

**Melanie Carpenter**

**I-Advize**

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**9:00 AM CT**

**Operator:** The following is a recording for Melanie Carpenter of I-Advize on Wednesday, April 30, 2014 at 9:00 a.m. Central Time. Good morning and welcome to Intercorp Financial Services first quarter 2014 conference call. All lines have been placed on mute to prevent any background noise. After the presentation, we will open the floor for questions. At that time, instructions will be given as to the procedure to follow if you would like to ask a question. It is now my pleasure to turn the call over to Melanie Carpenter of I-Advize Corporate Communications. Ma'am, please begin.

**Melanie Carpenter:** Thank you, Katie. Good morning, everyone. On today's call, Intercorp Financial Services will discuss its first quarter 2014 earnings. We're very pleased to have with us Mr. Luis Felipe Castellanos, Chief Executive Officer of Intercorp Financial Services, Ms. Michela Casassa, Chief Financial Officer of Intercorp Financial Services, Ms. Maria del Carmen Rocha, Chief Financial Officer and Administrative Officer of Interseguro, and Mr. Enrique Espinoza, Chief Investment Officer of Interseguro. They'll be discussing the results that were distributed yesterday evening. There's also a presentation to accompany these results. If you didn't receive a copy of the presentation or the earnings, it's now available on [ifs.com.pe](http://ifs.com.pe) to download a copy. Otherwise, for any reason if you need any assistance today, please call I-Advize in New York at 212-460-3695. It's now my pleasure to turn the call over to Ms. Casassa, Intercorp's Chief Financial Officer for her presentation. Please go ahead, Ms. Casassa.

**Michela Casassa:** Good morning and welcome to Intercorp Financial Services first quarter 2014 conference call. We will start with a brief discussion of the highlights of Intercorp's performance. IFS net earnings were S/. 153 million in the first quarter, a decrease of 30.5 percent quarter on quarter and 24.8 percent year on year. Excluding non-recurring items, IFS recurring net earnings increased 4.4 percent quarter on quarter and 13.1 percent year on year. The quarter on quarter recurring increase was driven by 4.9 percent higher gross financial margin and 10.0 percent lower administrative expenses, mainly at Interbank. The year on year recurring net earnings growth was mainly due to a 21.9 percent increase in gross financial margin, a very good result in terms of revenue generation. IFS recurring ROE was 21.9 percent in the first quarter, above the 20.3 percent of the fourth quarter of the previous year and the 21.2 percent of the third quarter of 2013. Interbank's net earnings were S/. 162 million in the first quarter, a 3.1 percent increase quarter on quarter, driven by a 4.2 percent rise in gross financial margin and a 9.5 percent decline in administrative expenses. Net earnings decreased 1.1 percent year on year due to non-recurring investment income in the third quarter of the previous year which was not repeated in the first quarter of this year. Excluding non-recurring factors, earnings would have increased 18.8 percent year on year, as gross financial margin increased 21.21 percent, a very good result in terms of revenue generation, while provision expenses remained relatively stable. The loan portfolio expanded 3.1 percent quarter on quarter and 27.2 percent year on year, driven by growth in credit cards, mortgages, and commercial loans. The ratio of past due loans to total loans increased from 1.81 percent in the fourth quarter to 1.91 percent in this first quarter, in line with an expected seasoning of the loan portfolio. The BIS ratio stood at 16.8 percent in the first quarter, well above regulatory requirements and mainly due to the 300 million of ordinary debt issued in the first quarter.

And Interseguro, net earnings were S/. 9.2 million in the first quarter, a decrease of 87.3 percent quarter on quarter and 83.5 percent year on year. Earnings declined quarter on quarter and year on year due to lower investment income, as both the fourth quarter and the first quarter of last year results included non-recurring gains in this respect. Annuity sales increased 13.9 percent quarter on quarter and 12.4 percent year on year supported by market expansion and gains in market share.

Please turn to the following page for a brief overview of the quarterly net earnings of IFS (0:04:37 indiscernible). On page 4, net earnings were S/. 153.0 million in the first quarter. When excluding non-recurring items, net earnings have increased 4.4 percent quarter on quarter and 13.1 percent year on year. IFS ROE was 20.1 percent in the first quarter, below the 31 percent of the fourth quarter and the 27.2 percent of the first quarter.

In the following pages, we will go through a detailed discussion of each company's quarterly performance. Please turn to page 5 for a discussion of IFS (0:05:12 indiscernible). On the quarter on quarter performance, net earnings decreased 32.5 percent, mainly due to a 52.5 percent decline in results from financial operations, partially offset by a 10 percent decrease in administrative expenses and a 4.9 percent increase in gross financial margin. Financial income increased 5.2 percent, driven by a 4.5 percent increase in interest and fees on loans at Interbank. Financial expenses grew 6.3 percent quarter on quarter due to increases of 8.9 percent in interest on deposits and 9.8 percent in interest on bonds at Interbank. Provision expenses rose 0.7 percent due to a higher requirement for new provisions for mortgage loans, partially offset by higher provision reversals and a lower requirement for commercial loans. Fee income decreased 10.9 percent quarter on quarter, mainly due to seasonally-driven lower fees from loan structuring and real estate lending at Interbank.

Interseguro's loss from insurance underwriting more than fourfold, mainly as a result of a 21.1 percent increase in reserves related to premium sales, as well as 9.7 percent higher claims. Results from financial operations declined 52.5 percent Quarter on quarter due to non-recurring gains on the sale of real estate investments registered at Interseguro in the fourth quarter of 2013. Administrative expenses decreased 10 percent due to declines in expenses related to miscellaneous services, mainly due to seasonality factors of Interbank and a decrease in personnel expenses and a provision for a tax credit loss that was registered in the fourth quarter at Interseguro. Other expenses were S/. 19.9 million in the first quarter, mainly due to the constitution of voluntary provisions (0:07:01 inaudible) —offset by an increase of Interseguro's other income due to a provision for tax contingencies made in the last quarter of the previous year, which was not repeated in the first quarter of 2014. IFS effective tax rate increased from 20.9 percent in the fourth quarter of 2013 to 28.5 percent in this quarter as a result of a lower contribution to net earnings from Interseguro, whose investment income is tax-exempt.

Looking at the year on year performance, net earnings declined 24.8 percent Year on year, mainly due to an S/. 81.7 million reduction in results from financial operations and a S/. 26.8 million increase in administrative expenses, partially offset by a S/. 98.1 million growth in gross financial margin. Financial income rose 21.4 percent, mainly explained by increases of 26.9 percent in the average loan volume, and 21.2 percent in fees on loans at Interbank. Financial expenses increased 19.7 percent Year on year due to higher interest on deposits, bonds, and due to banks at Interbank. The rise in interest on deposits was explained by higher average volume. The growth in interest on bonds was attributed to two subordinated bond issues in the last 12 months. Provisions grew 0.7 percent due to lower income from loan recoveries and a higher provision requirement for mortgage loans, partially offset by lower requirements for commercial, indirect, and consumer loans. Fee income declined 13.4 percent Year on year as a result of a S/. 4.6

million increase in the elimination of fees charged by (0:08:35 indiscernible) Interseguro, and lower fees from letters of guarantee. Results from financial operations declined 51.2 percent Year on year, mainly due to non-recurring gains on the sale of real estate investments registered at Interseguro in the first quarter of 2013. Administrative expenses increased 9.9 percent as a result of higher expenses for maintenance, property leases, and advertising, and increases in the average headcount at Interbank. Additionally, administrative expenses grew due to higher personnel and systems development expenses at Interseguro. Other expenses were S/. 19.9 million as previously mentioned. IFS effective tax rate increased from 21.7 percent in the first quarter of 2013 to 28.5 percent in the first quarter as a result of lower contributions of Interseguro, as previously mentioned.

Please turn to page #7 for a discussion of Interbank's performance. Interbank's net earnings reached S/. 162.0 million in the first quarter, a S/. 4.8 million increase Quarter on quarter and a S/. 1.8 million decrease Year on year. The quarterly increase was mainly due to a S/. 20.1 million growth in gross financial margin and a S/. 28.1 million decline in administrative expenses. The annual decline in net earnings in the first quarter was mainly due to a S/. 24.4 million decrease in results from financial operations and a S/. 22.6 million increase in administrative expenses. These factors added a higher effective tax rate, more than offset the S/. 87.6 million growth in gross financial margin. In the first quarter of 2013, a non-recurring result of S/. 27.5 million net of taxes was reported. Excluding said amount, net earnings would have increased 18.8 percent Year on year. Interbank's ROE was 25 percent in the first quarter, above the 24.5 percent reported in the fourth quarter, but lower than the 28.2 percent registered in the first quarter, but above the 24.3 percent recurring ROE.

On page 8, Performing loans grew 3.1 percent on a quarterly basis. Commercial loans grew 3.5 percent in the first quarter, mainly driven by factoring operations in the

corporate segment and medium-term loans in the middle market segment, partially offset by a decrease in trade finance loans within the corporate segment. Retail loans increased 2.8 percent due to growths of 3.7 percent in credit cards, 2.4 percent in mortgage loans, and 2.3 percent in other consumer loans. In the first quarter of 2014, we have gained 10 basis point market share in total loans, coming both from 10 basis point gain in retail and 10 basis point gain in commercial loans. Performing loans increased 27.2 percent Year on year. Commercial loans grew 34.1 percent, mainly due to increases in medium-term loans in the middle market segment and in the corporate segment. Retail loans increased 20.6 percent, driven by growths of 30.8 percent in credit cards, 21.0 percent in mortgage loans, and 12.9 percent in other consumer loans. On a yearly basis, we have gained 70 basis point market share on total loans, reaching 11.8 percent, coming both from 60 basis point gain in the retail segment and 90 basis point gain in commercial loans.

On page 9, Interbank's funding base grew 6 percent Quarter on quarter, in line with the increase in interest-earning assets, mainly due to increases of 28.6 percent in bonds and 4.5 percent in deposits. In March 2014, the bank issued US\$300 million of subordinated bonds, which were placed in the international market. The issuance achieved a 6.625 coupon and will be used to finance loan growth while strengthening the bank's capitalization. This was our first transaction which was very successful in the international markets (0:12:44 indiscernible) debt and had an oversubscription of eight times. The increase in deposits was explained by growths of 7.9 percent in commercial deposits, 2.2 percent in retail deposits, and 3.3 percent in institutional deposits. Interbank funds and due to banks decreased as short-term dollar funding needs were covered to a greater extent by low-cost deposits, particularly current account deposits, which increased 7.7 percent on a quarterly basis.

On page 10, looking at the quarterly performance, gross financial margin increased 4.2 percent on a quarterly basis as a result of a 4.6 percent growth in financial income, partially offset by a 6.0 percent increase in financial expenses. The rise in financial income was due to increases of 3.3 percent in interest on loans, 14.6 percent in fees on loans, and 21.0 percent in interest on investments. The growth in interest on loans was due to increases of 4.7 percent in the average volume of the portfolio and 10 basis points in the average yield. The higher average volume was attributed to increases of 5.5 percent in commercial loans and 3.8 percent in retail loans. In the commercial portfolio, volumes grew by 5.1 percent in medium-terms loans and by 85.2 percent in factoring. In the retail portfolio, higher volume was due to growths of 6.3 percent in credit cards, 3.1 percent in mortgage loans and 2.7 percent in other consumer loans. The higher average yield was due to a 20 basis point increase in the retail portfolio, partially offset by a 10 basis point decrease in the commercial portfolio. The increase in yield on retail loans was mainly due to higher rates on credit cards and a higher proportion of these within said portfolio. The increase in fees on loans recorded within financial income was attributed to a 16.2 percent increase in fees associated with retail loans, mainly coming from credit cards. The return on average interest-earning assets increased 10 basis points on a quarterly basis, from 9.5 percent in the fourth quarter of the previous year to 9.6 percent in this quarter, due to higher yields on the retail loan portfolio and on investments. Financial expenses rose 6.0 percent Quarter on quarter due to increases of 8.9 percent in interest on deposits and 9.8 percent in interest on bonds, partially offset by a 3.1 percent decrease in interest on due to banks.

The growth in interest on deposits was due to increases of 5.5 percent in the average volume and 10 basis points in the average cost. The higher volume was explained by increases of 8.5 percent in commercial deposits, 4.6 percent in retail deposits, and 3.0 percent in institutional deposits. The higher average cost was due to a 30 basis point

increase in the average rate paid on institutional deposits, mainly in soles, while the rates on commercial and retail deposits showed no significant variation. The increase in interest on bonds was due to a 15.6 percent growth in the average volume, partially offset by a 10 basis point decline in the average cost. The higher volume was due to the US\$300 million subordinated bond issue that was placed in the international market. The average cost of funds increased from 2.4 percent to 2.5 percent, mainly due to the higher average cost of institutional deposits in soles. Looking at the yearly performance, gross financial margin grew 21.2 percent on a yearly basis due to increases of 20.7 percent in financial income, partially offset by a 19.2 percent rise in financial expenses. The growth in financial income was due to increases of 24.2 percent in interest on loans, 21.2 percent in fees on loans, and 66.4 percent in interest on investments, partially offset by an 81.4 percent reduction in interest on cash. The increase in interest on loans was explained by a 26.9 percent growth in the average loan volume, partially offset by a 30 basis point decrease in the average yield, from 12.3 percent in the first quarter to 12 percent in the first quarter of 2014. Growth in average volume was due to increases of 35 percent in the commercial portfolio and 19.5 percent in the retail portfolio. The increase in fees on loans recorded within financial income was attributed to a 20.2 percent increase in fees associated with credit cards. The growth in interest on investments was explained by increases of 53.9 percent in average volume and 20 basis points in average yield. The return on interest-earning assets was 9.6 percent in the first quarter, a 50 basis point decrease with respect to the 10.1 percent registered in the first quarter of 2013, mainly as a result of lower yields on loans and cash. Financial expenses increased 19.2 percent on a yearly basis due to growths of 28.9 percent in interest on deposits, 11.9 percent in interest on bonds, and 13.2 percent in interest on due to banks. The rise in interest on deposits was attributed to a 35 percent increase in the average volume, while the average cost remained stable. The higher average volume was due to

growths of 69.7 percent in commercial deposits, 25 percent in retail deposits, and 16.8 percent in institutional deposits. The increase in interest on bonds was mainly due to a 27.3 percent growth in average volume, partially offset by an 80 basis point reduction in the average cost. The higher average volume was explained by two subordinated bond issues, the first of US\$50.0 million placed locally in December 2013, and the second for US\$300.0 million placed in international markets in March this year. The average cost of funding decreased from 2.6 percent in the first quarter of 2013 to 2.5 percent in this quarter, mainly due to increase of the proportion of deposits, particularly from commercial clients in current accounts, within the overall funding structure.

On page 11, net interest margin was 6.9 percent in the first quarter, 10 basis points lower than the 7 percent reported in the fourth quarter and 30 basis points lower than the 7.2 percent registered in the first quarter of 2013. Excess dollar liquidity in the financial system and in the banks is temporarily affecting overnight dollar denominated institutional deposits and are being invested in overnight accounts with banks with very low returns, negatively impacting NIM in approximately 40 basis points.

On page 12, provision expenses increased slightly, both quarter on quarter and year on year, by 0.7 percent. This occurred despite growths of 3.2 percent quarter on quarter and 27 percent year on year in gross loans. As a result, the annualized ratio of provision expense to average loans was 1.9 percent in the first quarter, lower than the 2 percent registered in the fourth quarter and the 2.4 percent reported in the first quarter of the previous year. The quarterly rise was due to a higher requirement for new provisions for mortgage loans and lower income from loan recoveries, partially offset by higher provision reversals and a lower requirement for commercial loans. The reversal of provisions was mainly driven by reversals of several deduction loan provisions as the result of new regulation regarding salary deductions among public sector employees, who form the majority of our clients in said product, partially offset by lower reversals in

other products. This newly-introduced regulation eliminated revolving lines in said product and fixed them to a maximum term of 6 years, which in turn led to lower requirements for pro-cyclical and over-indebtedness provisions. The annual increase in provision expenses was explained by lower income from loan recoveries and higher provision requirements for mortgage loans, partially offset by lower requirements for commercial, indirect and consumer loans. The ratio of past due loans to total loans increased from 1.8 percent in the fourth quarter of 2013 to 1.9 percent in the first quarter of this year, but remained stable with respect to the first quarter of the previous year. The coverage ratio of the past-due loan portfolio decreased from 226.2 percent in the first quarter of the previous year to 211.8 percent in the first quarter of this year.

On page 13, fee income decreased 11.7 percent on a quarterly basis due to lower fees from loan structuring and real estate lending, which were both affected by seasonality factors.

Fee income declined year on year 4.6 percent as a result of lower fees from contingent operations and higher net expenses related to insurance. The decrease in fees from contingent operations was due to lower fees from letters of guarantee, mainly explained by an accounting principle effective as of June 2013, which required that these fees not be recognized at the moment of origination, but rather accrued throughout the life of the operation. Results from financial operations increased S/. 2.4 million on a quarterly basis, mainly due to a sale of a previously written-off credit card asset that generated S/. 4.9 million in other income, partially offset by a S/. 2.3 million decrease in exchange and derivative gains. Results from financial operations declined S/. 24.4 million on a yearly basis as a result of a S/. 45.3 million decrease in gains on the sale of investments, partially offset by a S/. 18.6 million increase in exchange and derivative gains. Administrative expenses decreased 9.5 percent on a quarterly basis and increased 9.2 percent year on year. The quarterly reduction was mainly due to an 18.0 percent

decrease in expenses for third-party services. The year-on-year growth was mainly attributed to increases of 10.3 percent in expenses for services received from third parties and 7.7 percent in personnel expenses. The efficiency ratio was 46.4 percent in the first quarter, lower than the 52.1 percent reported in the fourth quarter and the 47.2 percent registered in the first quarter of 2013.

On page 14, the ratio of regulatory capital to risk-weighted assets was 16.8 percent in the first quarter, above the 13.4 percent reported in the fourth quarter and the 15.0 percent registered in the first quarter of the previous year. The quarterly variation was due to 24.4 percent growth in regulatory capital and a 0.6 percent decrease in risk-weighted assets. The quarterly increase in regulatory capital was due to three factors. The first factor was the US\$300.0 million subordinated bond issuance in March this year. The second was the accumulation of earnings from the first quarter with capitalization agreements. And the third factor was the constitution of S/ 64.7 million of earnings from 2013 as legal reserves. Another important factor to comment is the Quarter on quarter decrease in risk-weighted assets, which resulted from the application of the previously-mentioned regulation regarding salary deductions among public sector employees, eliminating revolving lines in said segment, which in turn led to a lower requirement for credit risk within the calculation of risk-weighted assets. The annual increase in the capital ratio was due to a 39.7 percent growth in regulatory capital, partially offset by a 25.3 percent increase in risk-weighted assets. The Year on year increase in regulatory capital was the result of the previously mentioned factors, plus the bond issue of US\$50 million in December 2013. The increase in risk-weighted assets was attributed to loan growth and two scheduled regulatory adjustments to the calculation of risk-weighted assets. The first adjustment was an increase in the risk weightings assigned to retail loans, as a function of product type and term remaining, beginning September 2013. The second adjustment affected the calculation of risk-weighted assets, increasing the risk

weighting from 100 percent to 150 percent, assigned to certain consumer loans disbursed before 2013. The Year on year increase in capital and reserves allowed for an additional S/. 61.9 million from Interbank's US\$200 million junior subordinated bond issue to be incorporated as Tier I capital. As of the first quarter this year, 80.4 percent of this issuance qualified as Tier I capital and the remainder was considered Tier II capital. As of the first quarter of this year, Interbank's capital ratio of 16.8 percent was well above its risk-adjusted minimum capital ratio established at 11.5 percent. The minimum regulatory capital ratio requirement was 10.0 percent, while the additional capital requirement for Interbank was 1.5 percent as of the first quarter. Now, I would like to turn to Maria del Carmen Rocha to comment on Interseguro results.

**Maria del Carmen Rocha:** Good morning. Please turn to page 16 of the presentation. This table shows the summary of Interseguro's P&L performance. Net earnings reached S/. 9.2 million in 1Q14, a decrease of S/. 63.3 million quarter over quarter and S/. 46.6 million year over year. The annualized ROE was 9.4 percent in the first quarter of 2014, below the 69.5 percent reported in fourth quarter of 2013 and 40.0 percent registered in the first quarter of 2013. The quarter over quarter technical margin loss increase is explained by increased sales in annuities. Administrative expense increase is explained by lower personnel expenses due to an extraordinary incentives provision and a provision for a tax credit loss registered in the fourth quarter of 2013. Investment income decrease is mainly explained by an extraordinary gain from the sale of a real estate investment located in San Isidro, the heart of Lima's financial district, realized in the fourth quarter of 2013.

Please turn to the next page of the presentation. Page 17 shows in detail the performance of Interseguro's premiums. The first quarter of 2014, premiums were S/. 166.8 million, an increase of 9.5 percent quarter over quarter and 24.5 percent year over

year. (0:27:41 Indiscernible) increased 13.9 percent quarter over quarter and 12.4 percent year over year. Quarter over quarter growth is explained by a market expansion of 2.5 percent and an increase of Interseguro's market share of 260 basis points, while year over year growth is explained by a 19.4 percent market expansion and an increase of 10 basis points in Interseguro's share. Mandatory traffic accident growth is due to the recognition of a provision for premiums sold, but not collected during the period. Group life quarter over quarter growth is explained by higher premiums in decreasing term life insurance for credit cards and legal insurance. A year over year increase is explained by higher premiums in decreasing term life insurance for credit cards due to a new commercial agreement with the bank. Non-life insurance quarter on quarter decrease is due to the recognition in the fourth quarter of 2013 of annual sales of a car insurance product launched early in the year. The year over year increase is explained by a provision for (0:28:48 indiscernible) protection due to a new insurance contract law and by the new car insurance product.

Finally, on page 18, there's some details on Interseguro's investment portfolio and investment income. In the first quarter of 2014, investment income was S/. 58.6 million, a increase of 49.3 percent quarter over quarter and 42.5 percent year over year. The quarter over quarter decrease is explained by an extraordinary S/. 61 million gain in the fourth quarter of 2013, attributable to the sale of the real estate investment in San Isidro previously mentioned. The year over year decrease is explained by an extraordinary S/. 40.8 million gain in the first quarter of 2013, attributed to the sale of real investments which included Piura Mall and Chimbote property. Interseguro's investment portfolio grew 4.7 percent quarter over quarter and 15.1 percent year over year driven by higher annuity sales and the price appreciation of Interseguro's overall portfolio. Fixed income investments represented 73.4 percent of the portfolio in the first quarter of 2014,

compared to 75.6 percent in the fourth quarter of 2013 and 74.2 percent in the first quarter of 2013. Thank you, that would be all. We will start taking questions.

**Operator:** Thank you, ma'am. At this time we will open the floor for questions. If you would like to ask a question, please press the 'star' key followed by the '1' key. That is 'star 1' on your touchtone phone now. Questions will be taken in the order in which they are received. If at any time you would like to remove yourself from the questioning queue, please press 'star 2.' Again, that is 'star 1' for questions. We are now holding for questions. Our first question comes from Alonso Aramburu from BTG.

**Alonso Aramburu:** Hi, good morning. Thank you for the call. I had one quick question on the voluntary provision that was booked this quarter. Can you give us a little color as to what was that provision related to?

**Michela Casassa:** Good morning, hello. Thank you for the call. There has been a release of provisions coming from the payroll deduction loan (0:31:22 indiscernible) application of the new law. So basically, we have constituted those provisions just to see a little bit what is going to happen in the rest of the year.

**Alonso Aramburu:** So this should be a one-time event. We shouldn't see this recurring over the next couple of quarters.

**Michela Casassa:** Yes, absolutely.

**Alonso Aramburu:** Okay, thanks. And my second question is regarding asset quality. You had a small uptick on NPL, but credit card NPLs actually declined quarter on

quarter. So, just wondering what drove that increase in NPLs and what are your expectations for the rest of the year?

**Michela Casassa:** Basically, we projected that this year the PDL ratio was going to be (0:32:06 indiscernible) a little bit. And this was coming a little bit from the, let's say (0:32:10 indiscernible). And second, because as you know we have been growing very steadily. But what we have seen in the first quarter is a slight deterioration on the mortgage loan, as I commented, and basically, that is the product that has increase its PDL ratio to 1.4 percent in the first quarter, coming from 1.1 percent in the previous quarter. So this would be the main factor because when we do look at credit cards, for example, we are at levels of 4 percent, which is even lower than the previous quarter and the first quarter of previous year.

**Alonso Aramburu:** Okay, thank you.

**Operator:** Thank you. Again, if you would like to ask a question, please press 'star 1' at this time. We are now holding for questions. Again, that is 'star 1' for questions. Our next question comes from Diego Cisneros from Newfoundland Capital Management.

**Diego Cisneros:** Hi, good morning. Thanks so much for your time today. I understand that the effective tax rate increased from 22 percent to 28 percent because of lower contribution from Interseguro. Now, I was wondering if you can comment on what kind of effective tax rate should be expect for 2014 and going forward. Thanks.

**Michela Casassa:** Okay, actually, the tax rate should be something similar to the previously year, but really this will depend a lot on the (0:33:51 indiscernible) of Interseguro again. At the bank level, we are expecting a tax rate of around 26 percent. And this value's also due to the (0:34:03 indiscernible) on certain investments related to bonds, related to the state, which are tax deductible. So, we have these two effects, a portion in the bank, and a portion of the overall Interseguro's results.

**Diego Cisneros:** Okay, thanks.

**Operator:** Thank you. Again, if you would like to ask a question, please press 'star 1' at this time. We are now holding for questions. At this time we have no further questions. I'll now turn it back over to management for closing remarks.

**Michela Casassa:** Okay, thank you very much everybody for joining the call and we will talk to you in the next quarter call.

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