IFS 4Q09 Conference Call
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Operator: Good morning and welcome to the Intergroup Financial Services Fourth Quarter 2009 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 a procedure to follow if you would like to ask a question. It is now my pleasure to turn the call over to Peter Majeski of i-advize Corporate Communications. Sir, you may begin.

Peter Majeski: Thank you, Kallie. Good morning, everyone. Welcome to Intergroup Financial Services' Fourth Quarter 2009 Earnings conference call on this, the 3rd of February 2010. We are very pleased to have with us from Intergroup, Mr. Jose Antonio Rosas, Chief Financial Officer; Mr. Ernesto Gonzalez Quattrini, Investor Relations Officer; Ms. Claudia Valdivia, Chief Financial Officer of Interseguro; and Mr. Gonzalo Basadre, Investment Manager of Interseguro.

They will be discussing Intergroup's results for 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 on information and data currently available and are subject to various conditions that may differ materially. It's now my pleasure to turn the call over to Mr. Ernesto Gonzalez Quattrini, Intergroup's Investor Relations Officer. Ernesto, you may begin.

Ernesto Gonzalez Quattrini: Thank you, Pete. I want to welcome all of you to Intergroup's quarterly conference call and thank you in advance for your interest and attention. As Pete mentioned, also with us today are Gonzalo Basadre, Investment Manager of Interseguro, and Claudia Valdivia, CFO of Interseguro, who will be presenting Interseguro's results and fielding investment and business questions during the Q&A session.

Before we start, as you all know, Jorge Flores, our CEO, passed away on January 5th. His parting has been deeply felt among the Interbank family. We have lost not only an excellent banker and an inspiring leader but also an extraordinary person and dear friend. Jorge always emphasized the development of the next generation of managers at the bank and left upon his parting a solid institution with a strong management team. That is part of his legacy.

On January 7th, our Board of Directors appointed our Chairman of the Board, Carlos Rodriguez-Pastor, as Interim CEO of both Interbank and IFS. Mr. Rodriguez-Pastor has always been a very hands-on chairman. This has enabled a smooth transition and allowed the bank to continue functioning in a business-as-usual manner. The process of identifying and appointing a new CEO is ongoing.

Now, for our fourth quarter results; net earnings at Intergroup were 159.2 million Soles in fourth quarter of '09, growing 6.7% quarter-on-quarter and 170.4% year-on-year as a result of an increase in our gross financial margin. On a yearly basis, Intergroup's net earnings were 507.9 million Soles in 2009, more than double 2008 earnings, driven by strong contributions from both Interbank and Interseguro. The strong performance was complemented by increased levels of capitalization and a notable improvement in efficiency during the year. Regarding our subsidiaries, Interbank and Interseguro, Interbank posted a record of 429.4 million Soles in net income for 2009, a 58.8% increase compared to 2008, driven by growth in the gross financial margin, fee income from financial services, and improved efficiency.

Interbank registered the highest growth in net income within the Peruvian banking system for 2009 and earned 13.2% of the system's overall income. Interbank's net earnings remained stable on a quarterly basis and increased 88.7% year-on-year as a result of significant growth in the gross financial margin. During the first three quarters of 2009, loan growth was affected by the economic slowdown system-wide. However, during the fourth quarter, demand picked up, leading to a higher loan growth rate. Interbank's loan portfolio grew 4.9% quarter-on-quarter and 7.5% year-on-year, above the industry's 4.5% quarter-on-quarter growth rate and well above the industry's -0.5% year-on-year result.

Net interest margin was 9% in fourth quarter of '09, significantly above the industry's average of 7.1%, and 220 basis points higher than the fourth quarter of '08. Asset quality continued to improve in the fourth quarter of '09. The past-due loan ratio declined from 1.6% to 1.5% quarter-on-quarter, while the reserve coverage ratio increased from 261% to 266% quarter-on-quarter. Interseguro posted net income of 31.8 million the fourth quarter of '09, a 73.4% quarter-on-quarter increase, resulting from higher returns on its investment portfolio. Profit for Interseguro in 2009 was almost 11 times that of 2008 when the financial crisis negatively impacted its investment portfolio. Total premiums increased 11.3% during the year, and the company posted an ROE of 32% and an ROA of 4% in 2009.

I would now like to turn the call to Jose Antonio Rosas, Chief Financial Officer of Intergroup, who will be discussing the company's quarterly results in depth. Jose Antonio?

Jose Antonio Rosas: Thank you, Ernesto. Good morning to everyone. Thank you for participating in our quarterly conference call. Please turn to page 4 of the presentation for a discussion of Intergroup's profit and loss statement. As mentioned by Ernesto, Intergroup's net earnings increased 7% quarter-on-quarter and 171% year-on-year. The main driver for year-on-year earnings growth was a 47% increase in gross financial margin. This itself was due to an 18% increase in financial income and a 39% decline in financial expenses.

Financial income increased as a result of a 16% increase in interest on loans at Interbank, as well as significant increases in investment income in both subsidiaries, Interbank and Interseguro. The decline in financial expenses was due to a sharp reduction in Interbank's cost of funds. Administrative expenses increased 10% year-on-year, a lower growth rate than in previous years, as a result of a more moderate expansion process at Interbank. As a result of these factors, income before taxes and profit sharing increased 282% year-on-year.

The income tax expense increased significantly year-on-year, by 63 million Soles, due to the fact that in the fourth quarter of 2008 there was a non-recurring increase in deferred tax assets. As a result, net earnings increased at a lower rate than earnings before taxes, leading to a 171% increase in net earnings year-on-year. If we look at the quarter-on-quarter performance, net earnings increased 6.7%, driven by a 43 million increase in our income and a 4.1% decrease in administrative expenses. The increase in our income was mainly the result of the reversal of provisions at Interbank, an increase in recovery from write-offs, and an increase in income from subsidiaries at Interbank as well.

Looking at our lines in the quarter-on-quarter performance, we can see that gross financial margin decreased 4.4% as a result of a 43% decrease in investment income at Interbank, partially offset by a 27 million Soles gain from the application of a new mark-to-market accounting rule at Interseguro. Provision expenses increased 5% quarter-on-quarter as a result of loan growth at Interbank.

Now please turn to page 5, where we can see a summary of the performance of Intergroup and its two subsidiaries. We can see that both Interbank and Interseguro reported strong year-on-year earnings growth and high ROEs, leading to Intergroup's very solid year-on-year performance.

On page 6, we have a summary of the full year performance of Intergroup, Interbank, and Interseguro. Both subsidiaries' earnings increased significantly in 2009, leading to an ROE of 37% for Interbank and 32% for Interseguro. As a result of the performance of its subsidiaries, Intergroup's net earnings more than doubled in 2009. As a result, Intergroup's ROE was 32% in '09, significantly above 18.4% in 2008 and 26% in 2007.

Now please turn to page 8 for a discussion of Interbank's performance. On page 8, we have a summary of Interbank's profit and loss statement. We can see that during the fourth quarter of '09, Interbank reported 130 million Soles in net earnings, in-line with the previous quarter's strong performance and an 89% increase year-on-year. The ROE was 39% in the fourth quarter of '09, lower than the 43% reported in the third quarter of '09, but much higher than the 31% reported in the fourth quarter of '08. The year-on-year increase in net earnings was due to a 31% increase in the gross financial margin, an 18% increase in fee income, and a 17% decrease in provision expenses.

In the following pages, we will discuss each line of Interbank's P&L statement in more detail. Please turn to page 9. After two quarters of slow loan growth, we saw demand for credit picked up in the fourth quarter of '09 as the Peruvian economy started to emerge from the slowdown in the first nine months of '09. Loan growth was 4.9% quarter-on-quarter, a higher growth rate than the previous quarter. The quarter-on-quarter growth was attributable to the commercial segment and to mortgage loans, both of which grew 7% quarter-on-quarter. Demand for loans in the commercial segment had been slow during the first three quarters of the year, but picked up at a significant pace in the fourth quarter of '09. Looking at the year-on-year numbers, loan growth was 7.5% year-on-year, driven mainly by the retail segment. Within retail, credit cards remained stable, mortgages increased 14.5%, and consumer loans grew 15.6%. Commercial loans grew 6% year-on-year.

During 2009, Interbank capitalized on opportunities to increase market share in both the retail and commercial segments. As a result, Interbank's market share of total loans in the banking system increased from 10.2% in '08 to 10.9% in '09. Please turn to page 10 for a discussion of Interbank's funding mix. In the first chart on that table, we can see that throughout '09, Interbank rebalanced its funding mix. While deposits grew 19% year-on-year, bank loans fell 29%. Deposit growth was the result of a 36% increase in deposits in the commercial segment, mainly demand deposits from institutional investors. As a result of this increase, Interbank's market share of commercial deposits in the banking industry grew from 8.3% to 10.5% in '09. The decline in bank loans was the result of a 70% decrease in short-term financing due to lower use of trade lines of credit as institutional deposits represented a more efficient funding alternative than the trade lines of credit. Long-term financing, on the other hand, increased 52% year-on-year.

Now please turn to page 11 for a discussion of Interbank's gross financial margin. Gross financial margin decreased 7% quarter-on-quarter and increased 31% year-on-year. The quarter-on-quarter decrease was the result of a 6.8% decrease in financial income attributable to a 54% decline in the return of investment. In the third quarter of '09, Interbank had reported realized gains totaling 31 million Soles on the sale of bonds. In the fourth quarter of '09, on the other hand, Interbank did not realize any significant gains on the sale of investments. So that's the main reason for the decline in investment income in the fourth quarter. The average yield of interest-earning assets was 11.2% in the fourth quarter of '09, lower than the 12.5% in the previous quarter, mainly as a result of the decline in investment income. Financial expenses decreased 7.5% quarter-on-quarter, mainly as a result of a decline in the cost of deposits, from 1.9% in the third quarter to 1.4% in the fourth quarter.

The year-on-year increase in gross financial margin was a result of 16% growth in interest on loans, a 21% increase in investment income, and a 42% decline in financial expenses. The increase in interest on loans was due to an 11% growth rate in average volume and an increase in yields from 15.6% in the fourth quarter of '08 to 16.2% in the fourth quarter of '09. The increase in investment income was attributable to a 30% increase in average volume, partially offset by a decline in the yield from 5.8% in the fourth quarter of '08 to 5.4% in the fourth quarter of '09. Exchange rate gains declined 47% year-on-year mainly due to lower trading activity and losses in cross-currency swap contracts at Interbank.

The average yield on interest-earning assets was 11.2% in the fourth quarter of '09, above the 10.9% recorded in the fourth quarter of '08, mainly as a result of the increase in interest on loans. Financial expenses decreased 42% year-on-year as a result of a 53% decline in interest on deposits, and a 30% decline in interest on due from banks and interbank funds.

Interest on deposits declined by more than half, despite a 16.2% increase in average volume, as a result of a significant decrease in the average cost, from 3.5% in the fourth quarter of '08 to 1.4% in the fourth quarter of '09. The decline in cost is related to lower reference interest rates, both in U.S. Dollars and in Nuevos Soles. The decrease in interest on due from banks and interbank funds is attributable to a 23.2% decline in average volume and a 50-basis point decline in the cost of funds.

Interbank's average cost of funds decreased 200 basis points, from 4.2% in the fourth quarter of '08 to 2.2% in the fourth quarter of '09, mainly as a result of lower rates on institutional and retail deposits, and a higher proportion of deposits in the bank's funding mix.

Now, please turn to page 12, where we can see a chart of the evolution of Interbank's net interest margin. There we can see that the net interest margin has increased from 6.8% in the fourth quarter of '08 to 9% in the fourth quarter of '09 as a result of lower funding costs and higher yields on loans. Our net interest margin remains significantly above the banking industry's average of 7.1%.

Please turn to page 13 now. There we can see that asset quality and coverage ratios have continued to improve during the fourth quarter of '09 as delinquencies continue to decline and provisioning remains strong. The ratio of past due loans to total loans has declined from 1.6% to 1.5% quarter-on-quarter, and provision coverage has improved from 261% to 262% over the same period. Both the past due loans and coverage ratios at Interbank are stronger than the banking industry's average in Peru. As a result of stable asset quality, we have seen that the ratio of loan provision expense to average loans has remained constant quarter-on-quarter at 3.7% of average loans, below the 4.3% level reported in the first half of the year.

Please turn to the following page. There we have a summary of Interbank's fee income. We can see that fee income from financial services increased 8.6% quarter-on-quarter and 18.2% year-on-year as a result of growth in fees-for-services and fees from corporate finance advisory.

Page 15 shows the evolution of Interbank's expenses and efficiency ratio. We can see that administrative expenses increased only 1.3% quarter-on-quarter and 9.5% year-on-year, a more moderate pace of growth than in the previous year, in the previous quarter, as the bank's expansion becomes slower than previous years.

Throughout '09, the efficiency ratio has consistently remained below the previous year's level as a result of the increase in gross financial margin and fee income compared to a moderate rise in administrative expenses. The efficiency ratio was 47.7% in the fourth quarter of '09, significantly below 54.6% in the fourth quarter of '08. Now, Claudia Valdivia will discuss Interseguro's performance.

Claudia Valdivia: Thank you, Jose Antonio. Please turn to page 17 of the presentation. The table shows the summary of Interseguro's P&L performance, where we can see yearly growth in the net income of 39.1 million Nuevo soles and an increase of 73.4% quarter-on-quarter. The increase of net income on both quarter-on-quarter and year-on-year is explained by higher investment income, which will be discussed later on in the presentation.

Page 18 shows in detail the performance of Interseguro's premiums. As we can see, premiums decreased 7.7% quarter-on-quarter and 1.9% year-on-year. The decrease is explained by annuity premiums, which fell 13.8% quarter-on-quarter and 5.2% year-on-year. This reduction is mainly explained by a market contraction of 4.2% quarter-on-quarter and a decrease in market share from 22.8% in December of 2008 to 21.6% in December of 2009. Non-Life insurance decreased significantly percentage-wise year-on-year, but not on an absolute basis, due to the fact that sales of the fourth quarter of 2008 include a one-time adjustment related to sales made in the previous quarter.

On the other hand, group life premiums grew 21.2% quarter-on-quarter and 11.9% year-on-year, mainly due to an increase of life insurance premiums tied to mortgage rates, which represents 68% of group life premiums.

On page 19, there are some details of Interseguro's investment portfolio and investment income. Interseguro's investment income was 53.1 million Nuevos Soles in the fourth quarter of 2009, a significant increase over both the fourth quarter of 2008 and the third quarter of 2009. This increase is explained by realized gains in fixed income securities that were partially offset by a decrease in real state income. The realized gains in fixed income securities are primarily explained by the one-time gain of 25.1 million Nuevos Soles as a result of new regulations for insurance companies related to derivative products. Under this new regulation, derivatives and debt in credit-linked notes must be balanced separately from the notes, and any changes in value must be recognized in the income statement.

Interseguro's P&L has a book value of 17.5 million dollars and are linked to Peruvian sovereign risk. With regard to the reduction in real state income, the fourth quarter of 2008 and the third quarter of 2009 include gains of 6 million Nuevos Soles and 4.6 million Nuevos Soles, respectively, both related to the sale of property.

Finally, Interseguro's investment portfolio increased 1.3% year-on-year and 3% quarter-on-quarter, totaling 1,869.6 million Nuevos Soles. Additional funds received were mainly investments in real estate projects.

Ernesto Gonzalez: Now that we have stopped our presentation, we can now open the field for Q&A.

Operator: At this time, if you would like to ask a question, please press star (*) 1 on your telephone keypad now. Again, to ask a question, please press star (*) 1 on your telephone keypad now. Our first question will come from Marcello Telles with Credit Suisse.

Marcelo Telles: Hi. Good morning, gentlemen. First of all, I'd like to extend my condolences to you and to the family of Mr. Jorge Flores.

Ernesto Gonzalez Quattrini: Thank you.

Marcelo Telles: And I have a couple of questions regarding the outlook for Intergroup for this year on the loan portfolio, and what is your expectation in terms of growth? Do you think that you would still be able to gain market share this year? And do you expect to have the same trend with the retail portfolio, growing at a much stronger pace than the commercial portfolio?

And my second question is regarding your branch expansion strategy for 2010. What is your expectation in terms of new branches, and what do you expect in terms of growth in operating expenses? Thank you.

Jose Antonio Rosas: Thank you, Marcelo. Regarding your first question, our expectation for growth in our loan portfolio is to grow by about 20% in 2010, and we expect that number to be higher than the industry’s average by about five percentage points. So we should definitely continue to gain market share.

As of the breakdown between commercial and retail, we expect commercial to catch up and to grow at a faster pace this year, given two factors. First, that commercial, as mentioned during the call, did not grow too much during the first three quarters of the year. So we’re seeing now much more demand in the commercial segment, so that should lead to higher growth. And second, our opportunity to gain market share is higher in the commercial segment because we are starting from a lower base. So we should see a slightly higher growth rate in commercial than in retail in 2010.

Regarding our branch expansion, we should continue with the trend we saw in 2009 of expansion by about 20 branches per year. Those 20 branches, about half of them should be branches opened within the supermarkets, owned by Supermercados Peruanos, and the other half should be stand-alone branches in strategic locations.

Marcelo Telles: Excellent. Thank you. Just one follow-up. What can we expect in terms of growth in operating expenses as a result of this, for the expansion in your branch network? You think you would be able to grow at a lower rate than what you did in 2009?

Jose Antonio Rosas: We expect to grow at probably the same rate as we did in 2009.

Marcelo Telles: Excellent. Thank you.

Jose Antonio Rosas: Welcome.

Marcelo Telles: Congratulations on the results.

Jose Antonio Rosas: Thank you.

Operator: Our next question will come from Boris Molina with Santander.

Boris Molina: Yes. Good morning, gentlemen. I have a couple of questions. In this outlook for loan growth that you just mentioned, what are the underlying estimates for GDP growth? Have you seen any improvement in the outlook? Are you working with better-than-consensus expectations for GDP growth and interest rates? Just a little clarification on those fronts.

The second one has to do with a little bit of clarification regarding your mark-to-market gains on credit default swaps. Just a clarification. Is this gain related to the movement on the value of these positions during the quarter, or was this a pent-up of an accumulated gain that you had to realize because of accounting changes?

Going forward, should we expect higher volatility in the results of the insurance portfolio, or are you going to hedge out these exposures in order to reduce volatility in the results? Finally, just one question regarding the sustainability of your profitability. This year was a pretty strong year. Are you expecting either some margin contraction because of higher interest rates, lower profitability next year? What is your outlook in terms of kind of like the evolution of how we should expect for 2010?

Jose Antonio Rosas: Okay. Good morning, Boris. Regarding your first question of our expectation of GDP growth, we are working with the consensus of an improved outlook for the Peruvian economy in 2010. Currently, we have seen most forecasters upgrading their projections for GDP growth from about 4% to about 5.5%, and that's the working assumption for us on our projections. Having said that, loan growth has traditionally been much higher than GDP because we are starting from a very low penetration of banking in Peru, both in the retail and commercial segments. So we expect the industry to grow by at least three times GDP growth in 2010. Part of that is catching up with the lack of growth in 2009, and part of that is just continuing with the banking penetration in Peru. And as mentioned, we expect to outpace the industry and continue to gain market share.

Just as the sustainability of our profitability, we certainly had two very strong quarters at Intergroup, driven by very good performances in both of our subsidiaries. In both cases, there have been some non-recurring components related to investment gains that we do not expect to repeat. If we took out those non-recurring components, our ROE would be around 35%, and that's certainly much higher than what we expect to be our long-term sustainable ROE.

We expect our ROE at the Intergroup level to be higher than 25%, but probably not as high as 35% going forward. And that has to do with the fact that, as you mentioned, that we do expect a contraction in margins, probably not in the first half of this year. We continue to see interest rates being low during the first half of the year and not much re-pricing going on our loan portfolio. We should see some pressure on the cost of funds and some re-pricing going on in the second half of the year, and that's when it should be stronger throughout 2009-11.

So going forward, we expect a very strong first half in 2010, and starting to see a contraction of margins in the second half of this year and continuing throughout 2011. For the question of Interseguro, Gonzalo will answer that question.

Gonzalo Basadre: Hi, Boris. To answer your question, the reason behind, or to give some additional information on the gains from the CDS, the gains are the result of new regulations in the insurance industry that took effect in the last quarter of 2009. What the new regulation says is that the CDS that are embedded in credit-linked notes must be valued separately from the notes themselves, and any increase or decrease in value must be realized. The gain or the loss must be realized immediately. The notes before that were valued as costs as they were reflected by the length of maturity. As Claudia Valdivia mentioned, this had the initial effect of 27 million Soles positive, but in the quarter, the net result was 25.1 million Soles.

Boris Molina: Okay. And just one follow-up question. Thank you very much for the answers. When you talk about the pickup in loan demand in the fourth quarter, are these sectors specific of the industry or consumers that you are seeing, loans picking up, or is it the efforts of the new branches that you've been opening that actually have been maturing? How would you split up this kind of sources of growth?

Jose Antonio Rosas: Well, in the commercial segment, it is across the board. We haven't seen any specific industry growing at a faster pace, and I have seen just a more general increase in business confidence, and as a result, higher demand for creating foreign investment projects.

Within the retail segment, what we have seen is a significant pickup for demands for mortgage loans, not so much consumer loans yet, although at the start of this year we are already starting to see higher demand for credit cards and higher consumption with our credit cards. But it's much stronger in mortgage at this moment.

Boris Molina: Okay. Thank you very much.

Jose Antonio Rosas: You're welcome.

Operator: Our next question will come from Alonso Aramburu with BTG Pactual.

Alonso Aramburu: Hi. Good morning. A couple of questions, Jose Antonio. The first one, can you comment a little bit on asset quality and where you think NPL's can come down a little bit further from current levels? And the second one on Interseguro, can you guys, or what explains the market share losses in the annuity segment and what are your expectations for this year?

Jose Antonio Rosas: Good morning, Alonso. As for the NPL's, we are working under the assumption that they will remain stable throughout 2010. That's a conservative assumption given that loan growth will be higher than in 2009, as we are seeing consistent trends of improvement in asset quality. So that could grow better than we are expecting now. But in our budgeting process, we are considering stable asset quality. As for the question on Interseguro, Claudia will respond to that.

Claudia Valdivia: Good morning, Alonso. In addition to what I mentioned before, the market contractions and the slight decrease in our market share, the annuities market is highly competitive. Insurance vie for the market every day. Taking this into account on our very successful first semester, our competitors became more aggressive. What we have done is during the last quarter, we decided to focus on the long-term, the early retirement law, reshaping our sales force and developing a new pricing model. We are very excited about this early retirement law, which will increase immediately the annuities market. Just to give you an idea, in 2009, 5,400 people retired. We expect that for the next two years under this new law, around 20,000 people will be eligible for early retirement. So we are very excited and we for sure we will get much market share under this new regulation.

Alonso Aramburu: Thank you. Just as a follow-up on that, given this bright outlook for the annuities market, are you seeing more competition in the market, and where are you seeing it from? Are you seeing it from new players, or are you seeing from already established players?

Claudia Valdivia: No, we don't expect new players to get into the insurance right now. What we expect is that all the insurance companies will be very aggressive under this new regulation. Everybody is getting prepared, but in our case, in Interseguro, we have been working during the last quarter, and I think this will be an advantage over our competitors.

Alonso Aramburu: Great. Thank you.

Operator: As a reminder, if you would like to ask a question, please press star one (*1) on your telephone keypad now. Our next question will come from Ricky Sperber with Citi.

Ricky Sperber: Yes. Hello, everyone. Just following up on the question on asset quality, with that expectation of kind of that NPL ratio for the next year, what would you expect in terms of provisions of average loans for the year, for 2010? Would you expect it to come down to levels more like in the kind of first half of 2008 I mean? Is that a level that we can expect for 2010? And also, in terms of coverage, you have increased your coverage to levels pretty much to the level that it was in 2008. What should we expect in terms of coverage in 2010 and going forward?

Jose Antonio Rosas: Good morning, Ricky. At first, regarding the expenses, we are not expecting to be back to the first half of 2008 levels yet. That's our long-term expectation, but not for 2010. We are assuming that loan provision expenses will be around 3.5% of our average loan book throughout the year. That's slightly lower than the second half of '09, but much lower than the first half of '09 and the second half of '08.

And for coverage, as you know, provision requirements are very strict in Peru, and there is not much discretion about how much we can provision or how much we decide to cover for our past due loans. So our provisioning is not discretionary at all, which is closely linked to what the Superintendent's regulations are. I expect the coverage to remain constant at around the current level.

Ricky Sperber: Great. Thank you.

Jose Antonio Rosas: You're welcome.

Operator: Gentlemen, at this time, I'm showing no further questions on the queue, so I'll turn things back to Mr. Gonzalez.

Ernesto Gonzalez Quattrini: Thank you very much again for joining us today for Intergroup's Fourth Quarter '09 conference call. Please contact me if you need any further information. My contact details are included both in the invitation you received before this call and on our company's website at www.ifs.com.pe. We appreciate your time and attention and look forward to your continued interest. Good day to all.