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Operator: This is a recording of the Peter Majeski conference call with i-advize, on Tuesday, July 27, 2010 at 10:00 A.M. Eastern Time. Good morning and welcome to the Intergroup Financial Services second quarter 2010 conference call. All lines have been placed on mute to prevent any background noise. After this 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 the call over to Peter Majeski of i-advize Corporate Communications. Sir, you may begin.

Peter Majeski: Thank you, Stephanie. Good morning, everyone. Welcome to Intergroup Financial Services Second Quarter 2010 Earnings Conference Call on this, the 27th of July 2010. We are very pleased to have with us from Intergroup, Mr. Jose Antonio Rosas, Chief Financial Officer, and Ms. Claudia Valdivia, Chief Financial Officer of Interseguro. They will be discussing Intergroup's results per the press release distributed yesterday. If you have not yet received a copy of the presentation or earnings release, please visit us at www.ifs.com.pe to download a copy or call us in New York at 212.406.3694.

Before we begin, I would like to remind you that any forward looking statements made today by Intergroup's management are based upon information and data currently available and are subject to various conditions that may differ materially. It is now my pleasure to turn the call over Mr. Jose Antonio Rosas. Mr. Rosas, you may begin.

Jose Antonio Rosas: Thank you, Pete. Good morning, everyone, and welcome to our call. We will start with a brief discussion of the highlights of Intergroup's performance. Intergroup's recurring net earnings increased 4.6 percent year-on-year, driven by higher interest on loans and lower deposit costs. However, when including non-recurring investment gains realized in the second quarter of 2009, net earnings decreased 3.6 percent year-on-year. Earnings declined 11.2 percent quarter-on-quarter, mainly as a result of lower net income at Interbank. Interbank's net earnings decreased 11.3 percent quarter-on-quarter, due to higher funding costs, provisions, and administrative expenses. Recurring earnings, however, increased 11.8 percent, year-on-year, driven by growth in interest on loans and lower funding costs.

Demand for credit at Interbank increased after a slow first quarter, leading total loans to grow 6.8 percent, quarter-on-quarter, and 16 percent, year-on-year. Interest on loans and return on investment continue to increase quarter-on-quarter. Net interest margins declined by 20 basis points, quarter-on-quarter, as a result of 12.4 percent increase in financial expenses, due to a $200 million tier one bond issue.

Asset quality remains strong, but the ratio of provisional expenses on the average loans rose from 3.2 percent in the first quarter of 2010 to 3.7 percent in the second quarter. Interbank's capital increased significantly as the BIS capital ratio rose from 12.8 percent in the first quarter of 2010 to 16 percent in the second quarter.

Looking at the Interseguro's performance, earnings rose 3.3 percent, quarter-on-quarter due to 23 percent growth in investment income. Net income declined 18 percent, year-on-year, due to an increase in claims, administrative expenses and reserves related to strong annuity sales. Annuity sales grew 35 percent quarter-on-quarter, driven by Interseguro's strong presence in the rapidly expanding early retirement sector.

Please turn to the following page for discussion of Intergroup's Profit and Loss Statement. Looking at the quarter-on-quarter performance, we can see that net earnings declined 11.2 percent, as a result of increase in financial expenses, provisions, insurance underwriting losses and administrative expense. The increase in financial expenses was due to the $200 million tier one bond issue from Interbank, a transaction that doubled the bank's outstanding bond volume. Provisional expenses increased as a result of commercial loan growth, applied deterioration in the credit card loan portfolio and the regulatory provisioning requirements. Interseguro's loss from insurance underwriting doubled, due to an increases in claims and reserves linked to growth in annuity sales. Administrative expenses at Interbank and Interseguro grew as a result of increases in variable compensation related to sales growth and marketing campaigns.

Now, looking at the year-on-year performance you can see that recurring net earnings increased 4.6 percent, year-on-year, driven by higher interest on loans and lower interest on deposits, partially offset by an increase in the loss from insurance underwriting and higher administrative expenses. When including non-recurring gains in the Interbank's investment portfolio realized in the second quarter of 2009, net earnings decreased 3.6 percent year-on-year.

Interest on loans increased 5.5 percent year-on-year, driven by 9.5 percent growth in average loan volume. Interest on deposits declined 58 percent, due to a 170 basis point decrease in the average cost. However, these were partially offset by a tier one bond issue, which doubled interest rates on outstanding bonds. The combination of these factors, led financial expenses to increase 12.5 percent, year-on-year.

Fees from financial services increased 19 percent, led by strong business activity in Interbank's retail and commercial segments. Administrative expenses increased 15 percent, as a result of Interbank's network expansion, higher marketing activity and implementation of technology projects at Interbank and Interseguro.

Please turn to page 5 for a brief summary of net earnings for Intergroup and its two subsidiaries. There, we can see that recurring earnings grew year-on-year as a result of an increase in recurring net income at Interbank and that quarterly decline in earnings was due to a lower net income at Interbank, as well.

Now, let's turn to a little discussion of Interbank's performance, starting on page 7.

Interbank's net earnings remain stable year-on-year. However, when a excluding a non-recurring investment gain realized in the second quarter of 2009, recurring earnings increased 11.8 percent year-on-year, driven by higher income from interest on loans, higher fee income from financial services and lower financial expenses. Net earnings declined 11.3 percent quarter-on-quarter, as a result of increases of 12 percent in financial expenses, 32 percent in provisions and 9 percent in administrative expenses.

Analyzed return on equity was 30 percent in the second quarter of 2010, below the 33.6 percent in the first quarter of 2010 and that recurring ROE of 23.9 percent in the second quarter of 2009.

In the following pages, we will discuss each of Interbank's relevant accounts. Now, please turn to page 8. Demand for credit increased in the second quarter, leading current loans to grow 6.8 percent quarter-on-quarter, after a slow first quarter, in which growth was only 0.6 percent. As a result, year-on-year loan growth was 15 percent. Loan growth was driven by higher demand for credit in the retail and commercial segments, as a result of increased economic activity in Peru, as evidenced by GDP growth rates of more than 9 percent during the first two months of the quarter. Commercial loans grew 8.7 percent quarter-on-quarter after a 1.7 percent decline in the first quarter. Interbank's growth in this segment was driven by domestic demand and continuing market share gains, from 8 percent in the first quarter to 8.1 percent in the second quarter.

Retail loans grew 4.9 percent quarter-on-quarter due mainly to an 8.6 percent increase in mortgages and, to a lesser extent, a 5 percent increase in consumer loans. Interbank's mortgages have grown at consistently solid rates during the back four quarters, driven by the construction industry's strong activity and the successful commercial efforts of Interbank. As a result, the bank's mortgage loan portfolio grew 23 percent year-on-year and market share in the mortgage segment expanded from 10.5 percent to 11.1 percent over the past 12 months. Within consumer loans, credit cards increased 3.6 percent quarter-on-quarter, the highest growth rate that we have registered in the past five quarters, as Peruvian consumer demand resumed it's very strong growth. Interbank's market share of total loans has expanded from 10.6 percent in the second quarter of 2009 to 11.1 percent in second quarter of 2010.

Please turn to the next page. There, we can see that our funding structure and we can see that we have funded our quarterly growth with significant increases in deposits and bonds. Deposit growth was driven by a 14 percent increase in the commercial segment, and bond growth was due to the $200 million tier one bond issue completed in April. Retail deposits grew only 1.6 percent quarter-on-quarter as a result of a 4.5 percent increase in savings accounts that was offset by a 4.6 percent decline in time deposits. Interbank's time deposits have decreased 39 percent in the last 12 months, following an industry wide trend caused by a significant decline in interest rates. However, the rate at which the time deposits are decreasing was much lower in the second quarter of 2010 than in the previous four quarters. Deposits continue to represent 80 percent of the Interbank total funding.

Now, please turn to page 10 for a discussion of Interbank's gross financial margin. Financial income grew 3.3 percent quarter-on-quarter due to a 2.2 percent increase in interest on loans and a 20 percent increase in investment income. However, gross financial margin grew only 1.2 percent quarter-on-quarter as a result of a 12 percent increase in financial expenses. The increase in interest on loans was a result of 3.9 percent growth in average loan volume, partially offset by a 10 basis point decrease in the average yield, from 14.1 percent in the first quarter of 2010, to 14 percent in the second quarter. This decline in the average yield was due to lower rates on commercial loans, related to lower cost of funds that are passed on to clients. Exchange and derivative gains decreased 9.2 percent quarter-on-quarter as a result of lower income from forward transactions and lower gains from the bank's small share positions in US dollars.

Investment income increased 20 percent quarter-on-quarter as a result of $6 million soles in dividends received from equity investments.

Financial expenses increased 12 percent quarter-on-quarter due, mainly, to a $9 million Sole increase in interest in bonds attributable to a tier one bond issue, previously mentioned. Interest on deposits decreased 1.4 percent quarter-on-quarter, due to a 10 basis point decline in the average cost of deposits, from 1.2 percent to 1.1 percent, offset by 4.5 percent growth in average funding.

Gross financial margin increased 2.9 percent year-on-year. This gross margin includes realized gains on investment sales totaling $26 million soles reported in the second quarter of 2009. Excluding this gain, gross financial margin increased 9 percent year-on-year driven by a 5.5 percent increase in interest on loans and a 67.8 percent decline on interest in deposits. The increase on interest on loans was as a result of a 9.5 percent growth in average volume, partially offset by a 70 basis point decline in the average yield, from 14.7 percent in the second quarter of 2009 to 14 percent in the second quarter of 2010. Increased average volume was driven by 11 percent growth in the average volume of retail loans and 7 percent growth in the average volume of commercial loans. The decline in the average yield was due to lower rates of commercial loans, in-line with the lower cost of funds and a more aggressive competitive environment. Exchange and derivative gains increased 14.5 percent year-on-year due to gains in forward production.

Financial expenses decreased 12.5 percent year-on-year as a result of a 58 percent decline in interest on deposits, partially offset by a 47 percent increase in interest on bank loans, a 140 percent increase in interest on bonds and a $12 million sole rise in other expenses. The decline in interest from deposits was due to a 170 basis points decrease in the average cost of deposits from 2.8 percent in the second quarter of 2009 to 1.1 percent in the second quarter of 2010.

Interest on bank loans grew as a result of a 42 percent increase in the average volume of local and international funding lines, related to commercial loans. Growth in interest on bonds grew significant volume growth as a result of the tier one bond issue. And the $12 million sole increase in our financial expenses was due to losses on interest rate swaps.

Now, please turn to page 11. There, we can see the net interest margin decreased 20 basis points quarter-on-quarter, from 8.5 percent to 8.3 percent in the second quarter of 2010. And this was a result of a lower yield on loans and a higher cost of funds, as previously mentioned. Regarding net interest margin, it decreased 70 basis points year-on-year, from 8.8 percent in the second quarter of 2009 to 8.2 percent in the second quarter of 2010, but remains significantly above the industry's average of 7.1 percent.

Now, please turn to page 12. The ratio of past due loans to total loans remains stable quarter-on-quarter, at a very healthy 1.6 percent. Reserve coverage also remains strong, above 250 percent However, net provision expenses increased 22.5 percent quarter-on-quarter, leaving the ratio of provision expenses over average loans to increase from 3.2 percent in the first quarter to 3.7 percent in the second quarter of 2010. And this increase was a result of three factors. The first was growth in the past due to loan ratio of credit cards from 3.5 percent in the first quarter to 3.8 percent in the second quarter. The second was a significant increase in provisions is in commercial loans as a result of the 8.7 percent quarter-on-quarter loan growth rate following a quarter in which commercial loans declined by more than 1 percent

The third factor was the application of our regulatory requirement to align the credit rating of our retail clients with their ratings at other banks. And this affects our payroll clients, mainly. Our payroll clients are generally up to date with their payments at Interbank, but they might be delinquent on their credit card or other loans at other banks. And so the ratings are lower at other banks than at Interbank. Due to the regulatory requirements of external alignment we must downgrade those clients' ratings and as a result increase provisions on their loans.

Net provision expenses remained constant year-on-year. Provision expenses increased 5 percent year-on-year due to an improvement in asset quality over the second quarter of 2009 in which the economic slowdown led to increasing delinquency in the retail segment. The decline in provisional expenses was offset by lower provision reversals due to our reduced number of loan payments from commercial clients.

Please turn to the following page. Fee income from financial services grew 6 percent quarter-on-quarter and 20 percent year-on-year. The increase was due to healthy growth in fee from services, other fees and credit and debit card fees. Growth in fee from services was the result of increase in the volume in leasing disbursements. The increase in other income was due to higher fees in the real estate and mortgage divisions. Fee income from credit cards increased as a result of growth in the number of active credit cards, purchases on credit cards and credit card loan quality. On the chart to the right of that page, we can see that administrative expenses grew 8.9 percent quarter-on-quarter as a result of an increase in sales-related variable compensation, implementation of technology projects and more intense marketing activities than in previous quarters.

Administrative expenses increased 13.5 percent year-on-year. In addition to the factors mentioned before, the yearly increase was due to the expansion of the Interbank distribution network. Between June 2009 and June 2010, Interbank added 13 financial branches and 112 ATMs to its network. Higher administrative expenses led the bank's efficiency ratio to increase from 48.5 percent in the first quarter to 51 percent in the second quarter of 2010.

Please turn to the following page. You can see that the bank's capitalization was substantially strengthened in the second quarter of 2010 as the ratio of regulatory capital to risk-weighted assets rose from 12.8 percent to 16 percent quarter-on-quarter.

This increase was due to growth rates of 17.5 percent in tier one capital and 95 percent in tier two capital, compared to an 8 percent increase in risk-weighted assets. The significant increase in both tiers of capital was due to that $200 million tier one bond issue completed in April. These bonds qualified as tier one capital due to the characteristics of a term of 6 years, subordination, loss absorption and flexibility to extend interest payments, without penalty and on a non-cumulative basis.

However, as of June 30, only 40 percent of the notes of the bond qualified as tier one in Interbank's capital due to Peruvian regulation that caps the amount of junior subordinated notes that receive tier one capital treatment at 17.65 percent of capital and reserves. The remaining 60 percent of the notes qualified as tier two capital and will gradually be incorporated into tier one as Interbank's capital and reserves grow.

Now, please turn to page sixteen for a discussion of Interseguro's performance. Interseguro's net income was $18.8 million soles in the second quarter of 2010, a 3.3 percent increase quarter-on-quarter and an 18 percent decline year-on-year. ROE increased from 26.4 percent in the first quarter to 28.7 percent in the second quarter. The quarter-on-quarter growth in earnings was a result of 22.7 percent increase in investment income, partially offset by an 82 percent increase in the technical margin loss and an 18 percent increase in administrative expenses. Net income declined 18 percent year-on-year as a result of a 16 percent increase in technical margin loss and a 42 percent increase in administrative expense. The increase in technical margin loss was a result of higher claims and an increase in reserves directly related to annuity sales growth. Higher administrative expenses were due to an increase in sales force variable compensation and implementation of consulting and technology projects.

Please turn to the following page. Premium sales grew 17 percent quarter-on-quarter and 12.5 percent year-on-year driven by very strong annuity sales. Growth in annuities was due to a new early retirement regime enacted in the first quarter of 2010. This regime allowed affiliates of the private pension system to retire ten years earlier than the mandatory age. That significantly expanded the pool of potential buyers for annuities. Interseguro has a very strong presence in this early retirement sector, and as a result, has posted very significant growth in annuity sales.

Now, please turn to page 18. There we can see that investment income increased 23 percent quarter-on-quarter and 2.8 percent year-on-year. The year-on-year increase was due to a reversal of a $6 million exchange rate loss recorded in the second quarter of 2009. In the second quarter of 2010 there were no significant exchange gains or losses due to stable exchange rate. The quarter-on-quarter increase was a result of realized gains in the fixed income and equity position and an increase in interest earned on fixed income instruments after the portfolio was rebalanced to include higher yielding bonds.

This is it for the discussion of our performance. Now we are open for the question and answer phase.

Operator: At this time we will open up phones for questions. If you would like to ask a question, please press "star" "1" on your telephone keypad, now. Questions will be taken in the order which they are received. If at any time you would like to remove yourself from the questioning cue, press "star" "2". Again, that is "star" "1" if you would like to ask a question.

Our first question is from Ricky Sperber with Citi.

Ricky Sperber: Ah yes, good morning everyone. I have two questions actually. The first one is given the strong, very solid numbers that we saw this quarter, what is your expectation for the long run for the full year, and how is that split between commercial loans and retail loans? And the second question is on asset quality and provisions. What would expect for provisions of average loans for the full year and when would you expect that to come down to the level we saw in 2008 that they were closer to 2.5 percent?

Jose Antonio Rosas: Good morning Ricky. To answer your first question,loan growth, we have seen very strong growth in the second quarter after a slow first quarter. And as a result of what we experienced in this second quarter, we continue to expect 20 percent growth in our overall loan portfolio. And we expect loans to grow by 10 percent during the second half of the year; equally split between commercial and retail loans.

Regarding your question on provisions, we expect that provisions will be around 3.5 percent of total loans during that full year and then we have new regulatory requirements coming up in the third quarter, which will also lead to a higher ratio of provisions to total loans probably at around the same level for the second quarter, but then we should expect a decline in the fourth quarter. As to when we might reach the levels of 2008, it's a difficult question to answer, a difficult prediction to make, but we do feel confident that in 2011 we will see much lower provision expenses, as a percentage of total loans, probably not at a level as low as 2.5 percent but closer to 3 percent than to 3.5 percent.

Ricky Sperber: OK, so if I get it right you expect around 3½ percent for this year and you could expect that to come down to 3 percent for 2011.

Jose Antonio Rosas: Not 3 percent but probably closer to 3 percent.

Ricky Sperber: Alright thank you.

Operator: Thank you. Our next question is form Alonso Aramburu with BTG Pactual.

Alonso Aramburu: Yes, hi, good morning. Just to follow up on the provisions question, Jose Antonio, so the ex-operations that you had in the second quarter and expect in the third quarter, are those one-off provisions or are those provisions that will continue on a rolling basis?

Jose Antonio Rosas: Good morning, Alonso. The provisions that we expect in the third quarter are one-off provisions. A new loan certification scheme enacted by the Superintendence requires higher provisions than they have currently so that is the reason that we must catch up to those new requirements. That's the third quarter. The second quarter, there are no really one-offs that we can clearly distinguish. One of the factors mentioned during the call were these requirements for external alignment and that is a factor that we cannot control fully and depends on how our clients behave in their payments to other banks. So that tends to vary and it was very high in the second quarter after being very low in the first quarter. So that's one of the factors that led to the increase in the quarter, but we cannot really call it a one-off expense.

Alonso Aramburu: OK. Thank you. And can you also give us a little more color on what's affecting the NPL's on credit cards? Has the bank been more aggressive in giving/controlling credit on credit cards or is it something more seasonal or something that you were expecting that's happened in the last couple of quarters?

Jose Antonio Rosas: No, we have not been more aggressive; we have not relaxed our credit requirements. I would say that it is seasonally related. In the first quarter, we continued to have a decline in delinquencies due to very slow growth during the previous year. As credit cards start to grow again then we start seeing higher delinquencies. And the behavior of credit card clients is still much better this year than it was at this time last year, so we are not too concerned at the moment with this slight increase in the second quarter.

Alonso Aramburu: Great. Thank you. Just one final question on your NIM; Your net interest margin has been coming down gradually the last few quarters. What do you expect for the NIM going forward and how much do you expect to be the effect of everything new reserve requirements on your cost of funding.

Jose Antonio Rosas: The recent hikes in the regulatory requirements will have an effect of about 30 basis points on the NIM and including our expectation of continuing rate increases from the central bank, we expect our NIM to be around 7.5 percent by the end of the year.

Alonso Aramburu: Thank you Jose Antonio.

Jose Antonio Rosas: Sure.

Operator: Thank you. As a reminder if you would like to ask a question you may press "star" "1" on your telephone, now. My next question is from Boris Molina with Santander.

Boris Molina: Yes, good morning Jose Antonio and thanks for hosting the call. I had a question regarding the mark to market losses that were booked directly against equity in the second quarter. It was a substantial amount and I think you mentioned something in the press release about some sort of derivative position could you please explain this source of this mark to market loss and whether we should expect volatility in this line going forward on how you intend to address this?

Jose Antonio Rosas: Good morning Boris. It wasn't mark to market losses; it's just we have an available for sale position involved in equity in Interbank and the gains or losses or the changes in value of those instruments are directly registered in equity. So we had a very strong first quarter in some of those instruments and the second quarter was just a reversal due to a lower value in some of those instruments. But that's nothing really big of concern. Your question on the derivative, we entered into swap contracts to protect part or to hedge part of the value of that investment in Peruvian

Global Sovereign Bonds that we as a result of much lower treasury rate, we incurred losses in those sub-contracts that are not registered on equity but are directly registered on the profit and loss statement.

Boris Molina: OK, excellent, thank you very much.

Operator: Thank you. Again, if you would like to ask a question you may press "star" "1" on your telephone keypad, now. My next question is from Adrian Valdez with Moneda Asset Management

Adrian Valdez: Hi, good morning. Good morning.

Jose Antonio Rosas: Good morning Adrian.

Adrian Valdez: I just want to know how with the actual level of capital, how you can grow your loans until you need to raise more capital.

Jose Antonio Rosas: Well, given our expectation of growth and considering how much capital we have now with that tier bond issue and how much we expect to capitalize in earnings and how much available cash we have at our holding company, we expect to grow for at least four years before we need any more new capital at Interbank.

Adrian Valdez: Alright. Related with the liquidity of this stock are you planning to do something with that at the NYSE sale or do something else?

Jose Antonio Rosas: That's something that's been discussed internally but there's still not a decision made on that subject. We know that it is not optimum for our stock and a factor which we have discussed. There is still nothing to announce on that matter, yet.

Adrian Valdez: OK. In your terms of competition, are you seeing something different? Has something changed in Peru since you're growing faster than any country in the region?

Jose Antonio Rosas: Well, what we're seeing is that the Peruvian economy is growing faster than any country in the region, so that's driving very strong demand for credit both at the retail and the commercial level. And we are indeed seeing more aggressive competition than last year. Last year was slower in Peru and with the general crisis particularly from the foreign banks competition was not as intense as it was usually before. That has changed and we are seeing a much more competitive environment.

Adrian Valdez: Do you think that that will affect your NIM?

Jose Antonio Rosas: It has already affected our NIM, particularly in the commercial side of the loan book and that includes our expectations for continuing decreases in commercial loan rates are included in our expectations of NIM of 7.5% mentioned earlier.

Adrian Valdez: So the NIM can go lower than 7.5 percent by the end of 2011? What do you think is the level of normal conditions with high competition from other banks?

Jose Antonio Rosas: Well, we think that 7.5 percent by the end of this year already includes high competition from other banks.

Adrian Valdez: And for 2011 do you have any notion?

Jose Antonio Rosas: No, we still don't have a guidance or expectation for 2011.

Adrian Valdez: Last question for you. Are you seeing new entrants or is it the same banks?

Jose Antonio: It's the same banks, basically, that are intensifying their commercial efforts.

Adrian Valdez: OK. Thank you.

Jose Antonio Rosas: Sure.

Operator: Our next question is from Katiana Guzman from Caravel

Katiana Guzman: Good morning gentlemen. I guess two quick questions: one on the change in the provisioning regulations. In addition to those you mentioned are there any additional regulations that may be implemented on the way provisioning is done and are these meant to be temporary or permanent? And the second question is on your cost to income ratio. As we saw an increase in the second quarter, I think in previous discussions with management obviously operating efficiency is one of the key goals for the company's next few years and when we should expect to see that efficiency ratio start to improve?

Jose Antonio Rosas: Good morning Katiana. On your first question on provisions we're going to have this final in the third quarter from this change in how loans are classified and we do not expect any more changes in regulations. We do have, however, this pro-cyclical provisioning requirement already enacted and pro-cyclical provisions are not being registered now because economic growth requirements are not being met by the economic components of Peru, but we expect that probably in the first or second quarter of next year we will once again be required to register pro-cyclical provisions once we have a growth rate of more than 5 percent per year as an average of the previous thirty months.

Katiana Guzman: And how much were those again?

Jose Antonio Rosa: One of the pro-cyclical provisioning requirements is an annual growth rate of more than 5 percent over the previous thirty months. Once we get into that we will be required to register particular provisions. So that would lead to an increase in provisioning requirements.

Then on your question on cost to income, if you see our overall trends for the past year and a half, we have been gaining efficiency over this situation, at least it is coming down. What we saw this quarter is say a temporary increase and we expect that provisioning ratio to continue its downward trend in the third quarter and onwards.

Katiana Guzman: OK. Thank you.

Jose Antonio Rosas: Sure.

Operator: Thank you. As a reminder, if you would like to ask a question you may press "star" "1" on your telephone, now. My next question is from Ricky Sperber with Citi.

Ricky Sperber: Hi Jose Antonio. Just a quick follow up to our last question. The expectation of around 3% of provisions to average loans for next year that you gave before, is that including this pro-cyclical provisioning that you just mentioned?

Jose Antonio Rosas: That was just a reference. We still haven't don't have a very detailed expectation including any additional requirements.

Ricky Sperber: OK. Thank you.

Operator: Thank you. At this time we have no further questions. Mr. Jose Antonio Rosa, do you have any closing remarks?

Jose Antonio Rosas: No, just thank you all for participating in the call and we expect to have you in the third quarter conference call.

Operator: Thank you ladies and gentlemen. This concludes today's conference. You may now disconnect.

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