of the required capital. Currently, I think, it is \$8 plus billion. Within that \$3.5 billion or so is debt. Do you have any comfort range of how much of that will be debt financing going forward?

Ben Bulmer: Well, given the certainty we recently got around leverage ratios, what we are saying is we will likely use that flexibility to pursue select partnership opportunities. I think Anil has touched on some of that. I am certainly happy doing that.

In addition to that, of course, because we have set out a range, there are elements of capital available in that free surplus on the balance sheet that we can use to accelerate organic growth. And we have never been shy of saying that it is our aim, if we can, to exceed the growth targets that we set for ourselves in 2027.

Andrew Sinclair (Bank of America): Three for me, please. So first, you have said a couple of times that investment decisions will be judged against the alternative of returning capital to

shareholders. How can we evaluate that? What valuation multiples are you considering? And will you give some updates to targets or some valuation multiples when you do sign any partnership opportunities? That is question one.

Question two, just to understand the \$1 billion of investment spend. What impact should we think of from that on the ratio and just any comments around that?

And third was just on the 15% to 20% new business compound target. Can you give me an idea, what would that be if you adjusted it for today's economics?

Anil Wadhvani: Thanks, Andrew. Let me start with your first question, and I'll answer the third one as well. And I will ask Ben to talk about specifically the \$1 investment and the progress that we are making and what you could expect in that regard.

In terms of evaluating our bank partnerships versus returning capital to our shareholders, clearly, we have certain thresholds that we evaluate these banks partnerships on. Now as you could imagine, these are commercially sensitive thresholds. So we cannot be more explicit about it. But rest assured, there is a high degree of evaluation when you are comparing and contrasting with the dollar invested in the bank deals versus when we are returning that to the shareholders.

I also wanted to point out, as I have kind of mentioned on a number of occasions previously, is that the bancassurance margins are quite healthy. They are not as strong as what you would expect from agency, rightfully so, but they are quite healthy. And we reflect the entire economics, the fully loaded economics, of our bancassurance partnerships in the margins that we disclose. I think that is a very important factor that you need to note. And this makes us believe that these are still accretive and do provide a level of diversification wherever we have agency strength.

In terms of your 15% to 20% new business profit question and whether it is going to account for the interest rates movement, I think we have been quite explicit about that, again, when we set the targets it is going to be on an ex economic basis. And that is something that we continue to report as you would have seen in our quarter one earnings results as well.

I am going to stop there, and I am going to turn to Ben to talk about the \$1 billion investment.

Andrew Sinclair: Sorry, just before we move on to Ben, just if I can, Anil, I mean, almost combining those two questions. I mean, I understand the difficulties and commercial sensitivities around bancassurance deals. But I think shareholders will very much appreciate the capital return today, but also will want to understand what they are getting from any of these bancassurance deals. I mean, you said that those targets originally as being organic. Do you see scope to increase your targets once you have done a couple or even some bancassurance transactions?

Anil Wadhvani: Yes. So I think, Andrew, firstly, if you look at our aggregate portfolios, right, the IRRs on our current portfolio continue to remain in excess of 25% with payback periods of less than four years. So I think that is a good indicator for you as to how we kind of think about some of these things.

Now as you can imagine, this is a portfolio and not deal specific. And I just want to be very, very clear about that.

But as you would expect, we cannot get into every single bancassurance partnership commercials purely because of sensitivity reasons. But we understand that the bar is high, and you can take great confidence based on the announcement that we have made of returning \$2 billion of capital that we are being very focused on both driving quality value growth, but at the same time focused on returning capital back to our shareholders.

And the last point, similar to what I was responding to Andrew's question, these deals are not large as compared to what you would have probably experienced us do in the past, for example, with the likes of Standard Chartered or UOB who have been excellent in terms of our partnership and the value that they have created. These are going to be much smaller and much more in-country, in-markets that are of strategic importance to Prudential.

Ben Bulmer: Yes, thanks. Morning, Andy. So thanks for your question on the \$1 billion investment. We are making good progress on deploying that capital, and I will be able to tell you more when we meet at the interim results.

Just by way of reminder, though, as people try to model out our free cash flows. We, in 2023, have invested just over \$130 million, so we have just short of \$900 million to be deployed. In 2024, I am expecting that quantum to be around \$250 to \$300. And similarly, in 2025, which in part accounts for at least some of the shape that you are seeing in the acceleration of gross OFSG.

Dom O'Mahony (BNP Paribas): Three from me as well, if that is okay. First, maybe it is too early to ask this. But you are clear in saying that the new capital management framework combined with your targets could lead to further capital returns. I am just wondering whether you expect to re-examine your capital position on an annual basis, on a regular basis or whether it is likely to be more ad hoc when you think about additional capital returns?

Second question, just a technical one, on the metric. So it is capital excluding the intangibles. I wonder if, firstly, you might just explain why that is. I mean, as I understand it, they do contribute to capital. In what sense is it important to exclude them from the ratio?

And then relatedly, if you do agree further banca partnerships and if there is an asset value on those partnerships, presumably those assets will be excluded in capital as well. But if you could confirm that, that would be helpful.

And then lastly, just on the 2027 targets. You have made a couple of clarifications in the release, which is very helpful. You say that you will reach those targets primarily through growth rather than, say, margin. I wonder if you might just expand on that a little. Should we anticipate that the shape of free surplus emergence from new business vintages will be similar to 2023, or actually, might you see similar NBP margins but earlier emergence? And might that help get towards those targets?

Ben Bulmer: I will have a go at those three, if that is okay, Anil. Hi Dom. So maybe if I start with that last one to do them in the reverse order. So I think for us, the 2023 cohort of new business has a slightly weaker signature candidly than I would have liked. There was a greater weighting than historically towards Hong Kong savings products and a lower weighting from a number of countries that typically have slightly earlier cash signatures.

We certainly want to improve on that new business cash signature. We have done some repricing, including here in Hong Kong. There are some other actions we have alluded to.

Clearly, Dom, as you know, we need to tackle variances, and we talked about setting a provision on medical claims. It is early days in the capability build. The more we can do on health and agency, frankly, help with the shape of those cash flows. And I would expect some mix normalisation in terms of country mix. So more Singapore, for example, helps with the overall portfolio cash signature.

So we are looking to improve that, you are absolutely right. I guess, when we were referring to NBP and sort of not relying on margin build necessarily, that was more of a reference to country mix, channel mix as opposed to not actively managing our product set. Of course, we are going to do that.

Your question going in reverse order, on intangibles. Why have we excluded them? Basically because we want to get to a deployable capital ratio in essence. GWS kind of works at a group level when we are thinking about statutory solvency. But ultimately, we need to pay the bills and deployable capital and having a keen eye on that tends to bite before GWS does.

To Anil's point to the extent we do further select partnerships, we tend to capitalise a degree of that funding. The upfront, you can see it sit on our balance sheet. It is fully reflected in the margins we write and indeed, the cash flows we provide, the strain we give. So there is a degree of visibility there notwithstanding the sensitivity of commercials.

And then to your first question on examination of capital, that I think the simple answer to that is, yes, frequently, we actively look at the capital stack, think about how we are deploying that, how we are creating the best returns for our shareholders. And I hope last night's announcement was good evidence of that.

Dominic O'Mahony: I just wanted to clarify, if you do put an asset value on the any bancassurance partnerships agreed in the future, presumably those would also be deducted as intangibles from capital?

Ben Bulmer: Yes. The short answer is yes.

Farooq Hanif (JP Morgan): Anil, Ben and Patrick, I am sure there has been a lot of work to get to this place. But firstly, my understanding was that you were in active conversations on some bank deals and were kind of waiting to see where those would turn out before you had made this announcement. So I was just wondering whether that is still ongoing and that you just feel confident in giving this commitment back? Or is it the case that we are probably not going to hear something active on partnerships this year?

Secondly, you talked about the increased confidence in your targets, particularly around OFSG. Now you have talked about the improved profit signature from new business that you are trying to create that will get you to that \$4.4 billion plus. But can you also talk about how much the \$1 billion investment is going to help with those steps to get to over \$4.4 billion?

And then finally, very quickly, I am not sure if you answered an earlier question, but you only give the DPS guidance to 2024, which makes sense because that is what you have given previously. But are you considering higher dividend growth or something that is actually more closely aligned with free surplus generation?

Anil Wadhvani: Thanks, Farooq. So let me start with the banca pipeline, and yes, we did mention about the active conversations. And unfortunately, I do not have any new news to share with you except the fact that those conversations are ongoing. Again, just to kind of provide clarity, and I might be repeating myself here, is that these are specific in-country deals so they are not big in size as you would compare to some of the more regional partnerships that we engage on.

And then in my earlier comments, we are going to be selective. And we will have no issues in walking away from these bank transactions if they do not meet our return threshold, and this goes to Andy's question around the way we evaluate a bank partnership versus returning it to our shareholders.

So yes, there is some degree of clarity, but I do not have a decision to give you right now on some of the ones that we are pursuing. But I guess the additional colour in terms of size, in terms of the fact that we are going to be selective and we will not hesitate to walk away from them if they do not meet our return thresholds.

So Ben, you want to go to the next one?

Ben Bulmer: Farooq, I think you were asking about dividends. I mean, no change in policy today as we have set out. What I would say is the underpinning of 7% to 9% is, of course, on the absolute dividend number. So to the extent we have got a lower amount of outstanding stock, obviously, that is a tailwind for DPS, if you like.

Your second question on increased confidence around OFSG and what does more health and agency do for that? Can I come back to you at the interims where I can actually give you some stats around that rather than giving an oblique trust-me answer? I think that would be more helpful.

Patrick Bowes: Farooq, just to answer your first question, of course, the timing of the announcement, obviously, you will have noticed we have a consent period that has to pass to get permission to transact. And obviously, we wanted to be able to execute during the course of this year. So we have undertaken a transaction with a counterparty that allows us to start that transaction early and continue through close periods and so forth. And obviously, at the current time, we believe the share price provides an attractive point to start executing this process.

Larissa Van Deventer (Barclays): Two from my side and one is actually just to clarify. Actually make that three on which ones to clarify. On the growth in the dividend, can you just confirm that I hear that you said that is a total nominal amount, not on a DPS basis, is the first question.

The second one, do you have a price point where you would switch from buybacks to increasing the ordinary dividend yield or how should we think about that?

And the last one on the \$1 billion. You said that you were invested in customer distribution and then health and technology and data. Is any of those areas receiving particular attention at the moment? Or are you spending the amount for this year proportionately throughout those three?

Anil Wadhvani: Thank you for your questions. Let me start with the third question, and then I will have Ben answer the first and the second one.

So we are making progress on all our strategic enablers. And obviously, as we had said, the primary focus again for us would be distribution and ensuring that we are investing in growing our distribution as well as investing in technology capabilities to be able to provide a much more seamless experience to our agents as well as then convert from agents providing that similar experience to our customers.

And the second one is we now have stood up our health vertical. And again, we are making some quite decisive progress in terms of how we are thinking about repricing, how we are thinking about the product set, how are we thinking about underwriting as well as fraud base and abuse. And that is something that we will be happy to provide you greater clarity when we speak to you in the August time frame.

Ben, you want to take the first and second?

Ben Bulmer: Yes, sure. Maybe just to add to that one, Anil. Hi, Larissa. This is sort of quoting from the full year 2023 numbers. The split of the 130, if you recall, was 70 distribution, 50 customer and then 13 health. And obviously, we can update on those at the end of August.

On the dividend question, yes, you are right, it is nominal.

And then in terms of your second point, clearly, we will look at market conditions and think about returns and ultimately reserve the right to change as we move through time.

William Hawkins (KBW): I have got three, but I just heard what Patrick said, so I will keep it to one and win a brownie point. The \$6 billion capital resources, can you just give us a hint of how you think that is going to grow over time in line with the other metrics that you have got? So if I am thinking about the 15% to 20% new business growth, the CSM runoff and that kind of thing, what does that imply about how the \$6 billion capital resources is going to grow, please?

Ben Bulmer: Yes. Thanks, Will. It is hard to give a simple reference metric to point to. Clearly, it is going to grow with the balance of liabilities we have on the balance sheet as the book grows. My recollection is thinking about 2023 growth that quantum grew roughly 10% year-on-year, whereas I think in terms of the build of shareholder assets, liabilities, it was around 8%.

But yes, difficult to give a very simple rule of thumb. Fortunately, the answer is grow in line with the book.

Patrick Bowes: The shape and size of the book is to [inaudible] as well, okay? Sorry, was there anything else, William? You had a couple.

William Hawkins: No, do not worry. That is fine. I will follow up.

Patrick Bowes: Okay. Thank you very much. Delighted to provide you the capital management update for you today. And obviously, IR team is at your disposal to answer any detailed modelling questions and for pre-close period roundups. We look forward to speaking to you at the interim results at the end of August. Thank you very much for your attention.

Anil Wadhvani: Thank you, everyone. Have a good day. Bye-bye.

Ben Bulmer: Cheers.

[END OF TRANSCRIPT]