Moderator: Good morning, and welcome to Intercorp Financial Services third quarter 2019 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 Rafael Borja of i-advize Corporate Communications. Sir, please go ahead.

Rafael Borja: Thank you, and good morning everyone. On today's call, Intercorp Financial Services will discuss its third quarter 2019 earnings. We are very pleased to have with us Mr. Luis Felipe Castellanos, Chief Executive Officer Intercorp Financial Services; Ms. Michela Casassa, Chief Financial Officer Intercorp Financial Services; Mr. Juan Pablo Segura, Chief Financial Officer Interseguro; and Mr. Bruno Ferreccio, Chief Executive Officer Inteligo. They will be discussing the results that were distributed yesterday. There is also a presentation to accompany these results. If you did not receive a copy of the presentation of the earnings, it is now available on the company's website, 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 212-406-3693.

I would like to remind you that today's call is for investors and analysts only. Therefore, questions from the media will not be taken. Please be advised that forward-looking statements may be made during this conference call. These do not account for economic circumstances, industry conditions, the company's future performance or financial results. As such, statements made are based on several assumptions and factors that could change causing actual results to materially differ from the current expectations. For a complete note on forward-looking statements, please refer to the quarterly report issued yesterday. It is now my pleasure to turn the call over to Ms. Michela Casassa, Chief Financial Officer of Intercorp Financial Services, for her presentation. Ms. Casassa, please go ahead.

Michela Casassa: Good morning, and welcome to Intercorp Financial Services third quarter 2019 earnings call. First, let me comment briefly on the macro environment. Despite political volatility related to the dissolution of Congress, the Peruvian economy has proven to be resilient. Although we could witness some volatility in the coming months related to the election of the new Congress, we expect Peru to maintain its sound macro stability and moderated GDP growth. In this context, both monetary and fiscal policies have recently aligned towards a more expansive posture. On one hand, the Central Bank cut its reference rate by 20 basis points to 2.25% last week, the second cut this year. On the other hand, the Ministry of Economy and Finance announced approximately 13 billion soles budget to be executed between November and December of this year, which is expected to boost public investment. This, together with a better performance of certain primary sectors has led market consensus to expect around 2.5% GDP growth for year end, and 3% for 2020.

Moving on, the financial system had a good quarter. At the banking system, gross loans grew 7.3% year on year driven by increases of 11.6% in retail loans and 4.9%

in commercial loans according to the SBS. Other consumer loans and credit cards grew the most in retail banking. While in commercial banking, corporate loans performed better year over year. The insurance system saw a 10.2% year on year growth in total assets in the third quarter with net premiums earned growing 9.9% when compared to the third quarter of last year. Under this environment, we believe that IFS had a solid performance.

Now, let me start the discussion with an overview of the quarterly performance on slides one and two of the presentation. The main highlights are: IFS third quarter results increased 5.8% year over year and nine months results increased 8.5%. Year to date return on adjusted equity at 18% and adjusted return on adjusted equity at 18.8% which excludes, on one side, the impact of mark to market on investment from Inteligo, and on the other side, the increase in IFS equity due to the primary offering of shares and the gains from the secondary sale of treasury stock in the New York Stock Exchange last July.

Total revenues at IFS increased 11.4% year over year in the third Q with an efficiency ratio which improved 20 basis points in the quarter and in the year. We have seen a positive evolution of our digital transformation indicators. The relevant net income, which is the base for dividend distribution, has reached 1.4 billion in the nine-month ended September, up 15.6% year over year.

At Interbank, we had a strong quarter with a 19.8% return on adjusted equity. With the adjusted net profit increasing 6.7% on a quarterly basis when excluding the release in provisions of the second quarter and increased 19.4% year over year. 12.3% year over year loan growth with a 17.2% increase in retail loans. Retail deposits grew 13.9% year over year, gaining 50 basis points in market share in the year. Adjusted cost of risk decreased 20 basis points in the quarter. The core equity tier one was up 80 basis points on a quarterly basis and yearly basis.

At Interseguro, solid quarter in earnings with return on adjusted equity at 14.9%. Net profit increased 3.5% on a quarterly basis and 70.5% on a yearly basis. Growth in individual life and retail insurance was offset by a market contraction in private annuities in a challenging competitive environment in the regulated market. The net insurance underwriting result improved 20.8% on a quarterly basis and 15.7% year over year. The return on investment increased 20 basis points to 6.3%.

At Inteligo, the quarterly results are impacted by 11.2 million negative mark to market in investments due to market conditions. Assets under management and loans grew 2.2% and 20.7% year over year, respectively. Fee income increased 11.3% in the quarter and 11.9% in the year.

Now, let us have a look at some additional key performance indicators on slides three and four. IFS reached earnings of 335 million soles in the quarter and 1,037 million soles in the first nine months of the year. Total revenues continue to show a good trend with 4.9% growth in the quarter and 11.4% when compared to the same quarter last year. The same is true for net interest and similar income with a growth of 2.9% in the quarter and 13.3% when compared to the same quarter last year. These strengths are similar when looking at the first nine-month figures with total revenues growing 9.4%, and net interest and similar income growing 10.3% year over year as you may see in the appendix slides. Efficiency ratio for IFS improved 20 basis points in the quarter and the year, down to 34.6%.

At Interbank, efficiency ratio remained stable in the quarter, and improved 280 basis points in the year, down to 39.2%. When looking at the first nine-month performance, IFS efficiency ratio was almost stable at 34.4%. IFS return on adjusted equity was 16.8% in the quarter and 18.1% when excluding, on one side, the impact of mark to market on investments from Inteligo as previously mentioned, and the other side, the increase in equity due to the primary offering of shares and the gains from the secondary sale of treasury stock in the New York Stock Exchange. During the first nine months, IFS return on adjusted equity was 18% and 18.8% when excluding the impacts previously mentioned. Moreover, as of September 2019, the cumulative unrealized gains of around 420 million soles at IFS level are impacting return on adjusted equity downwards by 90 basis points.

NIM at Interbank remained stable in the quarter and increased 20 basis points in the year. The yearly increase is mainly due to a 30-basis point improvement in NIM on loans, up to 9%, mainly thanks to the portfolio mix with a higher growth coming from credit cards. Risk adjusted NIM improved ten basis points in the quarter and decreased ten basis points in the year. The quarterly increase is mainly due to an improvement in the adjusted cost of risk of 20 basis points in the quarter. In turn, explained by improvements in both credit cards and commercial loans. When looking at the first nine month figures, risk adjusted NIM decreased ten basis points to 3.9 with an adjusted cost of risk at 2.5%. Total capital ratio for Interbank stands at 15.4% with core equity tier 1 ratio up 80 basis points in the quarter to 11.4% as of September 2019. This is mainly thanks to the sale of shares in the New York Stock Exchange, and despite the strong growth registered by the bank especially in the retail portfolio with higher risk weighted density.

In the insurance segment, gross premiums plus collections decreased 7.7% in the quarter and 4.4% in the year, mainly due to a market contraction and to aggressive competition on rates in the annuity business. It has been partially offset by growth in the life insurance business and in the retail insurance business. Cumulative figures for the first nine months show a 13.6% growth in gross premium plus collections. The lower origination of annuities has helped the adjustment of technical research to decrease, thus improving the net insurance underwriting result by 20.8% on a quarterly basis and 15.8% on a yearly basis, due to lower technical losses. Return on investment in the insurance portfolio improved 20 basis points in the quarter, and in the year, up to 6.3% helping earnings and risk return on adjusted equity to improve during the quarter. In the same way, return on investment improved 50 basis points in the first nine months, from 5.7% in the nine months of 2018 up to 6.2% in the nine months ending September this year.

At our wealth management segment, assets under management grew 2.2% in the year. Despite the negative mark to market, fee generation was strong growing 11.3% in the quarter and almost 12% in the year. Return on adjusted equity for the nine months was 22.4% or 26.4% when excluding mark to market.

On slide five, IFS relevant net income, which is the base for dividend payment, reached 1.4 billion soles as of September, a 15.6% increase when compared to the same period last year, which included extraordinary gains at Interseguro after the completion of the merger with Sura. Interbank registered 963 million soles, Interseguro 328 million soles due to very strong results in local GAAP, and Inteligo 131 million soles.

On pages six and seven, we continue to see a positive evolution of our digital indicators. Digital users which include customers who interact with the bank through a digital platform over the number of customers who have touched the bank in the last three months has reached 61% in September 2019, up from 50% in September of last year, representing a 43% increase year on year in the number of digital users.

As of the end of September 2019, digital users amount to 1.2 million clients. 100% digital customers who are customers that do not use branches any longer has also continued to increase, reaching 26% as of September 2019 compared to 20% one year before. The percentage of total transactions performed away from branches has remained stable at 95%, but with a higher participation of internet and mobile transactions at 78% from 76% one year ago. Digital sales reached 41% as of September, up from 28% in September last year. Digital acquisition of retail customers has continued to grow, from 5% of new retail customers in September 2018 to 28% in September this year.

On slide seven, saving accounts opened digitally reached 36% in September compared to 6% one year before, while business accounts or Cuenta Negocio opened digitally reached 52%, up from 34% one year before. Extra cash loans linked to credit cards that are sold digitally reached 23%, up from 12% one year before. SOAT car insurance policies sold digitally reached 62% compared to 49% one year ago. Moreover, during the third quarter, we have continued to launch new functionalities in our digital platform such as the 100% digital loans and the P2P payments using cellphone numbers through our app.

Now let us take a look at each subsidiary's performance in detail. On slide nine, you can see improvements in most of the key indicators at Interbank. As previously mentioned, NIM remained stable in the quarter and improved 20 basis points in the year reaching 5.8%, while risk-adjusted NIM improved ten basis points in the quarter up to 4% due to the improvement in the adjusted cost of risk of 20 basis points, down to 2.6% in the quarter. Total other income continued to grow strongly at 5.4% in the quarter and 21.5% year over year. Fee income is growing nicely at 6.4% in the quarter and 16.1% in the year. The increase in the yearly fee income is mainly due to the strong increase in credit card related fees, which is partially offset by other decreasing fees related to the migration to digital channels and to lower activity in contingent credits and corporate finance in the commercial loan book.

Other expenses grew 9.3% year over year and 4% in the quarter with a stable efficiency ratio on a quarterly basis, but an improvement of 280 basis points in the year, due to the operating leverage we continue to register at the bank with total revenues growing faster than expenses.

The main items impacting the yearly increase in other expenses are: first expenses related to the digital transformation, which includes technology and amortization, which increased nine million soles year over year or 13%. Second, personal expenses grew 16 million soles or 10.4%, which includes incentives related to commercial activity and mandatory profit-sharing expenses. Third, variable costs related to credit cards for an additional six million soles or 18.8% year over year growth.

On slide ten, our year over year loan growth has been similar than recent quarters but slowed down versus the beginning of the year, from 17.3% as of the first quarter of this year to 12.7% in the second quarter, to now 12.3%, mainly due to a slowdown in the growth of the commercial banking loan book in line with the market dynamics. Still, we continue to grow faster than the market at 12.3% compared to the 7.3% of the banking system as a whole, with retail growing at 17.2% year over year and 3.4% in the quarter, and commercial banking growing 6.9% year over year and recovering this quarter by growing 3.2% quarter on quarter, mainly due to an expansion in the corporate loan book.

We continue to be number one in retail credit cards as of September with a 27.1% market share. Our market share in retail loans was stable on a quarterly basis at 18.9%, and increased ten basis points in commercial loans, leading to an increase of ten basis points in the total loans market share which reached 12.5%. The yearly growth in credit cards continues strong at 25.3% with a stable risk profile of the portfolio and lower cost of risk in the quarter. Despite these positive trends, it is worth noting that we have started to see some deterioration in the market, as well as a deceleration of growth in the last couple of months, which could have an impact in the near future.

On slide 11, retail deposits continued to grow nicely reaching 13.9% year over year allowing us to gain 50 basis points of market share in the last month, reaching a record 13.5%. Total deposits grew 1.9% in the quarter as the result of increases of 2.9% in retail and 1.1% in commercial deposits.

Growth in bonds was mainly explained by two bond placements in the international market in September for 312 million soles and 400 million dollars, both due in October 2026. This effect will be offset with the execution of a make-whole redemption of the 5.75% senior notes due 2020 corporate bonds which already took place at the beginning of November. This liability management transaction has already been completed generating a one-off negative effect of around $9 million, which will be reported in the fourth quarter, but which at the same time will help us improve our cost of funds going forward as we have replaced 5.75% coupon bond with a 3.25% coupon bond in dollars. Average cost of funds improved ten basis points in the quarter, down to 2.9% with a loan to deposit ratio at 103.8%, well below the system average of 105%.

On slide 12, we are showing the evolution of the stock of provisions over total exposure or expected loss. This trend shows that the risk profile of the bank has remained relatively stable over the past six quarters, since the implementation of IFRS9 and despite some quarterly volatility in cost of risk.

On slide 13, cost of risk was 2.6% in the quarter. The quarterly improvement of 20 basis points from an adjusted 2.8% in the second quarter to 2.6% was mainly due to two effects. First, a ten-basis point improvement in the cost of risk of the retail portfolio from 4.4% to 4.3% mainly coming from credit cards, which improved from 11.9% to 11.1% in the quarter thanks to some seasonality of the portfolio. Second, a 30-basis point improvement in the commercial loan book from 0.7% in the previous quarter to 0.4% this quarter.

The non-performing exposure under the IFRS criteria improved both during the quarter and when compared to the previous year. When looking at stage two and three over total exposure, the ratio improved 90 basis points this quarter and 230 basis points year over year, down to 9.5%. This means that over 90% of the bank's total exposure sits now on fully performing stage one IFRS classification. When looking at stage three and refinanced loans, this ratio was 3% as of September 2019, a ten-basis point increase in the quarter and 20 in the year. Total NPL coverage ratio which measures the coverage of stage three and refinanced loans remains strong at 126.4%.

On slide 14, as of September, Interbank's capital ratio of 15.4% is 380 basis points above its risk adjusted minimum requirement established at 11.6%, and above the system's average of 14.9%. The quarterly decrease in total capital is mainly due to higher risk weighted assets from intangibles, and to the elimination of a $30 million subordinated bond, which was called for early redemption in July this year.

Core equity tier one ratio has strengthened 80 basis points in the quarter and in the year, reaching a record 11.4% despite the strong growth registered in the past 12 months in loans and in risk weighted assets. The quarterly improvement in core equity tier one was mainly thanks to the proceedings from the IPO, giving us ample room to continue growing.

Moving onto the insurance segment, as previously mentioned we had a solid quarter in earnings with return on adjusted equity at 14.9% in the third quarter, above the 13.6% reported in the last quarter.

On slide 16, gross premiums plus collections in the third quarter decreased 7.7% and 4.4% year over year excluding Seguros Sura gross premium from disability and survivorship contract that expired in December last year. Growth in individual life and retail insurance was partially offset by a market contraction in private annuities and competitive pricing challenges in the regulated market, for both quarterly and yearly performance which we currently see normalizing.

On slide 17, net insurance underwriting result, resulted in minus 62.9 million in the third quarter, an improvement of 16 million soles on a quarterly basis, and 12 million on a yearly basis. The quarterly improvement was mainly explained by a 26 million decrease in adjustment of technical reserves, partially offset by 7 million lower net premiums and 3 million higher net claims and benefits incurred. Net premiums reached 157 million soles during the quarter, a 4.2% decrease in the quarter and 9.4% decrease in the year. The quarterly decrease was in line with the trends previously explained. Adjustment of technical reserves decreased 26 million soles in the quarter, mainly due to lower origination of annuities in the quarter, while net claims and benefits incurred, which refer mainly to the pensions paid for the stock of annuities increased 3 million soles on a quarterly basis along with the increase in the size of the annuities portfolio.

On slide 18, in the third quarter Interseguro's investment portfolio reached 12.3 billion, which represents an increase of 1.7% in the quarter and 8.6% on a yearly basis. Return from investments in the third quarter were 191 million, which represented a 6.3% return on Interseguro's investment portfolio, improving 20 basis points during the quarter and the year.

Please turn to the following pages to discuss our wealth management segment's results. On slide 20, Inteligo's net interest and similar income in the third quarter was 26.6 million, an 8.3% increase when compared to the second quarter, which was largely attributable to interest generated by excess liquidity from new deposits acquired during the third quarter. Net fee income from financial services was 41.3 million in the third quarter, an increase of 11.3% when compared to the previous quarter. On a yearly basis, net fee income from financial services increased 11.9%. Growth in fee income was mainly explained by rebalancing activities implemented in client portfolios throughout the year, and brokerage fees generated by go-to market operations, primarily IPOs. Consequently, fee income divided by asset under management increased to 0.9%.

Inteligo's other income reached minus 8.9 million soles in the third quarter, a decrease of 9.4 million on a quarterly basis, and 32.3 million year over year, attributable to negative mark to market valuation on Inteligo's proprietary portfolio throughout the year. Excluding the negative impact from mark to market in investments, other income was 2.3 million in the quarter.

In sum, revenues generated by Inteligo were 58.5 million, a decrease of 5.1% Q on Q, and 32.2% year over year. Excluding the negative impact on mark to market valuations due to market conditions, total revenues would have reached 69.7 million.

On page 21, assets under management reached 18.1 billion in the third quarter, a 2.1% decrease quarter on quarter and a 2.2 growth year over year. During the quarter, new account openings were partially offset by withdrawals from custody clients. Inteligo's loan portfolio reached 1.6 billion in the third quarter, a 3.4% increase on a quarterly basis and 20.7% on a yearly basis. Other expenses reached 34.6 million in the third quarter, an increase of 20% on a quarterly basis and 29% on a yearly basis, mainly related to the amortization of assets acquired as part of the Interfondos transaction early in the year. Excluding these effects, which net off at consolidated IFS level, other expenses increased 6.6% and 14% on a quarterly and yearly basis, respectively.

Due to these results, Inteligo's reported net profit and return on adjusted equity in the third Q were 18.9 million and 9.7%, respectively. However, when excluding the asset amortization from Interfondos' acquisition, return on adjusted equity was 11.7% and it reached 17.3% when further excluding the negative impact of mark to market valuations in other income. The cumulative nine-month profits reached 131 million soles with a return on adjusted equity of 26.4% when excluding again the negative mark to market and the asset amortization from Interfondos' acquisition.

Thank you very much. As you have seen from the numbers, our core business continues to be very strong. We are committed to executing our strategic plan with a strong emphasis in our digital transformation for the benefit of our customers. Now we welcome any questions you may have.

Moderator: At this time, if you would like to ask a question please press star and one on your touchtone phone. Once again, to ask a question star and one on your touchtone phone. We will pause a moment to allow questions to queue. We will take our first question from Yuri Fernandez with JP Morgan. Please go ahead.

Yuri Fernandez: Thank you very much for the opportunity of asking questions. I have the first one regarding loan growth. We saw some acceleration on quarter over quarter on your growth pace, even though the year over year continues to grow at your guidance. Right? Going ahead, how much loan growth do you think you can continue delivering in Peru? If you can comment on the economy and on the consumer segment, just for us to have some idea on the volumes.

My second question is regarding Inteligo. We saw some slowdown on the assets under management on the unit. The results were impacted by mark to market on that too. What should we expect for the profitability of Inteligo? What should we see for the AUM growth in that division? Thank you.

Michela Casassa: Hi Yuri. Thank you for your questions. We will have Luis Felipe answering the first one.

Luis Felipe Castellanos: Hi, how are you today? This is Luis Felipe Castellanos. Regarding growth, yeah, we have seen that year over year we continue to grow very strongly. Although we have seen that growth, as expected, has started to decelerate. We believe we are going to be within the guidance that we had provided throughout the year whereby we will continue growing on a year over year basis, basically low double digits. It is still gaining market share over an industry as a whole that we expect to grow a little bit slower than that.

In terms of the macro front, we do expect that the growth for the year will be around 2.5%, which is the latest indication based on the numbers that the economists provide. For the next year, we expect it to recover a little bit and be around 2.5 to 3%. Hopefully, it is more towards that 3%. However, as you know, there are some political events that have happened and can change a little bit the landscape by the end of the year because we are going to be facing Congressional elections early next year. That is something new for us. That could have – beginning of the next year a little bit slower than we would have expected.

Yuri Fernandez: After those events, did you see some decrease on demand from corporate and things like this? Or now with these elections, we could see more investments, and all given that the Congress was so tough with the President. How should we see demand from corporate going on?

Luis Felipe Castellanos: Yeah, the overall expectation is that growth at some point should recoup when things start getting normalized, especially in the country, obviously we cannot lose touch with what is going on internationally. Specifically for Peru, the macro-fundamentals continue to be solid. There are a lot of projects that are waiting to be executed both on the public side and on the private side as well. If really the elections result in calming all these political uncertainties that we have been having over the last years, probably investments will start to recoup. If that happens, obviously, there is upside to the expectations that we have presented. I am actually coming this morning from the inauguration of one of the largest shopping malls in Peru, the Puruchuco project. The level of activity that we are expecting from that should also help the positive views on the economy. As long as investments start piling in, next year should be a little bit better. Hopefully after the elections, we will have some water under the bridge. A more positive sentiment will come in, and the macro side should be reinforced. Now let me pass it onto Michela to answer the second part of the question.

Michela Casassa: Related to Inteligo, we are still talking about this year. We have not given guidance for 2020 yet. As far as profitability is concerned, for Inteligo we are reaffirming at least a 25% return on adjusted equity. Going forward, we should see assets under management recuperating a little bit and growing above 5%.

Uri Fernandez: Okay, thank you very much.

Michela Casassa: Thank you.

Moderator: As a reminder, it is star and one on your touchtone phone for questions. We will go next to Daniel Mora with Credicorp Capital. Please go ahead.

Daniel Mora: Hi, good morning. Thank you for the presentation. Congratulations on the results. I have two questions. The first one is a follow-on of loan growth. We have seen some deceleration in the commercial segment in recent quarters while the retail segment remains strong. What are your expectations for next year, particularly for the commercial segment considering the political uncertainty in the country? The second question is Interseguro. We observe a quarterly and annual reduction in annuities. Can you provide more color regarding this performance and the possible trend in coming quarters? Thank you so much.

Michela Casassa: Hi, thank you for your questions. Let us go over the first one in terms of loan growth, and specifically on the commercial loan book. We have seen a very weak commercial loan growth this year in the system. Okay? Actually, I think the first six months of the year when you were looking at the year to date numbers, there was zero growth. Okay? We have seen a little bit of that improving in the third quarter. Actually, we have almost 3% growth in commercial loans in the quarter. That has allowed us also to grow even faster than that, and show the numbers that I presented before. Basically, we are still finalizing our numbers. We will give you guidance in the next quarter. We are seeing a little bit of a recovery of the commercial loan growth and activity for next year. There are certain trends that are helping that.

One of those also has to do with public spending. I mentioned at the beginning of the call the intention of spending in the last couple of months of the year is 12 billion soles. This should also be much better next year. Remember that at the beginning of this year, we had a very low public investment level due to the elections at the end of 2018. That should also help next year. For annuities, let me pass it onto Juan Pablo who can give you a more detailed view.

Juan Pablo Segura: Hi Daniel. Thanks for your questions. In terms of the annuities market, yes. There is the annuity market total. That is including the regulated annuities and the private annuities market. It was basically flat quarter over quarter and year over year. If we split a little bit how the regulated ones versus the private ones behaved, the regulated annuities were actually up 5%. It is mostly from the survivorship and disability types of annuities.

In the private annuities market, there was a contraction. The contraction comes from a lot of movement in the interest rates that other financial institutions, other than insurance, are giving to deposits in the market. At Interseguro, we prioritized in Q3 our profitability. We want to keep our IRR's of annuities at a minimum threshold. We are very disciplined to keep that profitability for Q3 and sacrificing some of the market share that we have had in Q3. We see interest rates normalizing again, competitors being with less of a gap in terms of the interest rate they sell versus what we do. We see that has been normalized after that closure of Q3. We do not see that as a structural problem, but something that happened specifically at the end of Q3. That is why we show in that segment a little bit of a decline.

Again, most of it is market share driven because of prioritizing profitability. Market is in general flat quarter over quarter and year over year. This is especially impacting the private annuities market.

Daniel Mora: Perfect. Thank you so much.

Juan Pablo Segura: Sure.

Moderator: Once again, star and one for your questions. We will go next to Alonso Aramburu with BTG. Please go ahead.

Alonso Aramburu: Hi, good morning. Thank you for the call. I have three questions on my side. Can you comment on what generated the mark to market losses at Inteligo? Can you also comment please on the cost of risk? And given that you are seeing some deceleration in growth, do you expect your cost of risk to be a little bit higher over the coming quarters? Finally, regarding the unrealized gains at IFS, have you realized some of those in the fourth quarter? Or do you plan to do so? Thank you.

Michela Casassa: Hi Alonso. Thank you for your questions. Let me go over questions number two and three. Then I will pass to Bruno for the third one. Cost of risk, I mean we are showing cost of risk which is in the low end of our guidance. What we are seeing is a retail portfolio that will most likely decelerate a little bit in the next quarter. We will most have a slightly higher cost of risk.

What is true is that, what we have seen so far is something happening at the market level, which translates into provision of the local GAAP because of the external alignment. But as we are showing numbers here under IFRS, which is calculating provisions based on expected losses, we have already those effects within our numbers. Okay? I guess that the trends, specifically, I would say that in credit cards for the next quarter will depend on how strong is, if there is, a further deceleration of the demand.

As far as the unrealized gains is concerned, those unrealized gains are coming actually from all the companies in IFS. We are not planning on realizing those unrealized gains. What we should most likely see in the fourth quarter is a recovery if you want a proportion of the negative mark to market of Inteligo. That seems to be performing better in this last fourth quarter. Maybe with that piece of information, let me pass it onto Bruno so that he can comment a little bit more on the mark to market impact of the second and third quarters.

Bruno Ferreccio: Yes. Basically, the mark to market losses on Q3 are due to equity positions on the proprietary portfolio. We do have a larger portion, the majority of our portfolio in fixed income, but the small equity position has had a negative performance in the third quarter. Even though these are long-term positions for us, so there are quarterly variations. Notwithstanding, we still think that they should be long-term positive investments for us.

Alonso Aramburu: Okay, thank you. I am just curious. Do you have any positions or any large positions in Chile right now on the equity side?

Bruno Ferreccio: No, we do not.

Alonso Aramburu: Okay, thank you.

Bruno Ferreccio: Not at Inteligo, at least.

Moderator: I am sorry. As a reminder, it is star and one for any final questions today. We take a question from Carlos Gomez with HSBC. Please go ahead.

Carlos Gomez: Yeah. The question is, if you could tell us if the equity investments are investments in Peruvian equities or in other markets?

Bruno Ferreccio: No, they are US equity investments. United States. Nothing in Peru.

Carlos Gomez: Thanks.

Moderator: It does appear we have no further questions. I will return the floor to Ms. Casassa for closing remarks.

Michela Casassa: Okay, thank you everybody for attending the call. We will hear each other again in the next quarter results conference call. Thank you. Bye.