Bci Conference Call - 2Q 2026 Results

On Slide [1] - Introduction

Good morning, everyone, and welcome to our second-quarter 2026 conference call. I am Andrés Atala, Head of Investor Relations at Bci, and it's a pleasure to have you all back with us today to review our results during the first half of the year.

Joining me today are Roberto Pulido, Bci's CFO; Sergio Lehmann, our Chief Economist; and Jose Marina, City National Bank's CFO. We are proud to share the financial achievements and the strategic advancements that have defined this quarter.

On Slide [2] - Contents (transition slide)

Let me briefly walk you through today's agenda. We will start with Sergio providing a macroeconomic overview of the key markets where we operate, which is essential context for our numbers.

Following that, Roberto will review our financial results, breaking down our performance and indicators at both the consolidated and local levels.

Next, Jose will provide an update on the positive momentum at City National Bank of Florida, as well as the progress made in project WIN. We will then conclude with our closing remarks and updated guidance before opening the floor for your questions.

Now, I will hand the call over to Sergio.

On Slide [3] - US & Florida GDP

Thank you, Andrés. I'll provide an update on the macroeconomic environment for the U.S., Peru, and Chile.

Volatility and uncertainty regarding the conflict in the Middle East have reappeared, even though more recently we have received news suggesting that negotiations between the US and Iran have been reassumed. To this complex scenario we add slight concerns associated with the enormous amounts behind AI bets. This has led to slightly lower global growth prospects and upward pressure on headline inflation, driven mainly by energy prices. Consequently, central banks are expected to maintain caution for the remainder of the year until there is greater clarity regarding the Middle East conflict.

In the U.S., the economy remained resilient during the first half of 2026. This was driven fundamentally by investments linked to artificial intelligence and private consumption. Looking at the labor market, after showing some signs of weakness, it has regained traction in job creation, even though the participation rate has maintained a downward trend due to demographic factors, reaching 61.5% in the second quarter.

Now let’s discuss inflation and the evolution of U.S. monetary policy.

On Slide [4] - US CPI & Rate

Regarding inflation, headline CPI has accelerated as a consequence of higher fuel costs, reaching 3.9% year-over-year in the second quarter. Furthermore, core inflation has shown renewed upward pressures, remaining above the central bank's target. Looking ahead, we expect inflation to finish the year around 3.2%. This dynamic has prompted the Federal Reserve to maintain a restrictive stance.

Given that inflation came in slightly lower than anticipated last June, combined with a labor market that has dispelled signs of deterioration, we anticipate that the Fed will keep its reference rate unchanged. This is supported by the view of the new Fed’s Governor, Kevin Warsh, who is not providing guidance for the monetary policy in the US.

Now, let's transition to Peru.

On Slide [5] - Peru GDP

The Peruvian economy has continued to show solid performance, with an average expansion of 3.4% over the last four quarters, supported by firm domestic demand.

However, headline inflation experienced a marked acceleration in June, reaching 4.0% year-over-year due to climate shocks, international tensions, and energy supply disruptions. While we anticipate this phenomenon to be temporary and ease by year-end, the BCRP has currently maintained its monetary policy rate at 4.25%.

Nevertheless, the recent inflation spike suggests a potential 25-basis-point upward adjustment before the year concludes. Finally, turning to the political landscape, while Keiko Fujimori’s victory dissipates policy and economic uncertainty—anchored by her agenda of fiscal discipline, private investment promotion, and a hardline stance on public security—any lingering political noise should remain secondary to market fundamentals.

On Slide [6] - Chile GDP & Labor Market

Turning to Chile, during the first half of the year, the economy showed a marked loss of momentum, accumulating five consecutive months of annual contraction. However, starting from the June reading, an inflection point in this weakness has emerged, pointing to greater dynamism ahead.

This behavior responds mainly to supply factors, as well as domestic demand losing traction due to a weakening labor market, with the unemployment rate reaching 9.4% in the second quarter. As a result, we expect the economy to grow below its potential this year, though we project a recovery towards the end of the year. As I mentioned, the most recent data regarding economic activity suggests that the economy reached an inflexion point in June, after extremely weak performance in the initial months of the year. This more positive view is supported by the National Reconstruction Government initiative, already approved by the Congress, which includes tax reductions and incentives for new investments.

On Slide [7] - Chile Inflation & MPR

Moving on to Chilean inflation and rates. Inflation picked up due to higher fuel prices, though the increase was smaller than expected, and core inflation remained well-controlled in line with historical levels.

However, the current scenario poses a dual challenge for the Central Bank: on one hand, economic deceleration and a deteriorating labor market tilt risks to the downside; on the other hand, the Chilean peso's depreciation—reaching recently 925 per dollar—combined with Middle East tensions, creates short-term upside inflationary pressures.

In light of this, we expect the Central Bank of Chile to keep the monetary policy rate unchanged at 4.5%, maintaining a cautious, data-dependent approach alongside a slight dovish bias until there is greater clarity.

With that, I will now hand over to Roberto, who will continue with the presentation.

On Slide [8] - Contents (transition slide)

Thank you, Sergio, and good morning everyone. It is a pleasure to be with you today.

On Slide [9] - Consolidated Operation

I'll start with an overview of our consolidated performance, before walking you through the details of our local operations.

On Slide [10] - Executive Summary

During the first half of 2026, Bci delivered strong fundamentals. As the slide highlights, our Net Income increased by 21% year-over-year to US$ 699 million. This performance reflects the strength of our diversified business model and our prudent balance sheet management, which allowed us to successfully navigate the macroeconomic environment.

Starting with our Income Statement: Our consolidated NIM stood at 3.7%, driven by higher-than-expected inflation and growth in our loan portfolio. We complemented this with a 10% increase in Fee income, both in retail and wholesale banking. At the same time, we notably improved our Efficiency Ratio by 452-basis-points year-over-year as one of our key priorities, with cost control efforts reflected in Operating Expenses decreasing by 2.5% year-over-year. Furthermore, our asset quality remains strong, with Credit Loss Expenses decreasing by 14.0%.

Second, in our Balance Sheet: Total loans grew by 6.1% year-over-year, anchored by our continued leadership in the Commercial segment and strong momentum in our Consumer portfolio, reflected in a market share increase of 31 basis points. On the funding side, demand deposits surged 10.2%, ensuring sound liquidity. Combined with these trends, our CET1 ratio increased 16 basis points to 11.3%, driven by strong internal capital generation that leaves us with a 226-basis-point regulatory buffer.

Moving on to our key initiatives, the corporate evolution to Bci Group is progressing according to plan. Our International Platform is delivering sound financial results across CNB, Bci Miami, Bci Securities and, celebrating its fourth year of operations, Bci Perú. The execution of our customer experience strategy is delivering top-tier metrics, with Net Promoter Score reaching 77 points as of June. This is underpinned by the investments we made in past years in robust digital channels, the integration of artificial intelligence (AI), and the successful rollout of a new branch model.

On Slide [11] - Financial Results 2Q 2026

<u>Let's take a closer look at the consolidated figures for the second quarter specifically.</u>

During this period, our Operating Income expanded 19.7% year-over-year, reaching US$ 985.6 million. This top-line growth is primarily explained by:

- **Net Interest Income** increased by 14.8% year-over-year, largely driven by higher indexation income, reflecting a UF variation of 2.5% in the second quarter of 2026, compared to 1.0% in the same period last year.
- **Net Fees** amounted to US$ 140.7 million, fueled by higher transactionality in credit cards –which expanded 6,8% year-over-year–, and effective cross-selling in both corporate and retail segments. On the Fee expenses side, they declined roughly by 0.4% due to a change in the recognition methodology of the loyalty program in 2026.
- **Our Net Financial Results** surged by 110.4%. This performance was favoured by the capture of market opportunities in available-for-sale instruments (AFS), as well as directional positions.

Moving down the P&L, we continue to see a positive asset quality trend. Our **Loan Loss Expenses** decreased 1.6%, reflecting proactive risk management and origination policies in line with our strategy.

Regarding **Operating Expenses**, the standalone quarter showed a 9.9% increase compared to the same period last year, mainly because of an asymmetric comparison in the 'other expenses' line and specific initiatives. Despite that, on a year-to-date basis, our operating expenses have decreased 2.5%.

Our **Tax Expense** increased by 34.1% year-over-year, driven by higher income before taxes and higher FX impacts on the tax valuation of our investments in the United States.

All these factors led to a remarkable bottom line. We registered **a quarterly all-time high Net Income of US$ 386.8 million**, representing a 37.5% surge compared to the second quarter of 2025. This allowed us to grow our total equity base by 10.1% to US$ 8.5 billion, further fortifying our solid capital position.

On Slide [12] - Local Operation

Let's now dive into our operation and performance in Chile.

On Slide [13] - Local Operation: Loan Growth

During the second quarter, total local loans grew by 5.5% year-over-year to US$ 42.7 billion, while the banking system advanced by 4.2%.

The anchor of this expansion remains our commercial portfolio, which grew 4.7% year-over-year and 5.9% excluding FX depreciation effect. We are proud to note that we continue to lead the industry in this segment, having increased our market share by 45 basis points over the last twelve months to reach 17.6% as of June.

We are successfully regaining volume in our consumer portfolio, which grew at 8.8% year-over-year. We highlight our value proposition to affluent segments, based on a renewed and personalized loyalty program. We also registered significant progress in Lider Bci, which contributed about a third of the volume.

Rounding out the loan portfolio, mortgage loans delivered 6.0% growth, reaching US$ 13.2 billion, mainly driven by inflation as these loans are denominated in UF (Unidad de Fomento).

On Slide [14] - Evolution of NIM and Fees

The dynamics between our NIM and fee generation highlights the strength of our business model.

Net Interest Margin reached 4.1%—a 13-basis-point compression when compared to the same period last year. Despite a higher indexation-income this latest period, net interest income was impacted by accounting hedges due to the liquidity conditions stemming from the geopolitical environment. Still, NIM level as of June remains above the 2025 year end, supported by an increase in consumer loans and solid expansion in non-interest-bearing deposits.

Furthermore, Net Fees reached US$120.3million —a robust 7.6% year-over-year increase— driven by strong performance in our insurance brokerage, higher credit card transaction volumes, and a significant contribution from Bci Asset Management, which expanded its AuM by 14%.

On Slide [15] - Operating Expenses

Let’s now turn to our Operating Expenses.

For the second quarter of 2026, the 10.7% year-over-year variation in local expenses was driven by our focus on accelerating key strategic initiatives, which primarily impacted the "Other expenses" line. Despite this non-recurring effect, we are pleased to report that our Local Efficiency Ratio closed the quarter at 46.5%—representing a 400-basis-point improvement compared to the second quarter of last year.

On a year-to-date basis, our local operating expenses actually decreased by 4.0%. This trajectory reflects ongoing efforts across the Bank and its subsidiaries to bring our efficiency levels into our target range. This has been driven by investments in technology, structure simplification, and the integration of artificial intelligence, which have optimized our business performance and transformed our customer service models.

For us, efficiency is not just about cost reduction—it is about serving our clients better. Every process we simplify and every point of friction we remove translates into a faster, more seamless experience for our customers, keeping us firmly on track towards our target of 40% efficiency ratio for 2028. **We remain fully committed on this front, as it represents our single most important driver of value creation.**

On Slide [16] - Sound Liquidity and Capital Ratios

Our balance sheet remains a source of strength. Total local deposits reached US$29.9 billion, up 2.9% year-over-year, anchored by a 10.1% surge in demand deposits. This provides a stable funding base, as reflected in our strong Local Net Stable Funding Ratio of 113.5%, up 9 percentage points compared to June 2025.

In terms of capital, our consolidated CET1 ratio increased by 16 basis points year-over-year to 11.3%. This positive trend indicates that our internal capital generation from strong earnings is outpacing growth in risk-weighted assets. Even after absorbing higher regulatory deductions from the full phase-in of Basel III, our Capital adequacy ratio (BIS) reached 15.3%, leaving us with a comfortable regulatory buffer to continue executing our growth strategy without constraints.

On Slide [17] - Trend of Risk Indicators: Total Loans

Now, let's turn to our asset quality.

When we look into our portfolio indicators, we continue to evidence very healthy trends. Through proactive risk management and prudent origination appetite, our 90-day NPL ratio for total loans in the local portfolio decreased to 1.8%.

When we include our additional provisions, our Non-performing-loan Coverage ratio stands at 130% in June; this translates into a 2.3% stock of provisions over loans that you see on the slide. This ensures we are prepared to absorb any potential future macro volatility.

On Slide [18] - Trend of Risk Indicators: Commercial Loans

Looking at the commercial portfolio, our risk profile remains stable, with the NPL ratio standing at 1.5%. The recent decrease in commercial volume was driven by a single-name charge-off. This isolated event reflects a proactive risk-management framework and keeps our underlying asset quality sound.

In addition, our provision for credit risk on total loans stands at 1.5%, rising to 2.0% when including additional provisions. This asset quality reflects our focus on collateralized SME lending and long-term relationships with top-tier corporate clients.

On Slide [19] - Trend of Risk Indicators: Mortgage Loans

In the mortgage portfolio, the NPL ratio closed at 2.2% consistently with broader industry trends. We remain comfortable with this exposure, maintaining a credit risk provision over loans ratio of 0.8%, which rises to 1.0% with additional buffers. Importantly, this is a fully collateralized portfolio backed by conservative Loan-to-Value ratios at origination.

On Slide [20] - Trend of Risk Indicators: Consumer Loans

In this slide, you can see our consumer 90-day NPL ratio stood at 2.3%. Our commercial and risk strategies have driven across-the-board improvements in both growth and delinquency. Backed by sound loan coverage levels, with a total provision ratio of 7.6%, reaching 9.7% with additional buffers, we maintain a highly resilient foundation to support prudent and selective growth moving forward.

On Slide [21] - International Platform

Regarding advancements in our international platform and starting with Bci Perú, total assets grew 43.7% year-over-year to US$ 1.6 billion, while Net Income reached US$ 11.4 million as of June 2026. This was driven by a strong commercial expansion, with total loans reaching US$ 2.3 billion when we include bookings outside Peru. This allowed us to expand our market share in the corporate segment, reflecting our ability to capture demand through the high-value solutions—such as Treasury, Cash Management and cross-border financing—**that our platform enables.**

Further strengthening this corridor, Bci Miami continued its positive trend, which translated into a Net Income of US$ 37.3 million for the quarter—representing a 70% year-over-year increase—with total assets expanding to US$ 6.7 billion. Meanwhile, Bci Securities continues to enhance our capital markets capabilities, managing US$ 2.4 billion in AUM.

On Slide [22] - 1H Fundamentals

To summarize our local operations: despite navigating a period of high volatility, we closed the first half of 2026 with very sound results.

Our Net Income reached roughly US$ 510 million—up 15% year-over-year—translating into a strong return on average equity of 17.5%. We achieved this while growing our loan portfolio by 5.5%, keeping our Cost of Risk strictly controlled at only 0.66%, and improving our Efficiency Ratio by 400 basis points.

This financial and operational discipline goes hand-in-hand with our customer experience approach, which is reflected in our NPS reaching a remarkable 77 points by June.

I will now hand the call over to Jose Marina to discuss the performance of City National Bank in Florida.

On Slide Number [23] – Introduction

Now, I'll leave you with Jose Marina, City National Bank's CFO.

On Slide Number [24] – Executive summary

Thank you, Roberto. Good morning, everyone. My name is Jose Marina, and I am the CFO of City National Bank.

I am pleased to be here this morning to share highlights of our strong performance during the first half of the year. As I will discuss in more detail, our earnings continued their upward trajectory, reflecting disciplined execution of our strategy, including solid loan growth fully funded by robust deposit growth. In particular, I would like to point out the following highlights:

- Our loan balances increased by $223MM or 1.1% QoQ, and $1.5B or 7.7% YoY. We continue to focus on high-quality loans with strong spreads and solid depository relationships.
- Our client deposits grew by $816MM or 4.1% QoQ, and $2B or 10.6% YoY. DDAs decreased by $198MM or 3.7% compared to the previous quarter, primarily driven by a $255MM temporary inflow in Q1, as we pointed out in our last call. Importantly, deposit growth outpaced loan growth this quarter, reinforcing our strategy to position City National as the leading deposit-gathering bank in Florida.
- Our net interest income and margin continued to expand for the tenth consecutive quarter, and in Q2 our NIM reached the 3.00% mark. NIM increased by 41bps YoY and 3bps QoQ.
- Our earnings continue their strong trend, growing $56MM or 46.4% YoY and by $9MM or 11.1% QoQ. Our ROE excluding goodwill amortization improved to 12.66% in Q2.

These results demonstrate our market reputation built over the last 80 years, our relationship-centric model, strong culture, and continued success in executing our key strategic vision.

<u>Please turn to the next slide</u>

On Slide Number [25] – Total deposits and banking industry

Our client deposits increased by $1.5B, or 8%, in the first half of the year, including a $302MM, or 6%, increase in DDA balances. Deposit growth surpassed loan growth. Additionally, our client deposit growth outperformed the banking industry by nearly 2x.

Our strong client deposit growth enabled us to reduce brokered deposits by $783MM QoQ, and by $1.4B YoY, reducing reliance on wholesale sources. Furthermore, our quarterly cost of client deposits increased by 6bps compared to the previous quarter, primarily as a result of the increase in interest-bearing deposits. Non-interest-bearing deposits represent a healthy 24% of total deposits.

<u>Please turn to the next slide</u>

On Slide Number [26] – Total assets and loans & leases

Our assets surpassed the $29B mark in the second quarter, with a strong loan-to-deposit ratio of 92%. We remain very well capitalized, as evidenced by our Total Risk-Based Capital Ratio and Tier 1 Leverage Ratio, which were 15.67% and 11.38% as of June 30th, respectively.

Additionally, the unrealized losses in our investment portfolio remained virtually flat over the last three quarters despite the approximate 50 bps increase in the 5-year US Treasury rates YTD.

Total loans increased by $745MM or 4% in the first half of the year, and by $223MM or 1% QoQ, as shown on the right-hand side of this slide. We have been highly selective when it comes to lending, not only from a credit risk and spread perspective, but also prioritizing deals with full relationships, which enhances long-term client value and earnings sustainability.

The NPL ratio decreased by 5bps QoQ, also below 1% of total loans. More importantly, our strong credit culture and low-risk appetite are reflected in our minimal net charge-offs of only 9bps for the quarter, significantly lower than the 21bps average among peers. ACL coverage remained virtually flat, representing 1.09% of total loans. Overall, our already strong asset quality ratios continued to improve in the second quarter.

Please turn to the next slide

On Slide Number [27] – Income Statement

Turning now to our profitability, I would like to emphasize the positive trend in our net income after taxes, which increased by $9.3MM or 11.1% QoQ, and $56.3MM or 46.4% YoY. This growth was driven primarily by an expansion in net interest margin, which we will expand upon in the upcoming slides. Fee income also increased by $8.3MM or 13.9% YoY, reflecting continued progress in our efforts to diversify and enhance our fee base. These factors contributed to operating income increasing by $81.6MM or 21% YoY. This resulted in an ROA, excluding goodwill amortization, of 1.35% for the quarter, an improvement of 35bps YoY and an ROE, excluding goodwill amortization, of 12.66%, which is 247bps higher YoY.

As we have shared with you over the last few calls, we have implemented several strategic actions through Project Win to further strengthen our balance sheet and accelerate earnings growth. Additionally, we are focused on expanding our product offering to increase cross-sell and augment our fee generation. Lastly, we continued to drive organic net interest margin expansion through disciplined pricing across both loans and deposits.

Please turn to the next slide

On Slide Number [28] – Net income after taxes QoQ and YoY

On the left side of this slide, you can see our net income increased by $9MM, or 11% QoQ. This improvement was primarily driven by a $7MM increase in net interest income, reflecting a 3bps expansion in net interest margin as we continued to maintain discipline on both loan and deposit pricing. Fee income increased by $4MM QoQ, reflecting continued progress in our fee strategy, which we will discuss further shortly.

On the right side, we show how our net income improved by $56MM or 46% YoY. This increase was primarily driven by $73MM of additional net interest income as our margin expanded by 41bps. Fee income also contributed positively, increasing by $8MM. Loan loss provisions were $11MM lower YoY, reflecting the continued strong performance of our loan portfolio. This was partially offset by $13MM of additional expenses, particularly driven by investment in personnel as we execute Project Win.

<u>Please turn to the next slide</u>

On Slide Number [29] – Net interest income and margin trend

This slide illustrates the expansion of our net interest income and margin for last ten consecutive quarters. Our net interest income increased by $7MM or 4% QoQ, with our NIM expanding by 3bps. This growth was driven by an increase in yield on earning assets of 4bps, while cost of funds remained stable.

This NIM expansion is the result of several strategies executed during the last couple years, which includes obtaining strong spreads on new loan originations and renewals, with the commercial spreads on new loan originations averaging close to 300bps in the last two years. It is also the result of our strong deposit growth, coupled with prudent deposit cost management in this uncertain rate environment. This strong core deposit growth enabled us to reduce our wholesale funding ratio to 16% as of June 30th, 2026, from 19% as of December 31st, 2025.

<u>Please turn to the next slide</u>

On Slide Number [30] – Fee income

One of our key strategic priorities is the expansion and diversification of fee income. This slide demonstrates the strong results we have already delivered in this regard. Non-Treasury Management fees have grown meaningfully as a share of total fee income, increasing from 41% in 2022 to 56% in 2026, reducing reliance on any single category. Non-Treasury

Management fees include services recently launched or currently being implemented, such as insurance commissions, our treasury distribution desk, capital market capabilities, wealth management, and the sale of residential and SBA loans. Within Non-TM fees, the largest contributors are our treasury distribution desk at 26%, the sale of residential and SBA loans at 13%, and wealth management fees at 11%. This improved mix is further evidenced by fees as a percentage of average assets rising from 0.43% to 0.48%. Overall, these trends demonstrate the successful execution of our strategy to build a larger and more diversified fee income base.

On Slide Number [31] – Project Win: Key Objectives

As a reminder, Project Win is our five-year strategic plan designed to deliver profitable, scalable, and diversified growth. As this slide highlights, we are now in year two of execution, and our results demonstrate strong progress across all five strategic objectives.

Starting with moderate growth and diversification. We continue to make deposits the centerpiece of our relationship-based strategy. In the first half of the year, client deposits grew 16% on an annualized basis, outpacing the industry growth rate of 8%. This performance continues to position us as the leading deposit-gathering bank in Florida. Loans are growing at an annualized rate of 8%, fully funded by client deposit growth, with improved portfolio diversification as C&I loans now represent 31% of total loans compared to 30% a year ago.

Turning to enhanced profitability, our performance reflects meaningful progress. ROE reached 12% year-to-date, with NIM expanding 41bps YoY. Strong DDA growth, continued discipline on deposit pricing, and execution of new fee initiatives have further enhanced earnings diversification and overall profitability.

From a scalability and digital experience standpoint, we are working on our enterprise-wide AI strategy. This includes credit delivery optimization, process automation, deployment of agent-enabled solutions to support pre- and post-client engagement meetings, and continued investment in data and analytics capabilities.

Culture remains a core strength as we execute Project Win. We are seeing high levels of engagement and disciplined execution across the bank, supported by strong leadership.

Finally, as we grow, we continue to strengthen our regulatory and risk management framework. Our three lines of defence ensure robust internal control that supports sustainable growth.

In summary, these results demonstrate the continued momentum and scalability of Project Win in its second year of execution, with our first-half performance reinforcing confidence in our ability to deliver sustainable, profitable, and diversified growth in 2026 and beyond.

With that, I will turn it back to the Bci team for closing remarks. Thank you all for joining us this morning.

On Slide [32] - Contents (transition slide)

Thank you, Jose.

On Slide [33] - Closing Remarks & Guidance

Moving on, I would like to recap the key takeaways from what has been a very strong first half of the year.

First, our diversified model is delivering. Consolidated Net Income reached US$ 700 million, up 21% year-over-year, supported by City National Bank's 47% bottom-line growth and a resilient operation in Chile and our Subsidiaries.

Second, we are improving our efficiency. While our margin expanded and fee income grew 10%, our disciplined cost initiatives led to a 452-basis-point improvement in our Efficiency Ratio, reaching 45.6% as of June.

Third, we are growing responsibly. We consolidated our position as Chile's number-one bank in total loans with a 6.1% growth, all while keeping sound NPLs levels at 1.36% and maintaining a robust CET1 ratio of 11.3%.

Finally, our corporate evolution into Bci Group remains fully on track.

On Slide [34] - 2026 Guidance Update

Before we close this call, we are pleased to share our updated guidance.

Looking ahead, the strong first half of the year allows us to raise our full-year 2026 outlook—naturally factoring in the macroeconomic variables, not the political reforms being discussed.

- In Chile, we project to end this year with loan growth between 6% and 7%, and a lower-double-digit growth in fee income.
- Underscoring our strict commitment to efficiency, we project a 1% decrease in core operating expenses, while keeping Net Interest Margin and Cost of Risk flat.
- For CNB, we anticipate loan growth of 8% to 10% and a maintained 3.0% NIM target, which will drive a 35% increase in net income.
- On a consolidated basis, our estimations are for Net Income to grow in the 17-19% range, driving an improvement on our return on average equity to 15%.

Thank you all very much for joining us today. I will now pass it back to Andrés to open the floor for your questions.