Call for Analysts and Investors

Transcription

October 22nd | 9:00 AM CET

Speakers:

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Presentation

Beatriz Izard: Good morning everybody, my name is Beatriz Izard, I am Head of Investor Relations at Linea Directa. We published our 3Q results earlier on this morning.

I have here with me Carlos Rodríguez-Ugarte, our CFO, who will review our financial results and activity for the first nine months of the year.

Without any further delay, I now hand the conference call over to Carlos.

Carlos Rodríguez-Ugarte: Thank you, Beatriz, and warm welcome also from my side.

We start on slide 5. Here we show the results' highlights. We are very pleased to deliver strong performance during the first nine months of the year and high profitability metrics:

- policyholders grew by 4.5% and premiums by 1.1%, the latter reflecting pressure on premiums in the Motor line of busines, both for new business and renewals, even if we have outperformed the market in terms of growth.
- combined ratio was strong at 86.4% in a context of back to normal frequencies. As with regards the expense ratio, we are showing, once again, our commitment to efficiency..
- net result stood at €86.3 million and return on average equity at 34.1%, and
- solvency ratio for the first 9 months of 2021 was 200%. This figure is already taking into consideration the €25.8 million dividend paid on October 7th, which represented a payout of 90% on our second quarter earnings. It reflects the intention of the Company to have a strong dividend payout.

Moving on, slides 7 to 9 provide a brief update on the Motor market:

Mobility has increased to levels prior to the pandemic. We are also experiencing the corresponding increase in frequency. As with regards severity the last two months show a downturn of the 2021 trend.

Turning to page 8, we are still observing lower sales of new cars, mainly in the particular segment, which fell 11%. It is important to mention that the market share of Linea Directa on new cars is quite above its natural market share, and, hence, it has had an impact on growth. Once the market turns around it should benefit the company.

Lesser sales of new cars trigger the car park to age. 2/3 of insured vehicles In Spain are more than 10 years old. This in turn translates into lower coverages.

What is recovering is the sale of second-hand vehicles. Nowadays there is uncertainty about the car type of tomorrow.

To conclude the overview of the Motor insurance market, on slide 9 we show that while the car park keeps on growing, Gross Written Premiums are down 0.9% on an accumulated basis. It is worthwhile to mention that GWP fell by 2.6% for the third quarter standalone.

Therefore, average premiums are falling reflecting more aggressive prices for new and retained business.

Turning to page number 10, Home insurance continues with a different development. The purchase of homes is picking up. Market as a whole is growing at a rate of almost 5%. The market combined ratio dropped from 101 in the first quarter to 98.5% with the latest available data. The market was hardly hit by increased frequency and regular atmospheric events.

For its part, sanitary assistance retains a remarkable growth in premiums and policyholders in a context of increased awareness of the need for health care insurance. The market is growing at a healthy 5.3%

Now I'll take you through the main figures for this third quarter.

Although the comparison with 2020 figures is important, I think it is more relevant to compare our 9M results with those of 2019, a more normalised year.

Premiums were up 1.1%, reflecting a 4.5% increase of new clients while price pressure continues in the Motor market as we just explained before.

Technical result was strong, with a combined ratio of 86.4%. As mentioned before we have included September 2019 figures also as a reference, as the Company posted in 2020 an extraordinary result due to the lock- down measures as a consequence of the pandemic.

Financial result, up 21%, reflects realised gains on account of the issuer repurchasing our investment in a renewable energy fund. Financial result would have dropped by 6.4% adjusting for such effect

So, all things considered lead to a profit after tax of €86.3 million, down 13.4% vs. 2020. If we compare it to the same period of 2019, net result is up 5.9%.

Please turn to next slide, page 14, where you see the breakdown of policyholders and Gross Written Premiums by line of business. The portfolio as a whole increased by 4.5%, sustained by higher retention ratios. Premiums grew a modest 1.1%, with the Home and Health line of business growing by more than 8 and 23%, respectively. The Motor line of business experiences a moderate decrease in premiums, yet outperforming the market, on the back of a an extremely competitive price environment.

More specifically, if we turn to next page, the Motor line of business decreased 0.7% in premiums in the first nine months of the year yet slightly above the Motor market as whole, which decreased 0.9%. On a standalone basis, the third quarter if flat in terms of GWP for Linea Directa while the market dropped by 2.6%. However, as I've just explained, the portfolio recorded a solid growth within a highly competitive market environment particularly in customer retention.

On the technical front, combined ratio stood at a remarkable at 84.7% (which is 5.4 percentage points below the sector with the latest available data as of June). Comparing like for like, meaning June with June, the Company's combined ratio was 6.4 percentage points below the sector

This ratio of 84.7% represents an increase of 4 percentage points against the same period of 2020. When we compare to a, let 'say normalised 2019, combined ratio is down 1.5 percentage points.

Moving to Home insurance, premiums were up 8.4%, a growth rate that beats the market by 3.4 points. New business had a remarkable performance in this third quarter too.

Combined ratio dropped by 3.1 percentage points and stood at 90.3%, which is 8.3 points below the market with the latest available data as of June. Expenses dropped by more than 1 million and translated into a lower cost ratio as business grows. On the negative side, frequency has been steadily increasing over the last couple of years

Zooming now into the health line of business, clients grew 23.7% and premiums by almost 25%. We continue with a prudent subscription policy and a careful risk selection. Loss and expense ratios are steadily improving, and overall combined ratio improved by 13.6 percentage points.

Please let's move now to slide number 18, where we breakdown loss and expense ratios by line of business:

- Loss ratio had notable marks across all lines of business. Motor loss ratio stood at 67% despite the sharp increase in frequency. Home insurance has recurring impacts of weather events amounting to €3.5 million. Loss ratio in Home stood at 56.4% and in Health loss ratio was below the 100% mark for the first time since launching this line of business.
- On expenses, the Company continues with its policy of cost discipline and contention. It is worthwhile to highlight the improvement of 1 percentage point as compared to the same period of last year.
- All things considered resulted in a solid combined ratio of 86.4%, displaying the Company's strict ongoing discipline of underwriting and expenses.

If we move to the next slide, as you may recall from 2Q, we like to include a few years of data which basically show how the Company is able to achieve solid technical margins over time. Consolidated claims ratio stood at 65.9%, of which whether events contributed with 0.5 points.

On the next slide we elaborate on the expense ratio. I like to underpin the Company has a recurrent focus on cost control. Expense ratio in the 3Q is explained by lower acquisition and retention costs whilst the Company has higher staff expenses as a consequence of the listing, namely governing bodies and back office. Expense ratio was 20.5%, down 1 percentage point.

Let's please now move to slide 21. Financial result was up 21% reflecting realised gains for the reason that the issuer repurchased a renewable energy fund the Company held. Adjusting for this effect, financial result is 6.4% down. The fixed income portfolio reflects lower reinvestment yields yet equities and investment property had a remarkable performance.

Please turn to slide 22. The asset allocation has remained pretty much stable since last quarter. We reported good returns from equities, properties, and corporate bonds. The overall return of the total portfolio stands at 2.85%.

Moving on to slide number 23, what we display here is the excess of the booked provision over best estimate for Linea Directa standalone. Surplus has remained stable at around €60 million. We remind that 2020 and 2021 reveal atypical claims management patterns due to the pandemic. Specifically, some claims took more time to settle, some treatments were delayed, and it was also more difficult to adjust personal injury claims not having access to patients and hospitals. We believe this year will end being fully normalised.

Looking into our solvency position on slide 24, we remind that figures are for Linea Directa standalone. SCR has grown moderately with the business by €1 million. Own funds have fallen by approximately 4 million. Other than earnings and the second dividend of the year, we have €3 million less of unrealised gains in the ASF portfolio. Item other adjustments mainly reflect the increase in the best estimate of claims and premiums. Solvency margin remains very strong and stands at 200%.

As always, I would like to close this presentation by very briefly going through our progress on a number of strategic initiatives.

As of September 2021, 55% of customers have requested towing via the app, up 5 percentage points as compared to June. Meanwhile, 47% and 33% of claims were opened digitally in Motor and Home, respectively, the latter increasing by 4 percentage points this quarter. Customers who interact digitally with the Company already add up to more than 84% of the total portfolio.

Finally, we are very pleased to comment on the recent launching of Vivaz Safe & Go, the first pay as you go insurance for Personal Mobility Vehicles. The use of

PMVs has become increasingly popular in recent years. To give you some highlights, this product provides coverage for damage caused to third parties and personal injury to the driver, with certain limits. The activation and deactivation are 100% digital and likewise claims handling are managed via smartphone. Insurance is paid per journey or throughout the whole year at the choice of the customer. We believe this product to be a revolutionary solution for sustainable and personal mobility, which is once more, aligned with our DNA of innovation and ESG principles

Thank you. I will now hand the call over to Beatriz to begin the Q&A session.

Q&A

Beatriz Izard:	Thank you very much for this presentation Carlos. First, we'll begin with the questions received from the conference call.
Conference call operator	Thank you. If you would like to ask a question, please press star one on your telephone keypad now. If you wish to withdraw your question, please press star two. The first question comes from Francisco Riquel from Alantra, please go ahead.
Francisco Riquel	Yes, good morning. Thank you for taking my questions. I have two. First of all, on motor I wanted to ask about the average premium per policy. You mentioned that the sector is down 2.5% in the first nine months. I understand Linea Directa is almost down four percentage points. So if you can please explain the fall in absolute and relative terms, in particular how much is mix, a bigger weight of standard products or tariffs? You can update on the competitive dynamics over the last few months if price cuts were made at the beginning of the year or if you are seeing renewed pressure in the renewals of the last few months, and overall, what can we expect in the next few quarters? And then a second question, I wanted to ask about cost inflation in general. What are you seeing for the main business lines? In Motor, if you're seeing any inflation in the car repair shops, auto parts, also in home, in health with hospitals, if you have yearly contracts with suppliers and if any cost inflation, we will be felt in 2022 or not and any mitigation measures that you can apply.
Carlos Rodríguez-Ugarte:	Well, thank you very much, Paco. Very nice to talk to you. I mean on the premium side, on the average premiums and evolution of the market, I think… What I tried to explain is that the market has been lowering average premiums throughout the year. I mean, if you take a look at the market evolution and premium growth, you will see that as of June I think it was more in the neighbourhood of -0.7 on premium growth. And if you take the last quarter, the market dropped by 2.6.

In the case of Linea Directa, the evolution was much more positive. I mean, we closed the nine months with a -0.7% in premium growth, so we defend ourselves quite well.

The situation on the market I think is still a lot of pressure on premiums. I think you should expect that will go on in 2021 and especially in the first quarter. I expect you know that frequency, which by the end of September is very much in line with the frequency we've had in 2019, so I expect that in 2021, frequency will start to pick up, combined ratios will start to pick up, and the pressure on average premiums you know, will start to slow down or even disappear.

My perception is that still there is pressure on average premiums, and we'll see that especially for the first quarter of 2022. And of course, I mean the situation of the car manufacturing industry is also having an impact here. There is no selling of new cars that has a lot of impact on the type of coverage that users buy and we are seeing that users are more in third-party coverage than in full-coverage insurance.

So as a summary for that you should expect still pressure on average premiums for this year for sure and probably for the first quarter of next year.

Regarding cost inflation. Well, that is really that is really an issue, I mean cost inflation on the repair side of the car industry, of the car business has always been there. I mean you have more or less if you wish a monopoly here in terms of costs and we have all experienced that pressure in the past years.

Looking forward, I think there's going to be more pressure on the repair costs of the business, so that's going to happen for the entire market. In our case, how we manage that, and I think we have a competitive advantage there, is that we are able to redirect our clients on a 70%, on a 60%, sorry, to our own repair shops where we manage much better, much better the costs.

If I were to say a number, I mean whereas the market is growing the cost repair costs by 6% more or less, we are growing our car repair shop cost by 2%. So I think we have a competitive advantage there. But yes, you should expect pressure on the repair costs of the car business.

And on the health business, it's something that already happened. I mean it happened after the pandemic. I mean if you take a look at the baremos and if you take a look at the cost of the hospitals, after June 2020, costs started to increase. So it's something that already happened and now it's more or less stabilised because the cost increase happened in 2020, but in the second part of 2020.

Francisco Riquel: Thank you

Conference call operator: Our next question comes from Thomas Bateman at Berenberg. Please go ahead.

Thomas Bateman: Hi good morning. Thanks for taking my questions. I've just got two questions.

Firstly, on expenses. You're making really good progress there down to 24 and 5 per cent for nine months. Where do you see there's more, is there any more room for expense cutting here? And what's your kind of longer-term, medium-term target for the Group? And does that go down to 19 per cent or so? Or is 20 per cent a bit of a score for you?

Just moving on to the loss ratio of Motor 69 percent I guess is not actually a bad result in comparison to the 2019 levels and it feels like driving levels were back up to normal for Q3, so you've got lower pricing, cost inflation is still there, but you're still achieving very very good loss ratios. What are we missing on the claims part that means that you're still able to hit that 69 percent level.

Carlos Rodríguez-Ugarte: Hello. Thank you very much, Thomas. Very nice talking to you. On the Spanish ratio, I mean we don't have a target. I mean we don't have a target of getting below that 20 percent or 20.5 percent. I think it's something that is inherent within the company. I mean we are very much focused on trying to be more efficient and more efficient, year on year.

I mean having an expense ratio of 17.7 on the car business, I think it's a great number that we posted, I mean. But if you were to ask me, I think there's still room to grow there. I mean, we need to keep on applying technology, we need to keep on making our clients, you know, to become more digital. We have 85% of clients that are digital, but we have 15% of clients that still use the phone and they use other channels that are much more expensive. So, I think there's room there to improve. You know, it's becoming increasingly difficult because as we shape the cost lines of the business. But we don't have a target. I mean, the target that we have is to become the most efficient company in the insurance business, and I think we are very close to that. I mean, I think the entire organisation is very much focused on that, I mean and the way to do that is applying technology and analysing cost on a daily basis to try to write off costs that aren't necessary. It is true, I mean, that we have increased somewhat, you know, the personal expenses on the back office because of the listing of the company, but again, I think no targets. We have the strategy of being the most efficient company because I always, I already talked to you about this, this is a business based on efficiency and it's something that we need to keep on improving. But we are very happy with that 20.5 percent and especially in the motor insurance business and in the home insurance business, which I think we improved very much our cost numbers.

And on the loss ratio. I mean 2021 has been a weird year. I mean, in the first half of the year, frequencies were much better than in a normalised year, but it is true that summertime, September has not been very good in terms of frequency and in terms of severity. I mean looking forward, I think we are very close to a normalised situation. I think we are very close to 2019. I should expect markets to start to apply that frequency or to show that frequency in higher combined ratios. Still today, the market is very comfortable with a combined ratio that they have, but I think that's going to change and I think the turn around is going to be more on a V situation than on a U situation and that for us I think it's a competitive advantage. I mean, as the market keeps on growing in combined ratio, I think Linea Directa has an opportunity there to be much more competitive and to keep on gaining market share.

Our combined ratio is still, today, quite good. I think it's 1.5 percentage points below 2019, and I think it will grow a little bit in 2022, getting more close to that 87%, Something like that.

Thomas Bateman: That's really really helpful, thank you. Sorry, just one follow up question. Just because you mentioned the new car sales and that has an impact on the, you know, the headline average premium numbers. If you're down, if the average premiums are down 2.5%, how much do you think of that is attributed to lower new car sales?

Carlos Rodriguez-Ugarte: That is difficult to calculate. What I think is that whenever, you know, when in the market there are transactions of buying or selling cars or getting new cars, I think Linea Directa is a player there because clients start to look around for pricing and quality of services and they look for Linea Directa. So, for Linea Directa, any movement on the transaction of the buying and selling of cars, I think is good news for Linea Directa.

Our market share of new car sales is way above, you know, the natural market share of Linea Directa … almost doubles. It's almost 14%.

So it has an impact, you know, it has an impact on ours. It's very difficult to calculate how many premiums we have not been able to book because there are no new car sales. But really really it's an impact because when someone buys a new car, one of the first things they do is they go to Linea Directa to ask for pricing.

So I hope this turns around. It's going to be difficult for the first half of the year. I don't think, you know, the car manufacturing industry will turn around until the second half of the year because of all these problems on semiconductors, but once it does, you know, I think again it will be good for Linea Directa.

Thomas Bateman That's great. Thanks again and congratulations on the good progress.

Conference call operator: Currently we have no further questions on the audio call, so we will hand over for the written questions.

Beatriz Izard: Thank you. So now we continue with the questions received from the webcast.

Our first question comes from Carlos Peixoto from CaixaBank. He's asking whether you could elaborate on the realisation gains in this quarter. What are they related with?

Carlos Rodríguez-Ugarte: Hello Carlos. It's very easy, I mean, keep in mind that we are a company that we don't do any trading on the investment portfolio. Basically, we hold to maturity our fixed income positions, and basically, we rely on the dividends of our equity portion of the portfolio. What happened, basically, is that we had an investment on an energy fund, a renewable energy fund, and the issuer decided to repurchase that. So, we didn't have a chance. Basically, they repurchased our shares.

That investment has been very good. I mean, I think the return on that investment was net 2.1 times our investment, so we are very happy, but it is something that came to us and we had to do it. It's not something that we promoted. It's basically that the issuer basically repurchased that position. Besides that, we don't have any trading on the portfolio. That's the only realised gains that we did.

Beatriz Izard: If we exclude that realised gains, the yield would be in line with the previous quarter. You know, around 2%.

Carlos Rodríguez-Ugarte: But even though the financial results of the company for the first nine months were very good, I mean if you take out that issue, I think that we were down 6.4%. Again, I mean investment portfolios on the insurance business, they are not going to be providers of very good news looking forward, you know. Hopefully, you know, interest rates are picking up a little bit, and we'll see that looking forward, but still today, no good news on the investment returns.

Beatriz Izard: So the next question comes as well from Carlos Peixoto. What are your expectations on premium evolution in Motor and Home?

Carlos Rodríguez-Ugarte: Well, I think I already explained that. I think still you should expect pressure on average premiums for this year for sure. Probably for the first quarter of this year. I think combined ratios will start to pick up and then we will see the market slows down on the competition or average premium or even getting flat.

But I shouldn't, you shouldn't expect that until, you know, the second part of 2022 because today they still combined ratios are very good as compared to a normalised year.

On the home insurance business, I think it's a different ball game. I think there's pressure upwards on premiums because of all the atmospherics and so on and I don't see any pressure downwards on the average premiums. I think more pressure upwards. I think you will see next year average premiums going up.

Beatriz Izard: And what are your expectations on the combined ratio in Motor and Home lines of business, again?

Carlos Rodríguez-Ugarte: In the motor line of business, our expectations for Linea Directa is best in class as we always do. Our expectation for the market is sooner or later the market will go back to that 95%, 96% as they have as an average and again that is an opportunity for Linea Directa.

On the home insurance, we said we should keep on improving the combined ratio because we need to improve our cost ratio. Our cost ratio, I think we posted a 33% coming from a 34. I think there's still room there, you know, and it should improve.

What is important about the combined ratio of Linea Directa is that we are in the 90s and the market is on the 98s, so we have a competitive advantage also there.

Beatriz Izard: And finally, whether with this pricing pressure in the Motor segment, whether the market is expected to behave in a rational manner as combined ratio increases.

Carlos Rodríguez-Ugarte: Linea Directa is going to behave in a rational manner. That is for sure. I mean because we are being very prudent on our pricing and we're very prudent on our underwriting. We'll see what happens with the market. Still today, the market is very comfortable on the level of combined ratios market wise. We'll see what happens. I mean, at the end, this is a business, at least for Linea Directa, this is a business to make money, and we're in those grounds. Our technical margin is in the neighbourhood of 15%, whereas the market is below 10%. I mean, we are seeing some pressure on downward pricing which we don't understand, you know? And at the end, when we sell our insurance policies, we sell them looking not only for the first year, but also for the ongoing years. So, for us, it's very important to make money on this business, I mean, for sure rationale it will be Linea Directa. The rest I mean something you need to ask them.

Beatriz Izard: Thank you, Carlos. The next question comes from Guilherme Neves from Invest ga. He's asking whether you see the pricing pressure on auto business as structural, due to ageing of Auto Park.

Carlos Rodríguez-Ugarte: I mean the ageing of Auto Park has an impact there, of course, because at the end having a car park in Spain of 13.2, 13.4 years, of course people tend to go more to third party coverage, which lowers the average premium.

No, I think, more than structural, I think it's a matter of the evolution of the combined ratio as I explained before. I mean, keep in mind that prior to the pandemic situation, the market was in 95s 96s, even people were in 99, and even 100. They feel comfortable, you know. But again, I think when combined ratios turn around, I mean, you know, people will start to look at pricing and pricing at least the downward trend will stop.

Beatriz Izard: Thank you. Next question comes from Philip Ross from Mediobanca. He's asking when do you expect new car sales to return to something that looks like normal? Or may be the new normal? Given that this is the main source of growth for Motor, does it cause any concerns?

Carlos Rodríguez-Ugarte: Well. It's difficult to give you a date. I mean, I'm not an expert on the car manufacturing business. What I have read or what everyone is talking about is that this situation is going to last at least until mid-2022. It depends very much on these semiconductor issues, which I'm really not an expert on. It seems that, you know, factories that were developing these semiconductors, now they are in other businesses and car manufacturers were, which as far as I know, what they're trying to do is develop their own factories of these semiconductors, so they don't have to rely on third parties. But that's going to take time. You know, so I think this issue is going to last a couple of months or even several months. It's difficult to give you an answer. And of course, we are concerned. I mean, for us again, new car sales is a source of income for the company, but there's very little that we can do.

Beatriz Izard: Thank you. The final question comes from Mario Ropero from Bestinver. Please explain the performance of premiums of Health during the third quarter. Could you please explain the jump in combined ratio in Motor and whether you think that this is the new normal?

Carlos Rodríguez-Ugarte: The Motor is not very normal. I think you should expect frequencies to keep on growing and the combined ratio will rise a little bit. We are getting to normal. We are getting to normal. Again, July, August and September, very much in line with 2019, which I use as a reference, so you know, we are getting there. In our case I think you should expect, you know, expense ratio will keep on improving, but it's getting to normal.

And on the health insurance in the market as a whole, I think average premiums are going up. At the end, you know, I explained it before, they start to go up by mid-June 2020 and that is a tendency in the market. In our case. I mean we have a positive gap in terms of average premiums with clients. I think our average premium is in the neighbourhood of €100 below that of the market. But pressure upwards, yes, it's on the market.

What we are doing on the health insurance business is being very cautious on the underwriting. Very careful. You know, and as you can see, our loss ratio has improved quite a bit. It's below 100% and of course working on the expense ratio even though we are in an investment process right now in this business.

So yes, health insurance average premiums are going up and in the case of Linea Directa, they are going up a little bit, but we maintain that positive gap with the market.

Beatriz Izard: Thank you. Mario is also asking, please explain the good performance of financial income in the third quarter and expectations going forward.

Carlos Rodríguez-Ugarte: Financial income, I tried to explain before, basically you know, the good performance, which I think we posted 21% improvement in 2020, was basically done by an extraordinary income in one position that we have. We held a position on energy fund that the issuer decided to repurchase, so we don't have any chance to retain that position and the realised gains in that position was very very good. I think it was 2.1 times our investments. That is, if you take out that extraordinary income, I think the result was 6.4 down.

Looking forward, while we are not very bullish on the investment return of the investment portfolio, not for Linea Directa, not for the market. Our return as of September was 2.8%, and I think if you take out that extraordinary, we are more in the neighbourhood of 2.2, 2.10. Happy if I'm able to have a flat comparison next quarter. It's very difficult, and it's very difficult for the market. The good thing for Linea Directa is that we are much less reliant on financial income than our competitors. I mean, we are a company that sells insurance, and we don't do any trading on the portfolio. We don't use the portfolio to make an extraordinary income. Basically, we live on yields and we live on dividends.

Beatriz Izard: Thank you. And finally, Mario is asking please explain on plans for Tier 1 issuance

Carlos Rodríguez-Ugarte: Well, I don't understand the question. I haven't reviewed any plans for issuing.

Beatriz Izard: For issuing, I believe he means any Tier 1 or Tier 2 capital.

Carlos Rodriguez-Ugarte: Not for the moment. It's not something that we have in the road map. I mean we are happy with the capital structure of the company. Of course, there is room for improvement there, but it's not something that really rings a bell nowadays.

We'll see in the medium, in the medium-term, I think the capital requirements for the year have been more or less stable, especially in the second half of the year. I mean, I think capital requirements increased by 1 million and our own funds were 4 million lower than the previous, so no intentions today of issuing any tier 1 and tier 2. Of course, again, it's something that we always value, but as of today we are very comfortable on the capital structure of the company.

Beatriz Izard: Thank you, Carlos. OK, so it seems that there are no further questions, so this concludes our meeting. Thank you very much for your time, bye.

Carlos Rodríguez-Ugarte: Thank you. Have a nice weekend.