

Group Finance Director's Review

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Group Finance Director



Overview

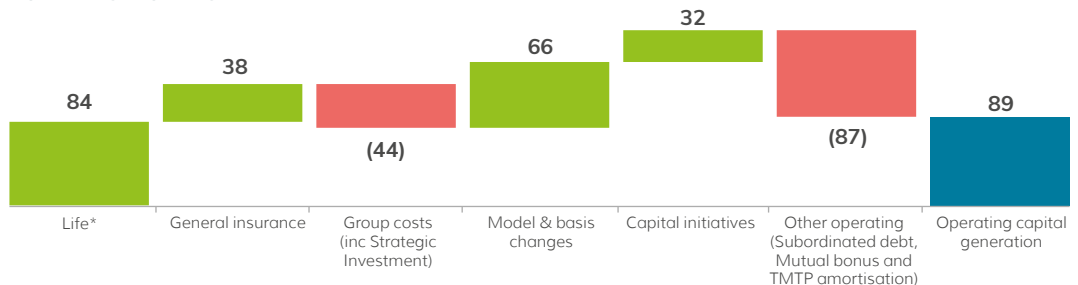
During 2018 we have focused on reducing our cost base to prepare for the future as a sustainable independent life and pensions business once we complete the transfer of control of the general insurance business at the end of 2019 and exit the agreement to provide central services. Our capital position has remained strong throughout the year, with positive operating capital generated by the life and general insurance businesses and stable operating profits. In the life business year-on-year cost savings have offset lower levels of new business contribution whilst the general insurance business has weathered the impact of the Beast from the East and non-injury claims inflation, to achieve a satisfactory underwriting profit and strong personal lines premium growth.

Financial summary

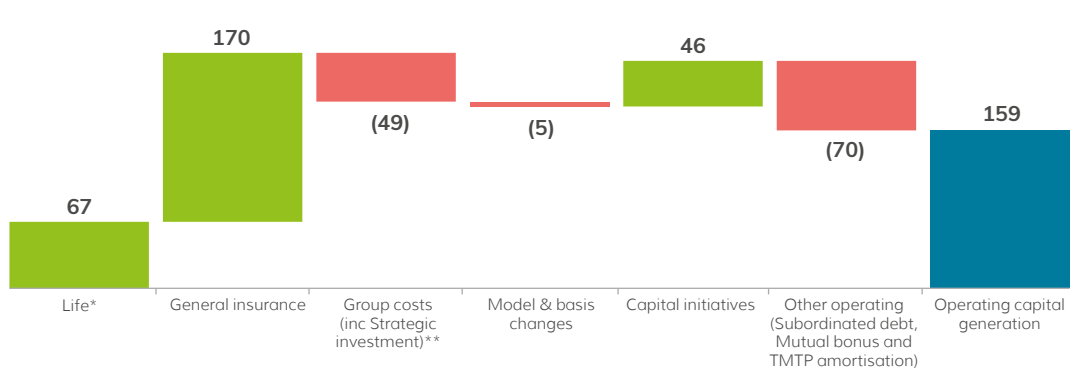
Operating capital generation

Operating capital generation of £89m (2017: £159m) includes positive contributions from both the life and general insurance trading businesses.

Operating capital generation 2018 £m



Operating capital generation 2017 £m



* 2017 results are restated to include expected investment returns above the risk free rate within life capital generation; previously this was included within economic variances. This change has been made to reflect the risk premium on assets invested by the life business. 2017 operating capital generation has been increased by £24m accordingly.

** 2017 results are restated by £2m to exclude the costs associated with creating a fitter mutual for the future. These costs are presented outside of operating capital as they are not associated with the performance of our trading businesses.

The life business generated operating capital of £84m (2017: £67m). Strong cost control offset the reduced contribution from new business written in the year. The 2017 result also included the impact of recognising a £12m provision for the costs associated with the FCA Legacy review.

- Increase
- Decrease
- Total



Definitions

Capital surplus generation

Capital surplus generation is based on the Solvency II surplus capital generated from our business operations and presented after the impact of strategic projects and financing costs.

Operating capital generation

Operating capital generation is capital surplus generation adjusted to remove the effects of temporary volatility, from market movements and the static nature of Transitional Measures on Technical Provisions (TMTP), changes in defined benefit pension schemes and exceptional items.

Operating capital generated by the general insurance business of £38m is lower than in 2017 (£170m) reflecting our reduced equity stake of 51%, but also due to the non-recurrence of several one-off improvements in the capital position for general insurance in 2017. The result includes a £22m benefit due to our reserving assumption for the Ogden discount rate moving to 0% following the Civil Liability Bill receiving Royal assent.

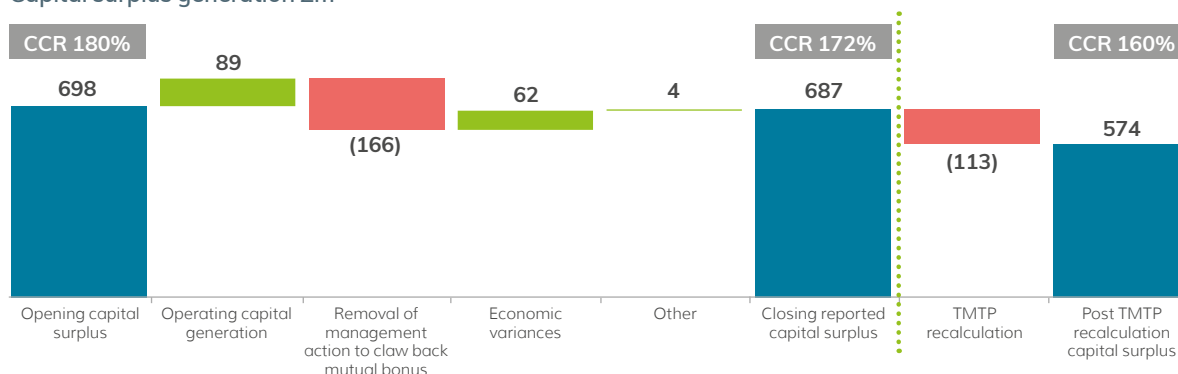
Positive model and basis changes and capital initiatives contribute £98m (2017: £41m) to capital generation. These include modelling improvements for our pensions business to better reflect policyholder behaviour post pension freedoms, favourable impacts due to updated longevity assumptions and also investment management contract renegotiations which strengthened our capital position. This offsets £131m (2017: £119m) of group costs, strategic investment, debt interest, mutual bonus and TMTP amortisation which are also included in the group operating capital position.

Capital surplus generation

At the end of 2018 the group capital surplus was £687m (2017: £698m) with a Capital Coverage Ratio (CCR) of 172% (2017: 180%) which was well within risk appetite. The strong capital position has enabled management to improve the quality of reported capital by removing the benefit associated with management's ability to claw back previously awarded mutual bonus in times of stress; this reduced the overall capital surplus by £166m. The capital surplus has been favourably impacted by market movements.

The closing capital surplus includes the positive benefit of £490m from TMTP. If a TMTP recalculation was performed, this would reduce the surplus by £113m, resulting in a CCR of 160% at the 2018 year end.

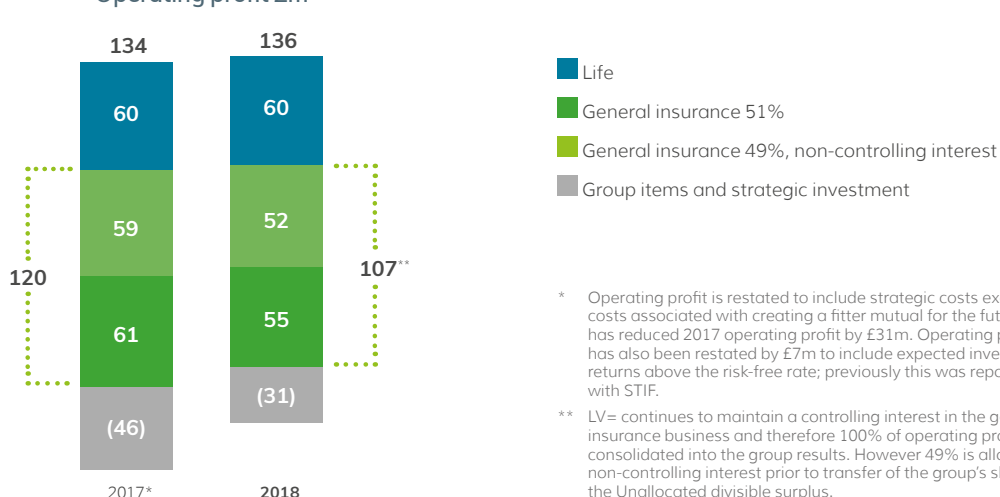
Capital surplus generation £m



Operating profit

Operating profit at £136m (2017: £134m) includes £60m from life and £107m from general insurance, partially offset by group items and strategic investment of £31m.

Operating profit £m



Operating profit from life is stable year-on-year with the reduced new business contribution offset by rigorous cost control and an improved performance in heritage which in 2017 was impacted by the legacy review provision.

Operating profit from the general insurance business of £107m (2017: £120m) includes an underwriting result of £99m (2017: £102m) and investment returns of £8m (2017: £18m). The reduction in underwriting result is primarily due to adverse current year claims experience, offset by favourable prior-year run-off of £106m (2017: £46m).

Group items and strategic investment have reduced by £15m demonstrating improved cost control.

Definitions

Operating profit

Operating profit is defined as profit before tax adjusted for:

- short-term investment fluctuations (STIF)
- gain on acquisitions / disposals
- finance costs
- restructuring and non-recurring items, including the costs of creating a fitter mutual for the future and separation of the general insurance business
- amortisation or impairment of acquired intangibles.

Operating profit as a non-GAAP measure is reconciled to the Statement of Comprehensive Income in Note 2 of the financial statements.

Life financial summary

Results £m	2018	2017
New business contribution	19	37
Existing business	17	(3)
Model and basis changes	24	26
Operating profit	60	60

Definitions

Present value of new business premiums (PVNBP)

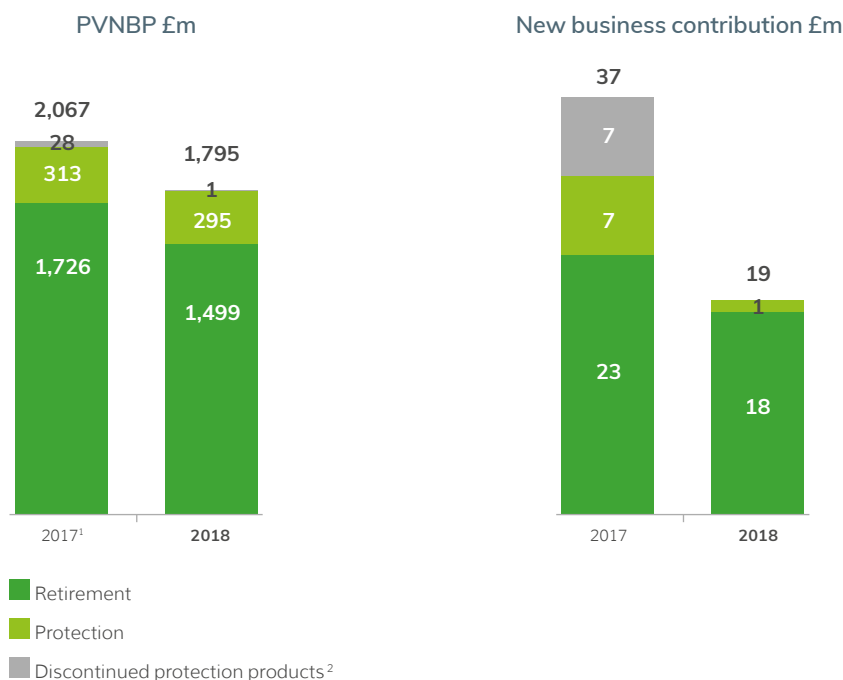
The total of new single premium sales received in the year plus the discounted value at the point of sale of the regular premiums we expect to receive over the term of the new contract sold in the year. For Equity Release this represents the amount of loans provided.

New business contribution

The contribution to operating profit as a result of new business written. This is reported gross of cost of capital and investment in new propositions. It includes the value-add on new business and deduction for expense overruns. (i.e. the difference between the actual net costs of acquisition in the period and the costs that have been allowed for in the pricing decisions which have already been recorded in value-add on new business above).

1 PVNBP has been restated to align the definition of PVNBP across all metrics used in management reporting. PVNBP is now presented on a Solvency II basis (adjusted to include future regular premiums on pensions). This is based on best estimate assumptions, and re-stated to remove margins previously used in the calculation. This has increased 2017 PVNBP by £50m.

2 Whole-Of-Life and Mortgage and Lifestyle Protection products were discontinued in 2017 and the impact of these products is shown separately.

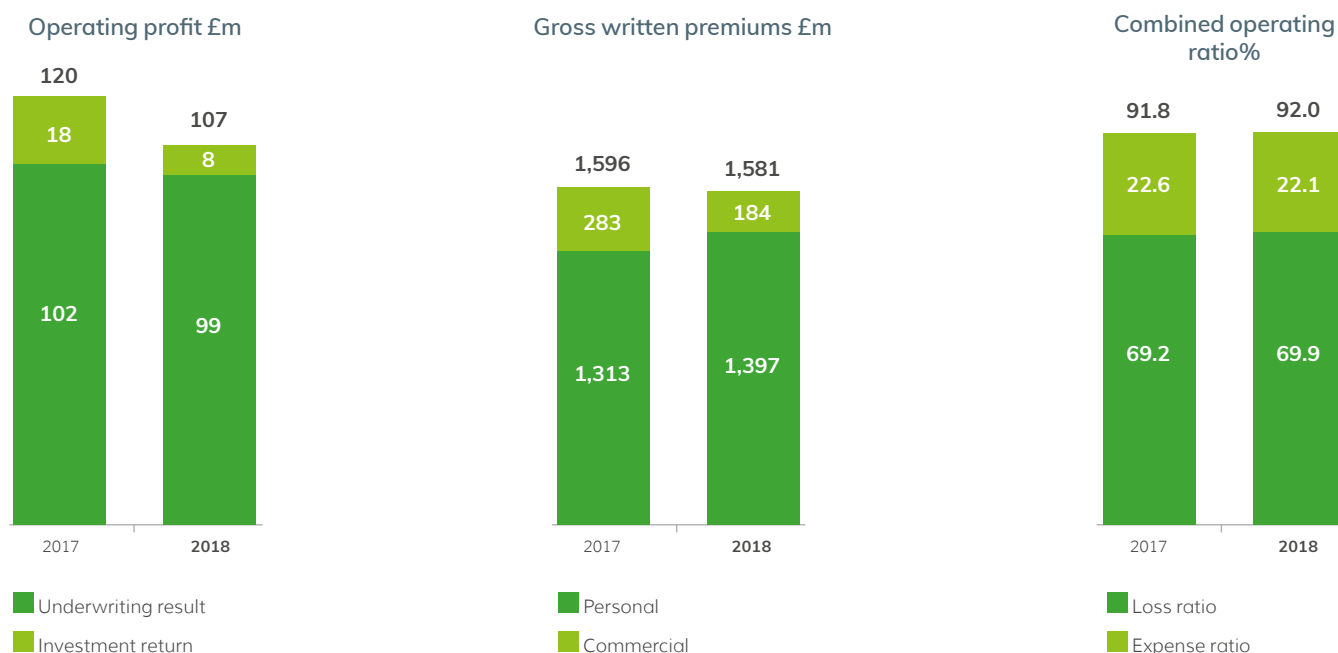


Retirement new business sales were down 13% from 2017 on a PVNBP basis to £1.5bn. Significant movements include a £306m (23%) reduction in pensions sales, with defined benefit to defined contribution transfers reducing from their peak at the end of 2017. This is partially offset by strong growth in Equity Release with sales up by £92m (77%) due to a very successful year as our presence in this market grows. During 2018 we redesigned our Flexible Guarantee product proposition and also entered an investment fund contract with Vanguard, ensuring that our propositions continue to provide good value for customers and are capital efficient for the Society. Reduced sales volumes have led to lower new business contribution.

Ongoing protection sales have decreased by £18m (6%) versus 2017. Across our continuing product lines we have experienced a change in mix during 2018, with Term Life sales continuing to grow strongly, whilst volumes of Income Protection and Critical Illness have reduced. Improvements to our market leading Income Protection proposition in the summer have been well received with sales on an increasing trend through the second half of the year. New business contribution has also been impacted by the change in business mix from Income Protection to Term Life.

Operating profit from life is flat year-on-year, with the reduction in new business contribution of £18m offset by rigorous cost control and an improved performance in heritage which was impacted by the £12m legacy review provision in 2017. The improvement in existing business of £20m is driven in part by the non-repeat of negative experience on equity release prepayment rates in 2017. Model and basis changes at £24m (2017: £26m) include the impacts of changes to reserving basis assumptions arising from the annual basis review (see page 61) and management actions. Management actions favourably contribute to the result and include benefits from the renegotiation of a new investment management contract with Columbia Threadneedle Investments.

General insurance financial summary



Operating profit of £107m (2017: £120m) includes an underwriting result of £99m (2017: £102m) and investment returns of £8m (2017: £18m). The reduction in underwriting result is primarily due to adverse current year claims experience, including £17m from the Beast from the East, offset by favourable prior year run off of £106m (2017: £46m). The prior year run off includes a £35m benefit from an improved expectation for the Ogden Discount rate. Investment returns continue to be low and have been impacted by losses on interest rate swaps, which were previously held to hedge against fluctuations in interest rates, of £7m; these were closed out in July as part of a revised Investment strategy.

Gross written premiums of £1,581m were 1% lower than in 2017, however underlying personal lines premiums grew by 6%, excluding the impact of the commercial lines business which started to transfer to Allianz during the year. Growth in personal lines has been generated by an 8% increase in customer policies as a result of good retention rates and strong sales of new business supported by the launch of a number of new products, in particular Multi-car.

Motor premium rates reduced early in the year, following positive progress towards the Civil Liabilities Bill which will reset the Ogden Discount Rate and market-wide falls in the number of whiplash claims. Rates then rebounded in the second half reflecting the increase in claims costs due to vehicle repair cost inflation, as well as higher overall claims frequency. Other product lines also incurred high levels of claims costs as our household account was impacted by unfavourable weather experience from both the Beast from the East early in the year and an increase in subsidence frequency following the warm and dry summer weather conditions. Furthermore the commercial lines business was affected by an unprecedented number of large losses.

The combined operating ratio at 92.0% continues to show consistent strong delivery at just 0.2% adverse to 2017 with claims slightly adverse in aggregate mostly offset by favourable expenses, including lower commission spend.

Definitions

Loss ratio

The ratio of net benefits and claims to net earned premiums.

Expense ratio

The ratio of general insurance other expenses net of other income to net earned premiums.

Combined ratio

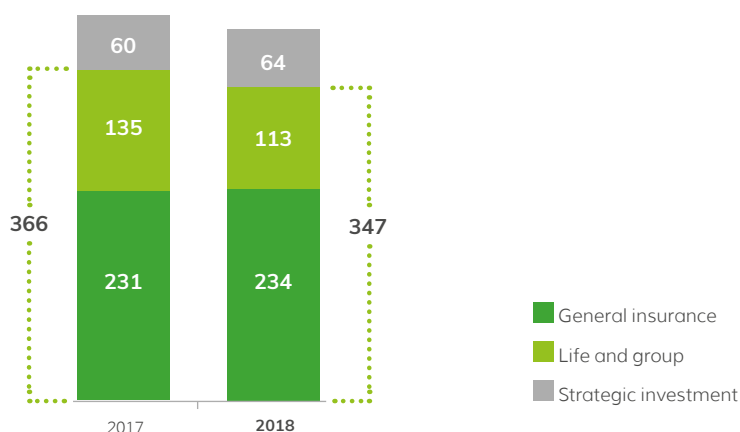
The total of the loss ratio plus the expense ratio.

IFRS result analysis

Expenses

Cost control remains a key priority and this is demonstrated by the continued reduction in operating expenses year-on-year of £19m.

Operating expenses £m



Definitions

Operating expenses

Operating expenses are management expenses (which excludes commission) before deduction for amounts ceded to reinsurers. These are adjusted to exclude one-off costs associated with the Allianz transaction, creating a fitter mutual for the future and GMP pension equalisation adjustment.

Prior periods are restated by £5m to exclude costs associated with creating a fitter mutual for the future and amortisation of acquired intangibles. This aligns the definition of operating expenses to represent items included with operating profit.

Treatment of policyholders tax

LV= pays tax on behalf of its policyholders when they make gains on their investments.

The tax paid is deducted from the policyholders' asset share. Policyholder tax is reported in Income tax expense with the deduction from policyholders' asset share credited to Short-term investment fluctuations and related items.

Profit/(loss) before tax (PBT)

Our measure of PBT is defined as International Financial Reporting Standards (IFRS) profit before tax, mutual bonus allocated, and transfer to unallocated divisible surplus and includes the PBT from both continuing and discontinuing businesses.

Life and group costs have reduced by over 16% reflecting a continued strong focus on cost efficiencies throughout the year driving savings in staff and bonus costs, marketing spend, contractual costs and project spend. This discipline will continue through 2019 as we drive further efficiencies in the life business ahead of the exit from the agreement to provide central services to the general insurance business.

General insurance costs have remained broadly flat year-on-year with £12m of expense savings embedded into the agreement to provide central services offset by an increase in advertising and promotional spend to support the rollout of Pioneer, with additional products (Multi-car and Home), and additional investment in pricing and digital areas.

Increased strategic investment spend has been incurred as we continue to invest for the future, and includes amortisation of the re-platforming programme in general insurance.

Profit before tax

Profit before tax of £20m (2017: £122m) includes the positive impacts from operating profit of £136m (2017: £134m) and recognition of a £17m derivative asset regarding the option to sell the group's remaining equity stake in the general insurance business. Short-term investment fluctuations (STIF) are negative at £66m (2017: positive £30m) and include £37m (2017: £6m positive) relating to the impact of unmatched market movements in the value of investments driven by adverse impacts of widening corporate bond spreads causing losses on annuities. STIF also includes £29m (2017: £24m positive) relating to tax credits on policyholders' asset shares.

Costs impacting PBT include the costs associated with restructuring of the group of £34m (2017: £19m), financing costs including interest on subordinated debt of £24m (2017: £24m) and £9m (2017: £3m) of other items. Cost associated with restructuring of the group of £34m (2017: £19m) include costs associated with the separation of the general insurance business of £25m (2017: £17m) and £9m (2017: £2m) invested in creating a fitter mutual for the future. Other items of £9m (2017: £3m) include £6m expense incurred from Guaranteed Minimum Pension (GMP) equalisation in our staff pension scheme (see page 171) and amortisation of acquired intangibles.

The 2017 result was also impacted by £52m profit on the sale of the commercial business renewal rights to Allianz and £48m increase in life reserves due to the change in economic basis for long-term insurance liabilities.

Tax

The total tax credit of £14m (2017: £50m charge) includes £29m related to tax credits on losses on policyholder asset shares. The corresponding debit is reported within short-term investment fluctuations. Profits in the general insurance business generated a tax charge of £17m. Our tax policy is published on our website LV.com.

IFRS Surplus (UDS)

Unallocated divisible surplus (UDS) has decreased by £62m in the year, which includes PBT adjusted for movements in other comprehensive income relating to revaluations of the staff pension schemes (£29m reduction, 2017: £19m increase) and revaluation of investments classified as available for sale (£10m reduction, 2017: £nil). Other items impacting the movement in UDS are a deduction of £31m relating to the non-controlling interest share of income (2017: £2m share of loss), mutual bonus allocated to members' policies of £26m (2017: £26m) and a £14m income tax credit (2017: £50m charge).

Investment performance

Columbia Threadneedle Investments (CTI) manages the active investments for both the With-profits and FGB product funds. The funds invest in a range of asset classes including equities, fixed income, property and others.

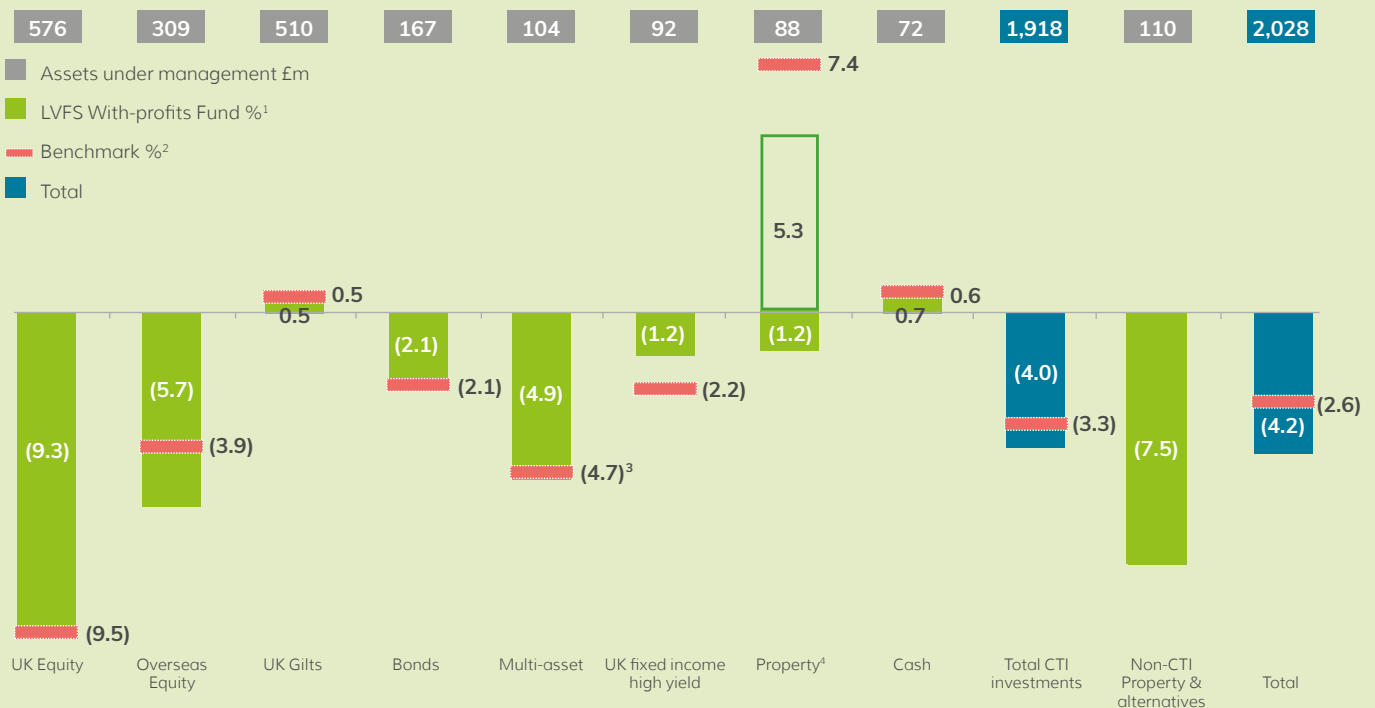
Market sentiment shifted significantly and swiftly over the year from concern that the global economy would grow too fast to concern that the economy would stagnate following trade wars and the impact of a China slowdown. As a result, global equity markets were volatile and weak during 2018 with all but the US market experiencing significant losses in GBP terms. The strategy of our asset manager CTI, to purchase shares in high quality companies that are expected to grow over a medium-term horizon suffered from market conditions more than defensive strategies during 2018.

Property was a key source of underperformance; hurt by uncertainty. In December, CTI temporarily changed the pricing basis of the dual-priced UK Property Fund in which we invest, from "offer" basis to "bid" basis. The change was made as a result of outflows from the CTI fund and ensures that investors who exit the fund pay their fair share of the additional expenses incurred should sales be required to meet those redemptions, effectively protecting the remaining investors such as LV=. The impact to the share price (and therefore performance) of the move to bid basis was a negative movement of around 6.5%. When the funds revert to an "offer" basis there should be a corresponding positive performance impact.

Non-CTI Property and alternatives are historic illiquid investments that have not performed well in 2018. We are looking at strategic options regarding these investments.

Main LVFS With-profits fund performance

The main With-profit fund returns were negative at 4.2% in the year (2017: 7.7% positive returns) and below benchmark, impacted in particular by the property and overseas equities underperformance.



1 This represents assets held within the conventional With-profits fund. It excludes OB pensions and assets held within the unitised With-profits fund. The performance of this fund represents a change in value of the fund itself, rather than a change in the value of individual members' policies during the year.

2 Benchmark performance is calculated using a blend of recognised metrics which reasonably represent the market level performance for the mix of assets included in the main LVFS With-profits fund.

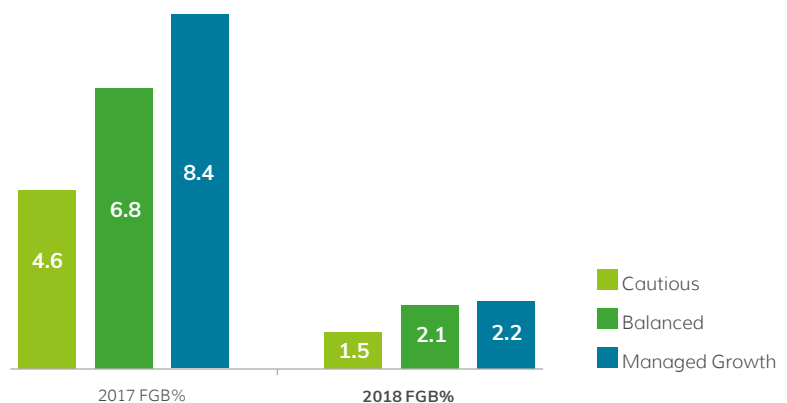
3 This represents an average of relevant peer group returns.

4 Property returns are impacted by the change in pricing from offer to bid. Excluding this, property returns are 5.3%.

Flexible Guarantee returns %⁵

The Flexible Guarantee Bond (FGB) returns on our Cautious, Balanced and Managed Growth funds were 1.5%, 2.1% and 2.2% (2017: 4.6%, 6.8% and 8.4%) respectively. FGB funds have generated positive returns for most policyholders during 2018 despite the adverse market conditions.

5 FGB returns are the smoothed returns to policyholders which takes the average of the fund's daily underlying unit price over the preceding 26 weeks to produce an averaged price.



Definitions

Capital reporting basis

The capital coverage ratio represents the ratio of eligible own funds over the Solvency Capital Requirement in accordance with the Solvency II regime.

The 31 December 2018 figures are estimated and have not been subject to an external audit opinion. The group capital resources table shows the estimated eligible own funds, Solvency Capital Requirement and surplus funds of the group. Figures exclude RNPFN and Teachers ring-fenced funds. Calculations are based on the Standard Formula approach using the Volatility and Matching Adjustment (for eligible business) and TMTP recalculated as agreed by the PRA during the year.

Tiers of capital

There are three tiers of capital defined by Solvency II. The quality of capital is important as the higher the quality the more likely it will be available in the event that it is needed, for example to be able to pay out claims. Tier 1 capital primarily represents high quality capital which is generally more secure and capable of absorbing losses. Tier 2 capital represents our subordinated debt and Tier 3 capital is the lowest quality of capital (deferred tax assets).

Capital performance

At the end of 2018 the group capital surplus on a Solvency II Standard Formula basis is estimated to be £687m (2017: £698m) with a capital coverage ratio of 172% (2017: 180%). This includes the removal of the management action to potentially claw back mutual bonus.

Solvency II

Since the implementation of Solvency II, the group has applied the Matching Adjustment to the majority of its annuity business as an integral part of the group's approach to asset and liability management. The group also applies Transitional Measure on Technical Provisions (TMTP) and the Volatility Adjustment. The TMTP provides firms with relief over a period of up to 16 years from implementation of Solvency II from the financial impact on Technical Provisions of moving to the Solvency II regime. The TMTP amortises annually over 16 years from 2016.

The group complied with all regulatory capital requirements that it was subject to throughout the reporting period.

Group capital surplus

£m	2018	2017
Eligible own funds		
Tier 1	1,241	1,178
Tier 2	372	379
Tier 3	24	10
Total eligible own funds	1,637	1,567
Solvency capital requirement	950	869
Surplus¹	687	698
Capital Coverage Ratio (CCR)	172%	180%

¹ The capital surplus reported in the Annual Report is based on the best-estimate of the results at the Annual Report signing date. It is possible that this result will be adjusted prior to final publication of the group Solvency Financial Condition Report later in 2019.

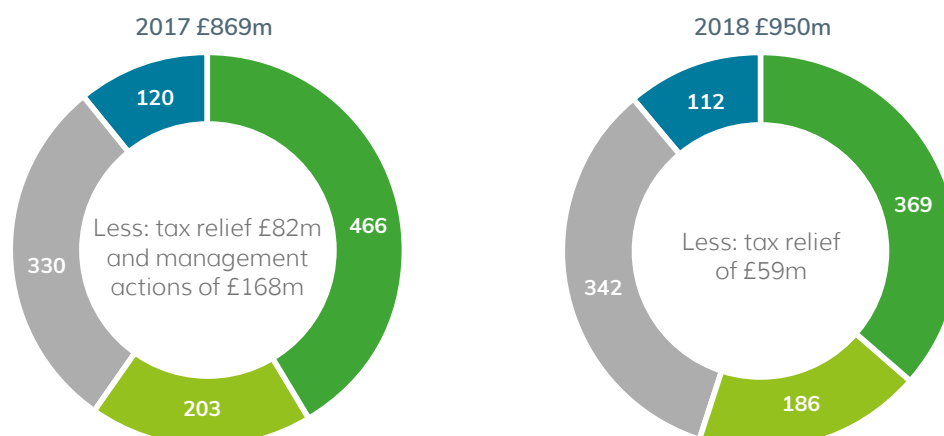
In order to report our Capital Coverage Ratio on a standard 'Investor view' basis, the eligible own funds and Solvency capital requirement exclude amounts attributable to the Royal National Pension Fund for Nurses (RNPFN) and Teachers ring-fenced funds. Including these funds, to provide a 'Regulatory view', would not change the capital surplus shown above as these funds do not require capital support. It would however increase capital required, and therefore dilute the reported Capital Coverage Ratio to 166%.

As the majority shareholder in the general insurance business the group retains control of the business, and as a result the capital calculation consolidates the risk profiles of the two entities and benefits from diversification between the different exposures. At the end of 2019, upon sale of a further equity stake in the general insurance business, the group's shareholding will reduce below 50%, at which point the capital calculation would no longer be based on this consolidation of the risk exposures.

Eligible own funds include the positive benefit of TMTP of £490m (2017: £528m) after the annual step down of £38m, (2017: £37m). TMTP is required to be recalculated for business and economic change at least every two years and the most recent recalculation was the industry-wide recalculation on 31 December 2017. The estimated impact of a potential TMTP recalculation on the 31 December 2018 surplus would be a reduction of £113m, resulting in a Capital Coverage Ratio of 160%.

The capital surpluses discussed here make assumptions about the out-turn of Brexit negotiations. It is possible the final outcome of the negotiations may impact the capital position.

Solvency capital requirement



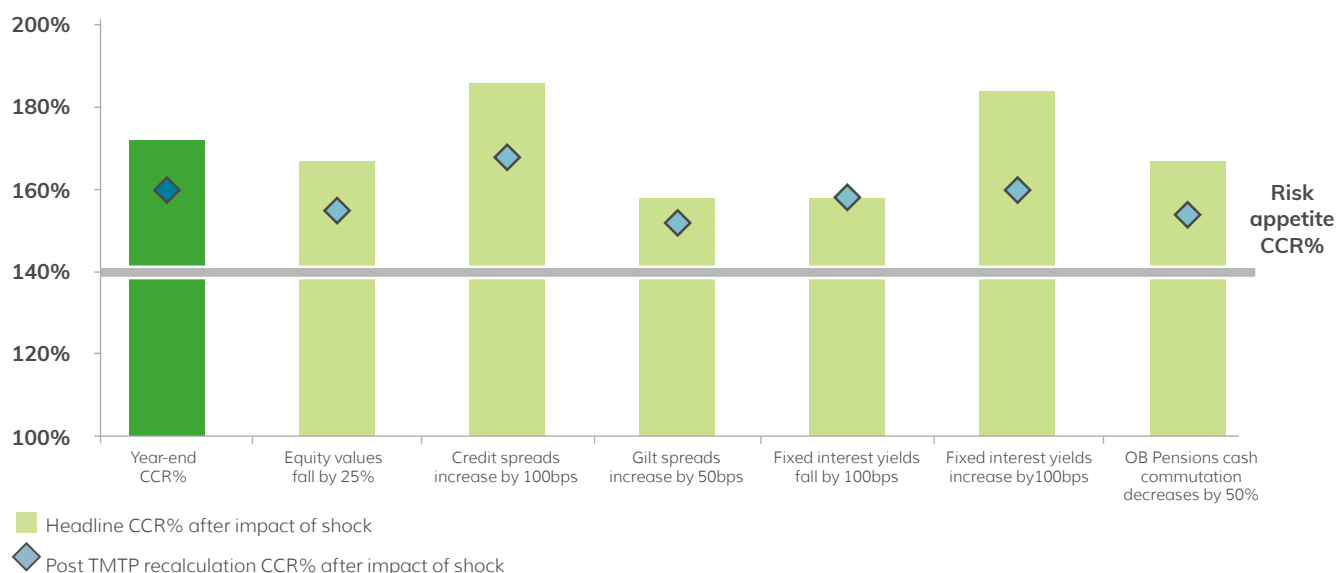
- Market risks²
- Life insurance risk
- Operational and counterparty risk
- General insurance risk

² Market risks include: credit, equity, property, interest rate and other risks

Sensitivity analysis of Solvency II group capital surplus

The following table shows the sensitivity of the group's Capital Coverage Ratio to economic assumptions on a pre and post TMTP recalculation basis. All other assumptions remain unchanged for each sensitivity, except where these are directly affected by the revised economic conditions or where a management action that is allowed for in the solvency capital requirement calculation is applicable for that sensitivity. The credit and gilt spread sensitivities represent a widening of yields on relevant asset classes in basis points (bps) relative to swap rates. The sensitivities below allow for the impact of the group's hedging strategy.

Sensitivity of Capital Coverage Ratio (CCR) % to changes in economic assumptions



172%

Solvency II Capital Coverage Ratio

The group's capital surplus position is sensitive to the above economic assumptions due to the following:

- A fall in equity values reduces the value of the group's defined benefit pension schemes, increases With-profits guarantee costs and reduces the benefit of future charges on unit-linked business, all of which are partially hedged to equity market movements. A TMTP recalculation would not reduce the impact of this sensitivity as TMTP is predominantly driven by interest rate related market risks.
- A widening of credit spreads, relative to swaps, increases the value of the group's defined benefit pension schemes by reducing the value of future liabilities. It also reduces the value of liabilities using the Volatility Adjustment. This is partially offset by a reduction in corporate bond values held to support the general insurance business lines. Following a TMTP recalculation, the benefit reduces further due to the loss of Volatility Adjustment and increased risk associated with annuity business, arising from an assumption under the previous solvency regime of increased credit defaults as spreads widen.
- A widening of gilt spreads, relative to swaps, reduces the value of the group's defined benefit pension schemes and the assets invested to support the Society's liabilities.
- Changes to fixed interest rate yields (both swap and gilt rates) lead to changes in the group's capital surplus position prior to a TMTP recalculation as the Solvency II yield exposure is hedged on a post-TMTP recalculation basis. Following a TMTP recalculation, the residual exposure largely arises from the defined benefit pension schemes.
- A decrease in the rate at which OB Pensions deferred annuity policyholders commute their annuities to cash increases the group's liabilities. This is because the liability to pay the annuity is higher than that to pay the cash lump-sum: this implies an annuity rate significantly more generous than that currently available in the market.

Capital management considerations

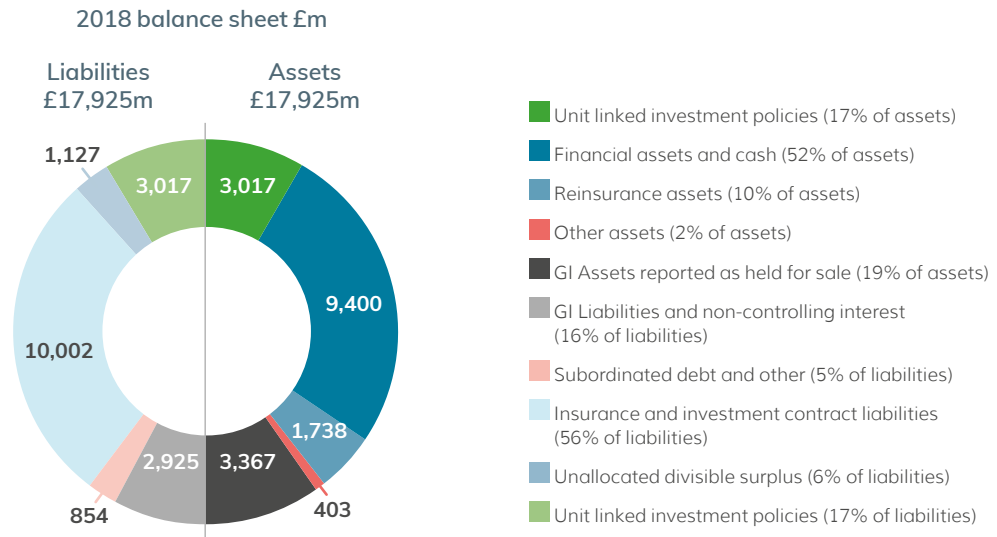
The PRA issued a policy statement (PS 13/18) in December 2018 outlining their expectations in respect of firms investing in equity release mortgage portfolios. The purpose was to ensure that where firms have invested in equity release mortgages, appropriate allowances are made for the risks to which they are (directly or indirectly) exposed. The guidance primarily impacts firms investing in equity release mortgages since the inception of Solvency II and holding them within a Matching Adjustment portfolio. The group does not have equity release mortgages in its Matching Adjustment portfolio and therefore the PRA policy statement has minimal impact on its capital position.

The Bank of England announced during 2018 that firms should treat a London Interbank Offered Rate (LIBOR) discontinuation event 'as something that will happen and which they must be prepared for'. The FCA and PRA issued a joint Dear CEO letter to major banks and insurers to seek assurance that firms' senior managers and boards understand the risks and are taking appropriate action now to enable the move to alternative rates ahead of the end of 2021. The most significant exposures to LIBOR faced by the group are:

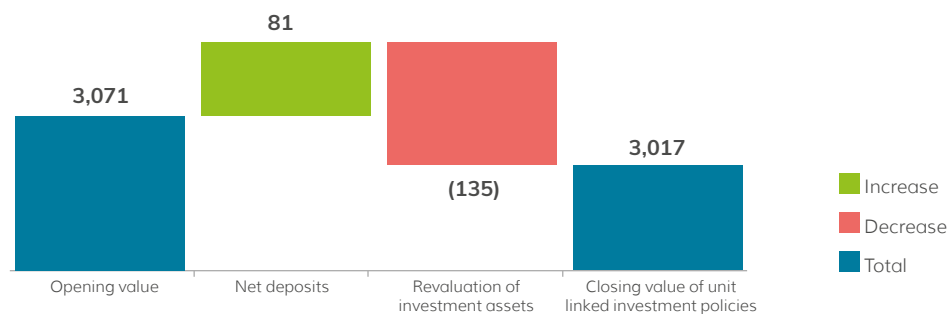
- Solvency II risk-free rate: The Solvency II liability discount rate is based on the LIBOR swap curve.
- Derivative portfolio: The group's interest rate swaps reference LIBOR providing a close match to the Solvency II liabilities.

The group has plans to gradually transition its modest derivative portfolio and is keeping abreast of developments regarding the Solvency II discount curve.

Balance sheet



Movement in unit linked investment policies £m



Definitions
Unit linked investment policies
 Policyholders purchase units in the investment fund. Any movements in the value of the investment fund will result in an identical change in the value of the policy.

Balance sheet assets have decreased by £0.6bn in the year to £17.9bn. This decrease is driven by net losses on investments of £605m, including £135m relating to unit linked policies. This has also led to a corresponding fall in the valuation of insurance contract liabilities. The assets and liabilities of the general insurance business are presented separately from other group assets and liabilities as it is now reported as a discontinued operation under IFRS 5.

Liquidity management

Operational liquidity outflow of £36m includes liquidity generated by our life trading businesses of £35m (2017: £28m) offset by outflows of investment in strategic projects and financing costs. Whilst the general insurance business has generated capital during the year, any dividends in respect of this will be received by the Society in 2019 due to the uncertainties regarding Brexit.

Non-operational and one-off items include funding contributions to our staff pension schemes following the triennial valuation in the year and movements in working capital. Other items impacting liquidity are £29m of economic variances and £42m of model and basis changes. During the year we have also allocated a mutual bonus of £26m to eligible policyholders.

The table below summarises the operational liquidity generated for the Society.

£m	2018	2017
Opening operational liquidity	947	306
Life liquidity generation	35	28
General insurance dividends	–	95
Other dividends	–	23
Group costs and strategic investment	(48)	(48)
Finance costs	(23)	(23)
Operational liquidity (outflow)/inflow	(36)	75
Sale of equity stake in general insurance business	–	489
Pension scheme contribution	(44)	(6)
Working capital and other	(38)	(23)
Economic variances	(29)	6
Model and basis changes and capital initiatives	(42)	126
Non-operational and one-off items	(153)	592
Mutual bonus	(26)	(26)
Closing operational liquidity	732	947

Definition

Operational liquidity

Operational liquidity is generated from movements in free assets in the year (including cash and cash equivalents and surplus assets within funds in excess of matched liabilities).

This excludes amounts attributable to the RNPFN and Teachers ring-fenced funds. The movements in operational liquidity are not reconcilable to the group's IFRS Statement of Cash Flows.

Outlook

2019 will be a transformational year for LV=. By the end of 2019 we plan to have exited the agreement to provide central services as we transfer control of the general insurance business to Allianz. Going forward we will be focusing on the group as a life and pensions business and we will be working with members and the regulator to reshape the Society to build a better mutual for the future. Alongside our continued focus on costs and the capital position we are also investing in the life business product propositions to generate future improvements in the life trading results. This will ensure the business is well placed to meet its future financial and strategic plans.

