# Banco Santander Chile

### CONFERENCE CALL ON SANTANDER'S RESULTS FOR THE 3Q OF 2024

Moderator:
Good morning, ladies and gentlemen, and thank you for standing by. I would like to welcome you to Banco Santander Chile third quarter 2024 earnings conference call on the 30th of October 2024. Please note that at this point, all participant lines are in mute only mode. After the call, there'll be an opportunity to ask questions. So with this, I would now like to pass the line to Mr. Cristian Vicuña, the head of investor relations. Please go ahead, sir.

Cristian Vicuña:
Thank you. Good morning, everyone. Welcome to Banco Santander Chile third quarter 2024 results webcast and conference call. This is Cristian Vicuña, chief of strategic planning and investor relations. As many of you know, Emiliano, our past CFO, left the bank last month. We thank him for his contribution and wish him well in his future endeavors. In the interim, I'm glad to introduce Patricia Perez, who leads the ALM and financial team, ensuring continuity and a focus on our strategic goals. So without further ado, let me pass the microphone to Patricia, interim CFO.

Patricia Perez:
Thanks, Cristian. And welcome, everyone, to our quarterly review of results. First, let me give you some insight about myself. I've been with Santander for over 17 years. And in my past responsibilities, I've been head of capital management, funding and debt services, and most recently, head of assets and liability management. I am delighted to share with you a strong third quarter and our outlook for the rest of 2024 and some insights into 2025. Also, I just wanted to highlight our impressive results in the Dow Jones Sustainability Index, where we obtained 80 points and six point increase compared to last year, placing us as the best Chilean bank and in the top 3% of all banks worldwide for sustainability. From the economic team, Carmen Gloria Silva is here with us, and we are pleased to announce that from November, Andres Sansone will be joining us as the bank's chief economist. And Carmen Gloria will take the role of head of public policy. The agenda for today is first Carmen Gloria will discuss the macro scenario, then Cristian will review the strategy and results of the third quarter and guidance. And finally, we will have a Q&A session. Thank you very much.

Carmen Gloria:
Thank you, Patricia. The Chilean economy has continued to recover. The preliminary estimate of GDP growth for the third quarter is 2.6% year-on-year, compared to 1.6% previously. This implies an increase of 0.9% quarter-to-quarter seasonally adjusted, which can be seen across all economic sectors, reflecting activity that, beyond short-term fluctuations associated with weather events and calendar effects, continues to improve. Thus, for this year, we maintain our forecast of 2.4% GDP growth, supported by more comfortable financial conditions and a consistently growing wage bill. In fact, the labor market, which exhibited a significant

improvement in the first half of the year, slowed down during the third quarter, affected by seasonal factors. Going forward, we estimate that the labor market will resume its recovery due to a more dynamic economy, with unemployment rate closing the year at around 8% and continuing the trend in 2025, ending in 7.8%. Both locally and externally, various central banks are expected to continue with monetary normalization next year, which will boost the economy. Added to this is the lower inflationary environment and greater dynamism in the labor market, which will allow the recovery of banking credit and the consolidation of consumption. Investment, after closing this year with an estimated annual drop of 1%, will return to positive growth rates in 2025, thanks to less stringent financial conditions, greater mining production, and the consolidation of non-mining projects. Therefore, we estimate GDP growth of around 2.1% to 2.3% in 2025, placing it around its trend level. In the third quarter, inflation has been impacted by volatile components. On the one hand, food prices have pushed downwards, while energy prices have risen. Going forward, inflation will continue to rise due to the increase in the price of electricity in October and January, which will lead inflation to close 2024 at 4.3%, implying a U.S. variation of 4.1%. We estimate that inflation will remain around that level during the first half of 2025, then decline rapidly in the second part of the year to end at 3.4% and reach the target of 3% in the first part of 2026. The exchange rate has tended to depreciate recently as a result of the strengthening of the dollar globally, greater risk aversion, the intensification of geopolitical risks, and the moderation in the pace of rate cuts in the United States. In the baseline scenario, we continue to anticipate a downward correction at the end of the year, ending around 900 pesos per dollar. In this context of inflationary normalization, the central bank has continued with the process of rate cuts, although at a more moderate pace than in the first part of the year. In the recent October meeting, it lowered the rate by 25 basis points at 5.25% after the weak fundamentals of the local economy and volatile external conditions. In the baseline scenario, we project another reduction in December, closing at 5%. By 2025, macroeconomic conditions will allow the monetary normalization process to continue, where we estimate that the monetary policy rate will close the year at its neutral level of 4%. On slide five, we present the advances in the relevant regulatory framework. Recently, the tax compliance law was published, and it implies increasing tax revenue by 1.5% of GDP over the next three years by reducing tax evasion and avoidance. Meanwhile, the pension system reform is still under discussion in the Senate. The government agreed with a position on a protocol on the discussion schedule for the bill, which must be voted in January 2025. The CMF is elaborating the technical append for implementing the open finance system. The rule will become effective in July 2026 and will consider the progressive submission of information to be shared by banks and payment card issuers within the following 18 months. Finally, the next slide, Chile has established itself as the lowest risk country in the region. Boasting high ratings on sovereign debt and a stable outlook from all agencies. Recently upgraded from negative. The political landscape is positive. Last weekend, the country conducted regional and municipal elections with high voter turnout, revealing a more balanced distribution of political forces. Macroeconomic imbalances have been resolved, and the external environment has become more favorable. All of this could strengthen the fundamentals for higher investment and economic growth in the coming years.

Cristian Vicuña:

Thank you, Carmen Gloria. Turning our attention to slide eight, let me walk you through our Chile first strategy latest advances. We aspire to lead the Chilean banking industry in terms of contribution to its various stakeholders. This strategy, we have named Chile first with four pillars. The first two pillars focus on what we want to become, and the second two pillars on how we want to do it. So, first and foremost, we are engaged in a transformative journey towards becoming a digital bank with branches. Our transformation into a digital bank is not only about adopting the cutting edge technology, but also about having a friendly physical presence through our innovative work affairs. These spaces are more than just places to interact with retail customers. They are dynamic hubs that promote connectivity for both customers and potential customers. With advanced technology and a commitment to excellent service, our work affairs are designed to redefine the banking experience. The medium-term objective is to reach 5 million customers and 450,000 SME clients. Our second pillar is centered on providing specialized value-added services tailored to some business segments. Our commitment is to deliver premium transactional trade, foreign exchange, sustainable finance, and advisory products and services, ensuring our clients receive a top-notch experience. Examples of this include our corporate investment bank, our specialized pension model for commercial banking, our Santander consumer business that offers car financing, and GetNet, our acquiring business. In our third pillar, we are committed to fostering innovation and propelling growth by challenging status quo and creating new business opportunities. A good example of this is the disruption we incurred in Chile with the four-part model when we introduced our acquiring business, GetNet, to the market. So we aim to lead the change in redefining the banking landscape. We actively seek out new business opportunities, pioneering the sustainable transformation of our customers. By challenging conventions, we aim to drive growth and cultivate success. Lastly, we place great importance on the role of our organization. To realize our objectives, we need the best talent. We are dedicated to building an agile, collaborative, and high-performing culture. We recognize that diversity is our strength, and individuals will flourish based on merit. We are constructing a thriving community where talents are nurtured and innovative ideas are highly valued. On slide nine, we can see some of the key indicators related to our first strategic pillar of digital bank with Work/Cafes. We can see how we continue to optimize our branch network, converting more branches into a Work/Cafe format with 38% of our branches without human teller. We have also reduced the number of products by 35% year on year, streamlining similar products to offer a simpler value proposition for our clients. Our total clients and digital clients continue to grow, and we now serve some 4.2 million clients, of which 2.1 million are considered digital, growing 7% year on year, while our active clients have grown 12%. This expansion of the client base is driven by two main products, our Santander Life account that has grown over 7% in the last year, and our more recently Mas Lucas account that was launched in 2023 and has now reached 244,000 clients. The success of our strategic efforts are reflected in our client satisfaction. We are proud to be number one in the Net Promoter Score, leading the industry for the last five years, and with our account executives and contact center number one among our peers. On slide 10, we can see how GetNet is ramping up its operation and reaching larger clients and retailers. We launched GetNet in late 2021, and our initial expansion was successful with relevant solutions for SME customers initially, and now also for corporates. This has contributed to a strong increase in business, current accounts which grew 27% year on year, and where we now have a market share of 41%. GetNet is now gaining traction with larger

clients that require more complex solutions and host-to-host and integrated payer POSs. Year-to-date, GetNet has generated 55 billion pesos in fees for the bank and a bottom line income of 19 billion so far this year. GetNet has a total client base of 277,000 merchants and continues to gain market share with over 10% market share in volumes and 17% in number of transactions. GetNet is quickly becoming the second largest source of fee income for Santander Chile. The expansion of the client base and the development of our digital platforms and products has led to an impressive growth in the usage of our products. Credit card transactions have increased 13% year on year, while assets under management of Santander Asset Management, our exclusive broker, have increased 37% and insurance policies brokered have increased 27%. This has resulted in an impressive growth, which if we adjust to exclude the impact of the interchange fee in the card business, will have been 10% year on year. With this and our control of costs, our fees cover nearly 60% of our core operating costs while our efficiency is the best among peers, reaching 36.3 in the last three months. On slide 13, we show the rebound of profitability and return on equity on the third quarter of the year. As we can see, we reach our ROE of 23.1 in the quarter and 18.2% year to date, surpassing our guidance for ROE for the full year. This was driven by an 11.7% increase in net income in the quarter and an 82% increase year on year. These notable results are mainly due to an improvement in our main income lines, as we will see in the coming slides. On slide 14, we can see the trends in our loan book. Our retail loans continue to grow steadily, with loans driven by consumer and mortgage, while commercial loans have been contracting. This reduction in the commercial loan book is in part due to a change in our consolidation perimeter. Bansa, a company dedicated to financing automotive dealers, is now excluded from the consolidation of the bank. Also, our corporate and investment banking has sold some portfolios part of their generate to distribute model. Furthermore, the commercial loan book has been impacted by slower economic activity during the last few months. Mortgage loans grew 0.5%, with the new production slightly lower, in line with the demand considering the rate and macro environment. Consumer lending showed positive trends in general, with higher installment loans and auto loans, showing signs of a better consumer environment in the country. Overall, our loan book is following the economic cycle, and if you adjust the year-on-year growth for the deconsolidation of the subsidiary and the SCIB model, our loan book will have grown around 2% in the last 12 months. Regarding our funding, our total deposits increased 1.1% in the quarter, and 3.7% year-on-year. Our demand deposits were more or less stable in the quarter, and grew 1.7% in year-on-year, while our time deposits grew 2.7% in the quarter, driven by the corporate and investment banking segment. In general, we have seen a shift of customer funds to mutual funds, where we are now the exclusive broker of Santander Asset Management, which grew 6.7% in the quarter, and over 36% in 12 months. On slide 16, for the third quarter of 2024, we achieved an net interest margin of 3.9 and 3.4% year-to-date, continuing our recovery as planned. Our net interest income grew 74.8% year-on-year, and 4.2% in the quarter. The NIM in the third quarter benefited from higher interest income, as the lower monetary policy rate reduced our funding costs to 4.8%, down 2% in the same period last year. This improvement in cost of funds is explained by the fall in short-term rates from an average rate of 11% in the first nine months of last year to 6.5% in the same period this year. Our liabilities tend to have a lower duration than our assets, and therefore, when rates fall, the cost of our funding falls faster than the asset yield. This was compensated in part by a reduction in net readjustment income as the U.S. variation decreased. We expect our

net interest margin to remain around these levels, to reach a net interest margin for the full year 2024 of between 3.4% and 3.5%. This considers our U.S. variation of around 4.2% for the full year, with an average monetary policy rate of around 6.1%. Regarding asset quality, on slide 17, we see that our NPL and impaired ratio is rising. The deterioration in the asset quality ratios is mainly explained by the effect of the economic cycle in both the numerator, our client's payment behavior, and the denominator, the lower growth of our loan book. So our asset quality is following the dynamics of these parts of the economic cycle. This is leading to a cost of risk of around 1.3%, including the one-time provision we made in July of 18 billion pesos for the commercial portfolio, due to an adjustment in the evaluation of the guarantees. Furthermore, the high level of collateral in our mortgage and commercial loan books should help to contain the cost of risk in these levels. On slide 18, we show the risk by product. As we can see, NPLs and impairment of mortgage loans continue to increase, explained by the rate environment and labor market conditions. On the other hand, commercial loans are starting to see a stabilization of the impairments and NPLs, with the ratios affected by the contraction of this loan book in terms of volume. Consumer loans continue to perform well, with NPLs stabilizing and the impaired ratio indicating more clients renegotiating debt and becoming up-to-date on payments. As a reminder, from the beginning of 2025, our regulator is requiring a new provision model for consumer loans. Our initial impact is an increase in provisions of 100 billion pesos, for which we can use our voluntary provisions, and therefore, we do not estimate an impact from this implementation in our cost of risk. Next, we look at the non-NII revenue sources. Non-NIM income increased 8.3 percent quarter-on-quarter, thanks to our strategy that is leading to client acquisition and a greater use of our financial products. The year-on-year growth of 5.4 percent includes the negative impact from cap on interchange fees in 2024 of approximately 25 billion pesos. Without this impact, our fees will have grown around 10 percent year-over-year. As a reminder, the second part of the reduction on the cap on interchange fees was suspended. Currently, we are waiting for the commission to make their decision on the implementation of the second rate cap. As we can see, the rest of our products are growing strongly, with asset management, cards, and checking accounts demonstrating the increase in our client base and cross-selling. Also, as we saw previously, GetNet is contributing strongly to results as now one of the main fee-generating products in the bank. Income from financial transactions went down year-over-year, mainly because of non-client income due to ALM exercises. Meanwhile, our client business continues to generate solid results, reflecting client demand for market-making and treasury products. Our core expenses increased 4.4 percent year-on-year and 0.3 percent in the quarter below inflation. As we can see, this line decreased 8.5 percent year-on-year, mainly due to the advances of the bank that allows us to capture efficiencies. Overall, our personal expenses are reducing year-on-year, while our administrative expenses increased as our spending shifts from personal intensive branches to digital platforms. As a result of our controlled expenses and improving financial income, our efficiency ratio was 36.3 percent in the quarter and 40 percent year-to-date. During 2024, the bank is continuing to concentrate on the implementation of its $450 million investment plan for the three years 2023 to 2026 for technology projects and branch renovation. Moving on to capital, at the end of September, the bank reported a BIS ratio of 17.2 percent and a core equity ratio of 10.7 percent under Chilean regulation. We calculate our CET1 for our parent group under ECB regulation, where the CET1 increases significantly by 500 to 600 basis points, demonstrating ample capital. It is important to

note that we have five international rating agencies, all of us, all classifying us as a low-risk bank with a stable output. In the last shareholder meeting, the board was granted the authority to raise the dividend payout provision above the legal minimum of 30 percent for 2024. So, as of September 2024, the bank increased the dividend provision to 70 percent of our 2024 income. This 70 percent is in line with our historical dividend payout, and if we had maintained the provisioning of 30 percent of our capital ratio, it would be approximately 60 basis points higher. As a reminder, we currently do not have a Pillar 2 requirement. However, it is important to mention that the measurement of market risk on the banking book is under review by the regulator, and capital charges may be established in the coming years. Finally, on slide 23, we conclude with a review of our 2024 guidance. Based on our current macro expectations for 2024 and the high performance of the bank, we have updated our guidance for several line items. Loan growth remains dependent on the economic cycle, and we continue to expect mid-single digit growth for the full year. Given the estimates of U.S. variation and our net interest margin year-to-date reaching 3.4 percent, we can now reduce range for the full year to 3.4 up to 3.5 percent, with the fourth quarter showing similar dynamics to the third one. Our fees should reach a growth of high single digits, excluding the impact we had on the interchange fee cap in 2024. With financial income back on track, our efficiency ratios will return to normalized levels of high 30s. As discussed, we expect our cost of risk to remain around 1.3 for the full year. With the ROE year-to-date already at 18.2 percent, and on our expectations for the last quarter of the year, we are upgrading our guidance for the 2024 ROAE to a range of 18 to 19 percent. Finally, on slide 24, we want to introduce a soft guidance for next year. With our current market expectations, we estimate that our loan book should continue to grow mid-single digits, excluding the effect of the SCIB generated to distribute model. Our NIM should remain in the high 3s, and our cost of risk should stabilize around 1.3 for the year. Our efficiency should remain around mid-30s, and with all this, we should be delivering an ROE of 18 to 20 percent in 2025. Furthermore, given our strategy execution and the performance of the bank, we are improving our medium-term ROE to a range of 18 to 20 percent for the medium term. With this, I finish the presentation, and we can now start the Q&A session.

Moderator:
Thank you very much for the presentation. We will now be moving to the Q&A part of the call. If you are dialed in via the telephone, please press star 2, that is, star 2 on your keypad, and wait for your name to be called. If you are dialed in via the web, you may also ask a voice or a text question. Our first question comes from Mr. Yuri Fernandes from JP Morgan. Please go ahead, sir. Your line is open.

Yuri Fernandes:
Thank you, and good morning, Cristian, and everybody, and congrats on improving margins and ROE. I have a quick one regarding your payout and your capital base. You know, when we look to the core capital, you have like 10.7. That is comfortable. I know Chilean regulators, they are very conservative, so this number in other countries could be even higher. But my question is, you should have like 18 to 20 ROEs, right? And you mentioned the guidance for next year of a mid-single-digit long growth. With 70 percent payout, that's fine, you know, but in the case we see a faster long growth in Chile, how do you see your payout? Do you believe you can keep

this 70 percent payout, or eventually we could see a lower payout? I'm just trying to understand, you know, like the moving parts between growth, ROE, and your payout position. That would be my first question. And the second one is regarding asset quality. On your presentation, Cristian, you mentioned that you are seeing some stabilization in commercial loans. So just trying to understand, where are we in the credit cycle in Chile, if you are forecasting NPLs to move down? And related to this is your coverage. I understand that mortgages and other loans, as you said, they matter, right, for the mix. But just trying to understand, what level of coverage should we work with Santander Chile today? Because I think it's 120 percent today, in the past it was 130. So just trying to understand if the 120 level is the level that we should work with, or if eventually we could see the coverage moving up as your NPLs go down. Thank you.

Cristian Vicuña:
Thank you, Yuri, for the question. I'll take the asset quality question, so I'll now pass the word to Patricia.

Patricia Perez:
Well, thanks, Yuri, for your question. Regarding the core capital, our fully loaded requirement is 9 percent. So we are already well above the minimum. And on top of that, we maintain a 1 percent buffer that allows us to be comfortable with our normal growth. And the usual annual dividend payment of 60 to 70 percent of earnings. This change that we made during this year allows us to maintain a more stable core capital ratio, reflecting a dividend provision in line with what's been paid historically.

Cristian Vicuña:
So, yeah, to complement that, we think that it depends also on the lines of assets that grow. They have different risk-weighted assets, wages. So retail growth, it's pretty much considered there. And corporate and mortgage have a lower risk-weighted asset ratio. So we should be fine with sustaining this sort of levels of dividends for next year. Even if the industry loan grows, it's slightly higher. And regarding asset quality. So, yeah, we're still at levels of NPLs around three. And we are going to probably remain at this stage for one or two quarters. We're seeing some improving early signs in the asset quality of the commercial portfolio. But it's still too soon to tell. So I assess that we're going to remain at this sort of levels for the upcoming two quarters. And regarding your coverage question, what we have in – and let's look at the specific parts of the coverage. So in consumer lending, we have around 350-plus percent coverage. So we're very comfortable there. In the commercial book, we have above 100 percent coverage. And about 60 percent of the lending in that portfolio has collateral. And 100 percent of the mortgage carry collateral. So the coverage that we have now, it's around 40 percent. We are comfortable with the current levels of coverage that we have in every specific part of the portfolio.

Yuri Fernandes:
No, super clear, Cristian and Patricia. And just asking this on coverage, because we always go back to historical. It was like 130. But as you said, mortgages used to be 30 percent of your loans. Now are some 40 percent. And it plays a role on this. Thank you very much.

Cristian Vicuña:
Thank you, Yuri.

Patricia Perez:
Thank you.

Moderator:
Thank you very much. Next question comes from the line of Ms. Beatriz Abreu from Goldman Sachs. Please go ahead, ma'am. Your line is open.

Beatriz Abreu:
Yes. Hi, everyone. Thank you for the call and for taking my question. I have a question on the loan growth outlook. So you gave the preliminary guidance for 2025 of mid-single-digit loan growth, right? And growth around these levels would imply a one-time multiplier to GDP under your own nominal GDP growth expectations, right? But I saw that you're expecting an improvement in unemployment, improvement in inflation, interest rates to come down next year. So I guess my question is, why aren't you seeing higher loan growth for next year? And what would need to happen for loan growth to pick up next year? And also, if you maybe could provide a high level of growth expectations that you're seeing in between the loan segments, that would be super helpful.

Cristian Vicuña:
Thank you. So I'll take a part of this question, and maybe then Carmen or Patricia can complement. So regarding what we are seeing, this year the industry is growing 2% nominal as of September. So today's figures are reasonably out. So that implies a negative real growth for the industry. So what we are expecting is to move back to levels of one-time GDP plus inflation. But that is a relevant change from the level of speed that we are seeing now and the dynamic that we are looking at the industry. So that's what makes us believe that we're going to be close to one-time GDP plus inflation and around that area. There is a scenario where investment pickups depending on the political outcomes of the presidential election of next year. And that might create some space for more loan growth, especially in the second half. But we are not seeing those signs at present yet. And regarding the perspective inside our portfolio, what we are seeing is that actually consumer is starting to recover in the country. So macro figures are out today too, and actually consumption is part of the improvement. And also we are seeing okay, good to okay demand in the retail part of the SMEs. So those two parts we are very comfortable. We will be delivering on the mid-single digits, maybe slightly higher. What we're not seeing there yet is the large corporate demand.

Beatriz Abreu:
That's very helpful. Thank you.

Moderator:
Thank you very much. Just once again, reminder star two for any additional questions. Next question comes from Ms. Neha Agarwala from HSBC Global Research. Please go ahead,

ma'am. Your line is open.

Neha Agarwala:
Hi, thank you for taking my question. We got to see the ROE and that the guidance has been improved. What are the headwinds that could jeopardize the ROE outlook that we have? What are you, what are the expectations from next year we have elections? So what are the things that you are cautious about, which could lead to fluctuation in the ROE guidance? I'll start with that one.

Cristian Vicuña:
Why don't you take this position?

Yes. Well, looking ahead to 2025, we see our net interest margin stabilizing in the highs three, considering the downward pressure on inflation, while our fees should remain strong with better efficiency. Also, our cost of risk should stabilize around the current level. So in terms of headwinds, I would say we can have less inflation that we are like projecting as of now, and also the cost of risk. I mean, that I would say are the risks for next year. I don't know if you, Cristian, can add something.

Cristian Vicuña:
Yeah, well, actually, regarding the macro scenario, what we're seeing as potential headwinds are mostly external, actually. So political tensions in the Middle East, the U.S. election, copper prices, oil prices are the moving parts that might affect the macro scenario in general for the economy, and that could impact on the performance. But operationally, the band is pretty solid.

Neha Agarwala:
Perfect. Any sort of investments that you have planned in terms of branch network expansion or hiring that you have planned for next year that could have an impact on the cost-to-income ratio?

Cristian Vicuña:
So regarding the investment part, what we are doing – and we have done a lot of work on this – is that we are deploying relevant technological updates for the platform of the bank. So currently, we are now in the final stages of updating our core banking system. So the Gravity Santander Group solution, this is going to be very relevant for us in terms of experience, stability, elasticity of our systems. So the sort of investments that we are doing is that it's a normal update on our branch network to implement more of a work of flavor on the part that is not updated yet. So we are still doing that part gradually, and most of the investment is focused on updating the technological platform of the bank.

Neha Agarwala:
But you should not expect any runoff large expenses that could put pressure on earnings?

Cristian Vicuña:

Not on the core expenses. We might have some one-time restructuring charges similar to the ones that we had this year that we use them to control the cost expansion of the other lines. So net, we should be something very similar. We are guiding net very sufficiently.

Neha Agarwala:
Great. Last question is on digital. Santander Life is doing well. You have many other initiatives on the digital side. GetNet is doing well. But your competitors are also being more aggressive, giving out more aggressive targets in terms of what they want to do on the digital side. How do you see the competition with your peers in terms of digital? Do you think that has intensified? Do you see Santander to have an advantage? What are these advantages that make you ahead of the curve? Thank you so much.

Cristian Vicuña:
Thank you, Neha. So regarding the study, well, we have been a very, very aggressive, if I say, first mover in terms of digital onboarding and customer acquisition strategies. So we started this back in late 2016 with the first Digital Life account. Then we moved into our current digital account back in 2020 during the pandemic. And now we have deployed the Mas Lucas account. And we are also reducing strategically our cost to serve every one of those single accounts to make them profitable. So competition is catching up. It's true. We're seeing some interesting moves from other players that are asking for banking licenses on a pure digital movement. But I think we are well prepared in our experience. We can lever the cross-selling capabilities of the different product offerings that we have on the bank and the high levels of experience to achieve a very good recurrence ratio and a high increase on our net fees figures. So I think that the strategy of digitalizing ourselves and forcing us to transform faster is giving good results.

Neha Agarwala:
Thank you so much.

Cristian Vicuña:
Thank you.

Moderator:
OK. Thank you. Thank you very much for the question. Just once again, I will have a short reminder, star two, for any additional questions. We'll give another moment or so for any additional questions to come through. OK. It looks like there are no further questions at this point. So I'll be passing it back to you.

Cristian Vicuña:
Thank you, everybody, for joining us today on our call. And we look forward to meeting you on our end of year 2024 call in the first days of February. Thank you very much.

Moderator:
Thank you very much. This concludes today's conference call. We'll now be closing all the lines. Thank you. And goodbye.