Transcription for VOZROZHDENIE BANK

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Presentation

Operator
Ladies and gentlemen, welcome on Vozrozhdenie Bank Q1 2015 Earnings conference call. I now hand over to your host, Elena Mironova, Deputy Head of IR. Madame, please go ahead.

Elena Mironova
Hello dear colleagues, welcome to our Q1 2015 IFRS Results webcast and conference call. As usual, a detailed discussion of the results is in our press release and reporting at investor relations section of our website at vbank.ru. I will briefly speak about the key developments of the quarter. I know that you have a lot of questions on our corporate news and possible merger with Absolut bank, but let's come back to that during Q&A session with Andrey Shalimov, Deputy Chairman of the Management Board, after discussion of the results.

The macro picture in Q1 was mixed – we saw some Rouble strengthening, cut of the key rate down to 14%, but rates across the system remained high. On a broader level, the crisis environment started to affect the business with GDP contraction of 2.2% for the year, a drop of retail sales, and a decline of investments.

Amid financial markets stabilization, there was no need to support such a high level of liquidity accumulated at the year-end, so in February we have fully repaid the CBR fund, it was a repo facility raised before the new year holidays. In the assets structure in the upper left chart, you can see that we have sold a significant part of bonds acquired in December, amid the market's steepest decline. Anyway, still the share of liquid assets remained comfortable at 22%, while we have managed to support the level of interest-earning assets at nearly 78%.

On the funding side, the key task was to restrain costs growth and not to collect expensive long-term client resources amid limited borrowing activity. So we focused on cheaper retail funding and did not participate in fierce competition on corporate market. As you remember, in December after the hike of the key rate, we had to raise rates on our deposits to follow suit, but the highest 17% rate was introduced only for 3-month deposits – as you can see from the upper right graph, we started to revert it already in February reshuffling our product line in favour of longer-term cheaper resources.

On the bottom left chart there is a monthly development of the maturity structure of retail deposits with the average rates, and there are two trends I would like to draw your attention to. First, the peak of the rates seems to have passed already in February, and now the majority of those deposits have expired. Second, the share of shorter-term resources grew compared to December, but those expensive 3-month deposits are extended but on the current rates that are lower than for other products in the line that we saw from the previous chart.

On the lending, the key for us was to mitigate these high funding costs. Volume expansion was not our target; we were cautious and preferred to focus on the existing customers, so there was some higher growth in large corporates due to our perception that they could easier bear such increases in costs, while new issuance to SMEs was offset by repayments. Retail rates were so high that demand from reliable individuals was sluggish and the portfolio dropped by 2%. As I said, we have done a lot on re-pricing of the portfolio; you can see that on the right upper graph, especially on the corporate side. We had some free room to change the terms of the existing loans on the agreements – every branch manager had quite tough targets on that. The bank issued new loans on higher rates for nearly RUB 32 billion in total for those four months, and the average rate for that was 18%, quite high compared to the general portfolio. We also raised rates on the existing loans, loans on nearly RUB 62 billion were re-priced, and the average rate of re-pricing was 17%, and that's the underlying reason for growth of interest income that we'll discuss further in our presentation.

Now, the credit quality, it remains the biggest concern for us and you saw it from the results. On the previous call, we have warned you that the first half of the year would be tough and we needed a few months, at least April to May, to monitor the financial standing of the borrowers, and analyse their annual and quarterly reporting to make our judgements. We really saw some deterioration, a number of loans, even being not impaired, were at risk and required some additional provisioning.

There was one large new NPL in large corporates, a loan of that type, and some continued worsening in SMEs. We have spotted some problems in Q1 and the development of situation is still not quite clear. On new NPLs, we are looking for some options for a quick sale or pre-court recovery to fix those problems where possible.

In retail growth of NPLs is mostly technical – more than half of the figure is less than 30 days overdue.

Well, as I said, we expected the first half to be heavy in terms of provisioning and the cost of risk was 3.3%. It's the highest for the recent quarters. Charges were more or less proportionally distributed, the larger part fell on SMEs (RUB 757 million), there was also some additional provisioning on large corporates of RUB 519 million, and we wrote off around RUB 500 million in the SME segment.

Anyway, due to growth of NPLs, provisioning coverage was down to 76% – that's quite low for us – and for 90 days plus it's higher, above 100%, but we feel that we should make some additional charges to bring it to a more comfortable level. We also saw some marginal increase of 1% in the rescheduled loans, a potentially risky pull, and just a couple of exposures that we have questions to.

On P&L side, the key trends is strong net interest income, our high trading revenues from FX and securities that offset fee income contraction, but high provisions utilized the majority of our revenues and net profit was relatively low, around RUB 40 million.

On NIM development, as I've commented earlier, the bank extracted benefit from a high-interest rate environment. It was positive for us. We have raised rates on new and existing loans. On the funding, we have repaid expensive CBR money and didn't hinder the corporate funds outflow, so growth of yields on corporate and retail fully offset funding costs expansion. NIM was improved by 15% to 4.6%, which is well above our target for the year, and the spread expanded by almost 50 basis points.

Fee income seasonally was quite weak, constrained by low customer engagement due to high risks. Some drop of operations of clients of other banks, on our network indicate that there is really a slowdown in the system. On a year-over-year basis there was some moderate decrease but for the key line for, for settlements, we have recorded 8% growth due to new settlement products that were launched in 2014. Another factor that constrains fee income expansion is our focus on the existing clients. Due to that, cross-sale ratio is getting lower and we can't just sustain the level we saw in Q4. Fees for FX operations also revived on the volatile market and we have gained some strong trading income due to that; operating revenues before provisions were 8% up quarter-over-quarter.

Other costs dynamic, they were down on a quarterly basis due to some seasonal effects of high bonuses and costs on premises in the fourth quarter. On a year-over-year basis, there was a 10% increase driven mostly by staff costs and IT spending, pressured by high inflation and weaker Ruble.

Our cost optimization project continued and here we have listed our main initiatives to update you on their status and development. The long-term target for the bank remains intact, our internal reshuffling continues, and while there may be some other changes in the bank, we expect to see some benefit from future development at least for our cost base and efficiency.

The bottom-line, as I said, was quite low due to conservative provisioning, but we consider it justified taking into account the credit quality developments. Whether such active provisioning will be maintained is still a question. Of course, it would depend on the standing of our borrowers, of SMEs, which are more or less predictable, and the large corporates as well. We saw some relief on the macro level closer to the middle of the year, but that's a question of whether it would filter through and impact on the development of our clients.

If we look at the returns on the bottom chart, our returns before provisions, they have rebounded and for capital, operating profit before provisions now generates nearly 25% of return, and that's close to our long-term target. The capital loans remain strong with some margin of safety. Total capital is 12.2% now, and the Tier 1 capital adequacy rose by almost 1.2 basis points during the quarter on the back of capitalisation of profit for 2014.

So on the operating level we continue to generate revenues, swiftly adjusting to the changing environment; we saw growth of our net interest income due to effective management of the balance sheet and some quick re-pricing of the corporate portfolio, which is short-term. We have managed to restrain growth of the funding costs and hopefully we will not bear those high rates for too long. Now, it looks like the rates on deposits are getting even lower than 10%, which is more or less a comfortable level with the rates on lending still above 14%. We remain conservative on provisioning and keep all our eyes on the credit quality. Of course, there are a lot of questions to the borrowers and we have done a lot to restrain those expansion of NPLs. There were a lot of changes to the credit policy in recent years. We have tightened the requirements to collateral. Now, the approval ratio is getting lower quite significantly. Anyway, that would depend on the macro a lot. As we know from our previous experience of 2009 and 2008, NPLs appear much quicker in the SME portfolio. It peaked close to 12%, but they can be recovered much swifter, because in many cases we are the only lender and we can figure it out quite quickly in the pre-court procedures or just take over the collateral, or help and restructure the loan for the customer to recover.

On the large corporates, the situation is more complicated. We have now limited our exposures – no new clients from the large corporate segment, but now it looks like they appear to be more or less stable in the current environment, and we still need some time to make the final judgements, how the things would develop further. Now, also, in contrast to our previous policy, we do our best on the NPLs to sell or to find some new investors for some exposures to just sell it, maybe with some loss, but anyway, that would be better for us, just to clean the balance sheet and to maintain our further growth.

The capital position also looks protected. We have some further options for raising new capital in 2015. For us, maybe subdebt would be more interesting, because Tier 1 ratio is really strong, and taking into account all those precautions and the conditions that we see currently, let's now move to the Q&A session and, as discussed, we'll welcome your questions on the results first and then we could switch to some other issues.

Question and Answer Session

Operator
[Operator instructions]

We have a question from Jason Hurwits, VTB Capital. Please go ahead.

Jason Hurwits
Good afternoon, a couple of questions. First, relating to the big increase that you saw on the yields on corporate loans. I know you… we understand what this is conjunction with, but if you could please give us some further colour on how you see the sustainability of the high yields, given the drop in policy rates, and also what you see as the impact on loan quality in terms of your decisions to raise the rates on some of the loans, and also if there are other loans that you could also still raise the rates on from that perspective, if that would also be limited by loan quality. As a second question, also relating to loan quality, we saw that restructured loans have gone up in the first quarter. If you could give us a characterisation, is this relating to the higher yields on corporate loans, in other words are you counting those as restructured loans, or is this a different type of restructuring; if you could give us a little bit more colour on what the increase was all about in the first quarter that would be great. Thanks.

Andrey Shalimov
Thank you. Good evening ladies and gentlemen, talking about the first question, it was a natural reaction to the situation in the markets, but on the other hand, there was a slightly different dimension in the situation. Due to long-term relations with the customers and experience of recent years, and with experience of a past crisis, they know that we are eager to provide them better conditions, but sometimes we ask them to make a concession to us. Naturally, seeing the increase in interest rates on our funding, we start renegotiating our rates for corporate borrowers. They were split in some categories. For some of them, either with a long-term project or with subsidised yields, participating in some state-financed programmes and some more categories; there was no increase at all. For people with regular payment cycle, with shorter maturities, that was a natural process of re-pricing and renegotiation. We are setting up or rolling over limits for them.

There was some more complex, of course, situation with those people who had midterm loans with fixed rate, and that was a two-way story. Actually, we had some advantage with recent years' experience. The argument that Central Bank and Sberbank cut their rates was very strong in talks with the banks on the rates decrease. That was an opposite situation, and the same guys who reasoned this factor some years ago, now faced the same argument. Simply from human point of view, there was no reason for them to refuse to do that. Of course, the pace of increase was measured and individual factors were taken into consideration in each situation, but actually this increase was up to 17% only, so no rescheduling and no renegotiation at rates 20-25%. Such rates we charged only for new lending, for new customers, so actually that was not so painful for them.

On the other hand, we promised to return to renegotiations in case of a decrease in Central Bank rates. We will stick to this policy and now with the rates are moving to a more natural level. We are in talks on renegotiation of the rates to lower levels, but the only difference is that it's not a spike, it's not a drop, it's not a cliff – it's a more gradual decline, say 1% in month or something like that. It was quite understandable that situation could turn, and the key target for the rest of the first quarter after this re-pricing of the loans was actually re-pricing to the lower levels of the rates on our funding. We limited our expensive liabilities by three months' maturity in December and January, and we stopped paying higher rates on 20th January. From that time it's a constant process of re-pricing lower on individual deposits. On corporate deposits we resumed the practice of limiting funding, as they were relatively more expensive compared to individual deposits.

It was the target to be on the competitive level by the end of the first quarter. Actually we achieved that, so now are ready to be fully competitive in a new rates environment. The target here is to maintain or to increase the margin slightly. The initial assessment was 4.2%, the result was better. Maybe we could count on slightly higher margins for the full year, maybe 4.5% again, so it's a good room to execute assets and liabilities management right now.

Talking about the second part of the question, about rescheduled loans, unfortunately they're not only those with interest rates change. Some borrowers felt the hit of the economic slowdown – higher rates and exchange rate fluctuations. But some of them are eager to be in the business – they have plans, emergency plans, though with some kind of credit crunch in the country, it's very difficult for them to operate without extending the maturities of their loans. That's a matter of careful selection, but in a number of cases we were ready to meet their requirements on rescheduling. In some cases, yes, they are connected with rates changes, but that's a minority.

Jason Hurwits
Thanks very much for your answers.

Operator
We have a question from Andrew Keeley, Sberbank. Please go ahead.

Andrew Keeley
Hi, good afternoon. My question is on the potential merger with Absolut Bank. Could you give us a brief overview of the timeline of events here, so what we can expect from that, and also just what would you see as potentially the key positive points in merging with Absolut Bank? What positive benefits can this bank bring Vozrozhdenie Bank? Thank you.

Andrey Shalimov
One part of the story is procedure, another is the rationale. If we talk first on the time schedule, what we have now is an offer from Absolut shareholders made to the Board of Vozrozhdenie. The decision of the Board of Vozrozhdenie was to pass this offer for consideration to the management team. Now, it's a process of assessment of their proposal, and talks on whether there are some grounds to form a working group actually to consider it carefully and work out some plans, if there is good reasoning. We need to update our Board on the first assessment of this proposal and if they agree, we could go further to start the process of evaluation and present the Boards of both institutions with those evaluations, proposals, and assessments. This period could take maybe a month or month and a half, something like that. After that, the decision could be taken on further movement down this road but that is up to the Board, actually up to the shareholders and their representatives in the Board. The Management should make up its mind and present some results of those considerations in this month or slightly longer time.

The rationale is the second part. It is a case for bigger sized bank with a stronger capital base, with support of bigger shareholder which could replenish capital, and of course, the effect of cost-cutting, higher efficiency of combined bank, more diversified presence across regions. Our stronghold is in the south and Moscow region their stronghold – Moscow City, Ural, Siberia, our Volga River Region, North West, so there could be some synergies in business and in cost cutting. That should be assessed, and the benefits of these businesses combination should be presented by external consultants roughly in the same time - in the month or, say, in later July, that is an idea.

That is in brief what we could say now.

There should be a proposal on how to structure the deal in a better way. They are non-tradable. We are listed and we have a wide number of shareholders. Of course, we have already raised the question that the rights of the shareholders should be protected, that they should extract right value from their investments if they decide not to participate in the further story. On the other hand, we could expect that if we return to the public with proposal of merged bank, it should be a sound proposal to attract people. Different situation looks like has no sense at all.

Andrew Keeley
Okay, all right. Thank you. That is helpful. I suppose one thing from our side, trying to understand this deal and the benefits of this deal; we don't have a huge amount of recent financial information on Absolut Bank, particularly in terms of IFRS accounts. I think a request to you would be that we can be provided with this, so that we can actually analyse a little bit more realistically what the potential pros and cons are. That would be very useful.

Andrey Shalimov
Let us check the matter, of course, D&A should be signed, but the proposition is to hire someone from big four auditors to conduct this valuation. Of course, some reputable

consultants, maybe biggest names should be involved, so that should be the part of this schedule.

Andrew Keeley
Right, so that is the valuation of the two banks. Are you talking – that is within this kind of one to one and a half month timeframe?

Andrey Shalimov
That is of course the item of some bargaining. We would present auditors or potential bidders with our time schedule, that is up to them to decide whether they could comply with those terms or they could offer their own terms. It could be longer, say, two months, it depends. Actually, the assessments are that the valuation could be done within a shorter period, and if nothing wrong, no some drastic changes in this situation, we should meet these terms.

Andrew Keeley
Right, so it seems generally from what you're saying that this is by no means a done deal, basically, that there is actually… you're pretty early in this process.

Andrey Shalimov
Yes, Andrew. That is the start and there should be sound start of the process. Their setup should be done in a proper way.

Andrew Keeley
All right, thank you for that. I think that is fine, I don't have any further questions. Thanks very much, Andrey.

Andrey Shalimov
Thank you.

Operator
[Operator instructions]

We have a question from Maria Semikhatova, Citibank. Please go ahead.

Maria Semikhatova
Hello, thank you for the presentation. I have a couple of questions on the asset quality. You mentioned that in the first quarter there was a deterioration, impairment of a large

corporate loan. Could you maybe provide more details on this borrower and how well provisioned it was at the end of the first quarter. Do you expect further charges to cover this exposure?

Andrey Shalimov
That is part of the story with checking the business during the first quarter. On the verge of the year, the situation looked more or less all right with that borrower, but during the January/February period it became obvious that it is a decline in business volumes, problems with the biggest contractor and unfortunately, this exposure was in currency.   As we discussed last year, we managed to convert most part of currency loans into Rubles below 34.   This customer had a different view on exchange rate movement and that caused some trouble for him especially during the winter. So the combination of those factors, shrinking revenue, burden – actually doubled debt at some point in January caused the problem. It was on schedule with payments, there is no repayment in the first half of this year on schedule, a small repayment in the second half, but we feel that it should be positioned in NPL due to internal situation. At some point, they mingled with bankruptcy procedure, but they negotiated with their customers, with the creditors and with us how to handle the situation better. Our intention is to resolve the situation as soon as possible, maybe to sell the business and indebtedness to the new entrant, a company from the same industry, which is willing to expand this business and has more sound financials. Since continuity of the business is the case, it is a serious feature.

Since it was placed on NPL list at the end of this quarter, actually, the final decision was made after receiving his first quarter results in April. Of course, it was not a time for provisioning since all formal things were okay, but now with some delays and with these statements we are to provision in the second quarter, it should be at least 50% provisioned in our view and maybe slightly more.

What we try to do indeed is to release this debt, maybe during the second quarter, so we need to record some loss or to make some provisions, but we hope the recovery should be somewhere between 40 or 45%, something like that.

Maria Semikhatova
Just a follow-up, what was the amount of created provisions at the end of first quarter on this loan.

Andrey Shalimov
On the fourth quarter?

Maria Semikhatova
Yes.

Andrey Shalimov
1% I suppose.

Maria Semikhatova
You just started provisioning.

Andrey Shalimov
At the end of fourth quarter, it was something – I suppose 1%, maybe slightly more, and in Russian books we already made more than 50% provision for the reference during the second quarter.

Maria Semikhatova
I see and just maybe turning to your outlook for cost of risk for the full year. I think you previously mentioned that you expect it to be above 2%. Can you provide… are you in a position to give more concrete guidance on this line, or it is very uncertain at the moment?

Andrey Shalimov
Unfortunately, the direction is to the north. Unfortunately, the guidance is closer to 3% and we expect two quarters of serious provisioning, the second and the third quarter, and some decline in cost of risk only in the fourth quarter. We spotted most part of the problems like that guy, which is in NPL, but not past due, we spotted some people with shaky situations in restructured part of the portfolio, so it is mostly visible on asset side. The key is what could be the actual development and in which level of provisioning it could result in next two quarters.

Maria Semikhatova
Thank you, I understood that. Just maybe switching to the cost side. I believe that on the Analyst Day you held previously, you mentioned that you were considering optimisation of your branch network in the Moscow region, and there were several options that were on the table. Maybe you can provide an update, how you decided to proceed with this?

Andrey Shalimov
Yes, some groundwork has been already made. We were ready to start rollout from the second half of this year, but looks like there should be some delay; some cost saving things and lengthening of some processes could result in rollout of this model for the whole Moscow region until the mid-first quarter of 2016. But it doesn't mean that there are no steps and no results in cost cutting. Actually, we cut the headcount in headquarter in the first quarter of this year by 10%, almost 10%, and now we try to apply the same measure to the branch network. We expect the reduction of the staff across this year, results were not

visible in the first quarter, and may be not quite visible in the second quarter, since people need to receive their leaving packages. It could be even some slight increase for a month or two, but from June, we expect to enjoy the benefits of this staff reduction.

Another good factor is exchange rate. We calculated the budget based on higher rates assessment, somewhere around 60-65, and even in this situation there was no tremendous growth, and now with interest rates around 50, we enjoy serious positive effect on IT and processing spending.

Maria Semikhatova
If I am not mistaken, I believe that you budgeted, effectively, the same operating expenses for this year to keep them flat, so given the favourable movement in exchange rate, would it be too aggressive to assume that you will be able to decrease OpEx in nominal terms this year?

Andrey Shalimov
Unfortunately, not flat. Indeed, we have some utilities costs increases and some other increases, so in plan we had some increase. The best situation is to have other overheads flat, and staff costs with potential decrease.

Maria Semikhatova
Understood and just maybe last question, I am sorry for taking so much time. You mentioned that you're considering different options to support your capital position, and Tier 2 capital is more interesting in your case. Have you made a decision on participating in this recapitalisation programme via Treasury bonds?

Andrey Shalimov
Eventually, we are to decide today, in the evening we have the Management Board meeting to discuss and to make the actual decision. The game-changers are improvement in financial situation and especially decrease in interest rates level. At the turn of the year, in our opinion, it was impossible to boost the loan book by 1% in industries and in mortgages only, since it was impossible to sell mortgages at 18-19% in Rubles. First, we started this subsidised mortgage programme and then there was a serious decline in rates for corporate borrowers. Now, this target could be quite achievable, especially due to stagnation and even the contraction of the book. In our targeted niches we could boost growth. A very good thing is that SME segment is included is the targeted segments in in OFZ programme. Now, benefits look differently from what we saw in January or February.

Of course, there are some other limitations, but this corporate activity could bring some fresh capital. We could avoid other limitations, bringing at least 50% of this OFZ injection, as an option. Provided even no fresh capital in the short-term, we feel that the operating profit generation is strong enough and with receding of cost of risk, we could generate positive profits, positive results, sufficient to increase capital by half of OFZ injection.

Now, this decision is more business-oriented and could be justified.

Maria Semikhatova
Thank you very much.

Operator
We have a question from Maria Vasilenko, UBS. Please go ahead.

Maria Vasilenko
Hello, thank you for your presentation, just to continue with the topic on lending growth. Today, in the press, there was the news that you expect to grow retail by 10% and corporate by 5-7%. Could you please comment this, and could you please give some detail on the current activity in lending, as well as in deposits market? Thank you.

Andrey Shalimov
In retail, situation changed completely with this subsidised rate programme. Providing mortgages at 12.5% for the borrower was a fine thing, and our core target was to be on the list of the banks participating in this programme. We are in, and the volumes we could sell within this programme are very close to the whole year plan. Even provided not so friendly surroundings for straightforward mortgage products, we could accomplish our targets by participating in this programme. But now we see tendency for lower rates for mortgages in the market, and we could sell even ordinary product. That could be a driver for the mortgage book.

Talking about other retail products, of course, there is a temptation to grab the market share via cross-sell to existing customers, but that should be a matter of subtle balance. If we participate in OFZ programme – consumer loans are excluded from that and it depends on the total risk appetite for retail book. If we are ready to expand both mortgages and consumer loans, that should be fine. If we still to do only mortgages in this volatile situation, we should be sure that we could achieve this target using this programme and calculate what should be sold at ordinary market rate. But currently, it looks achievable.

Talking about corporate book, the serious influence was made by exchange rate valuations and our unwillingness to provide or rollover currency loans. We expect that with better rates for borrowers in Ruble lending we could enjoy some boost of the book in the rest of the second quarter, some lull in summer and more activity in the fall. We could cope with this target, I suppose, providing more loans in the fall.

Funding is a derivative with stagnating loan book across the first half of the year. We were inclined only to decrease the cost of funding. We slashed corporate deposits as more expensive, we repaid Central Bank facility and we are constantly lowering rates on individual deposits. After all, we almost introduced punishing rates for currency deposits.

The double target is not to have excessive funding and to have cheaper funding, to be in a position to expand lending in the fall at every possible rate horizon, to be fully competitive with both state banks and other banks.

Maria Vasilenko
Okay, thank you. Are you targeting 5-7% growth in corporate or in SME segment as well? Because SME segment has been contracting over many quarters, so I wonder if you are aiming at increasing lending there or not.

Andrey Shalimov
We expect revival of SME either, of course, 22-25% will be punishing rates for the customers. Maybe some people in Moscow are accustomed to such rates, but in regions of our presence, of course, we could expect stronger demand with the rates within 16-18%, that is much more suitable level, and we are not far from those levels, so expect revival in SME too.

Maria Vasilenko
Okay, thanks. Well, what dynamics in deposits do you see in April and May? Maybe you could shed the light on this. Do you see more retail deposits coming to you or just sluggish dynamics?

Andrey Shalimov
It was constant inflow from the start of the year. There were four rounds of rate cuts. It looks like after the last one, which was implemented this week, we need to sit and assess the situation again. With declining exchange rate, it was natural to enjoy this Ruble inflow. Now the Ruble has stabilised, so we can't exclude the situation when rates could be at the same level until next Central Bank rate setting meeting, and we’ll be to maintain more or less the same volume of Ruble deposits and simply try to cheapen them further.

Maria Vasilenko
Okay, got it, thank you.

Operator
[Operator instructions]

Elena Mironova
Okay, if there are no further questions coming through, we will finish the call. Thank you all for joining and we invite you to our next conference call to disclose six months 2015 results. We have preliminary scheduled it on 26th August, and we will keep you informed as usual on the further corporate developments or any news that we have.

Thank you and goodbye.

Operator
Ladies and gentlemen, this concludes our conference call. Thank you for participating. You may now disconnect.
