

# Management Presentation

January 2014

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# Investment highlights

## Strong economic and financial system

- Peru is an economic success with outstanding macroeconomic performance
- The Peruvian financial system is strong and has solid performance indicators
- Banking and insurance industries with high growth potential

## Leading franchise in financial services

- Leading retail bank and annuities insurance company in Peru
- High quality loan and investment portfolios
- Excellent margins with a stable and low cost of funding
- Experienced management and motivated workforce

## Demonstrated ability to deliver results

- Sustained track record of healthy growth, solid financial performance and responsible capital management
- Above - average profitability

# IFS – A leading financial services company in Peru



68.93% <sup>(1)</sup>

**Intercorp Financial Services**

99.29% <sup>(2)</sup>



100.00%



- # 1 private bank in payroll-deduction loans to public sector employees
- # 2 provider of credit card financing
- # 2 provider of consumer loans
- # 3 bank by retail deposits
- # 4 bank by total loans and deposits
- Extensive retail network:
  - 267 financial stores
  - 1,943 ATMs
  - 3,200 correspondent tellers
  - 2.3 million customers

- # 1 provider of annuities
- # 4 in life insurance premiums
- # 7 insurance company by total premiums

100.00%

**Intercorp Retail**

58.04%



Other Investments



Note: information as of September 30th, 2013

<sup>(1)</sup> Float: 31.07%

<sup>(2)</sup> Calculated over total shares outstanding

**Intercorp Financial Services**

# IFS financial highlights

## Selected financial information (\$/. million)

|                                     | 2010   | 2011   | 2012   | September<br>2013 | 2008 to 3Q13<br>CAGR |
|-------------------------------------|--------|--------|--------|-------------------|----------------------|
| Total assets                        | 21,900 | 22,688 | 26,601 | 31,859            | 14.7%                |
| Total loans <sup>(1)</sup>          | 11,836 | 13,903 | 15,217 | 18,167            | 16.0%                |
| Retail loans <sup>(2)</sup>         | 5,828  | 7,043  | 7,890  | 8,919             | 16.1%                |
| Total deposits                      | 11,992 | 13,141 | 14,636 | 19,026            | 15.1%                |
| Shareholder's equity <sup>(3)</sup> | 2,097  | 2,366  | 2,890  | 2,833             | 15.9%                |
| Net income <sup>(3)(4)</sup>        | 499    | 696    | 706    | 663               |                      |
| ROE <sup>(4)</sup>                  | 26.2%  | 33.8%  | 28.2%  | 23.4%             |                      |
| ROA <sup>(4)</sup>                  | 2.5%   | 3.1%   | 2.8%   | 2.3%              |                      |
| NIM (Interbank) <sup>(4)</sup>      | 9.1%   | 8.6%   | 8.1%   | 7.1%              |                      |
| PDLs/Total Loans (Interbank)        | 1.6%   | 1.5%   | 1.9%   | 1.8%              |                      |

*(1) Includes total performing loans*

*(2) Includes performing consumer and mortgage loans*

*(3) Attributable to IFS shareholders*

*(4) Last twelve months as of September 30th, 2013*

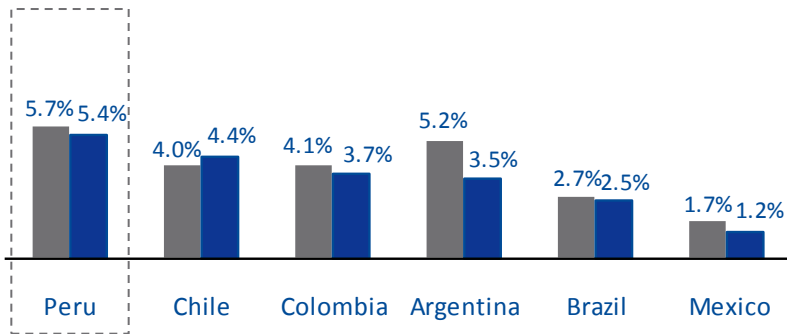
# 1. Strong economic and financial system

# Peru is an economic success...

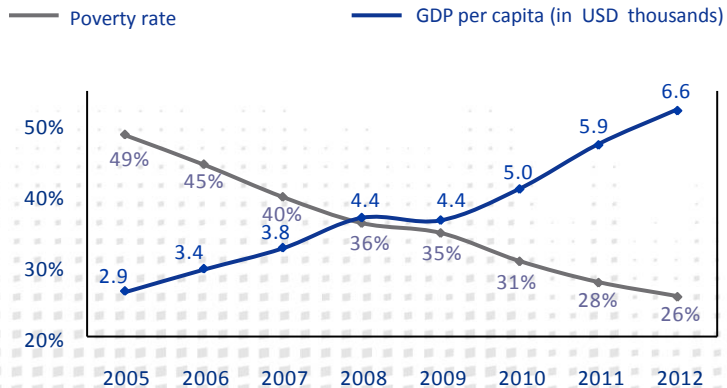
## Impressive economic growth

### Real GDP Growth

■ 08-12 Average annual growth rate  
■ 2013E <sup>(1)</sup>



## Increased purchasing power

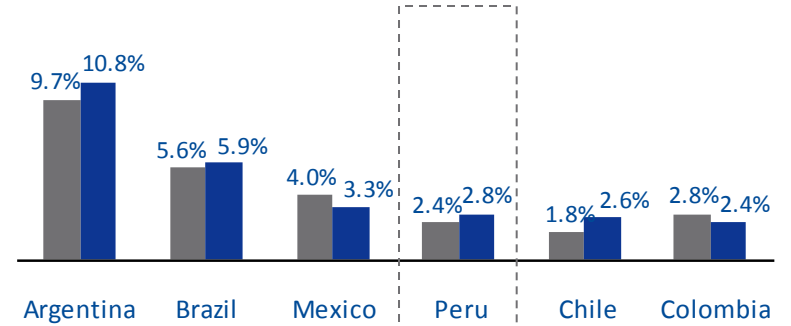


Sources: Wall Street research, INEI, Apoyo Consultoria  
<sup>(1)</sup> International Monetary Fund as of October 2013

## Low inflation environment

### Inflation

■ 08-12 Average annual inflation rate  
■ 2013E <sup>(1)</sup>



## Strengthened middle class

| Social & economic segment | Peru  |       |
|---------------------------|-------|-------|
|                           | 2005  | 2012  |
| A                         | 1.3%  | 1.9%  |
| B                         | 5.7%  | 9.4%  |
| C                         | 16.8% | 23.1% |
| D                         | 26.5% | 27.1% |
| E                         | 49.7% | 38.4% |

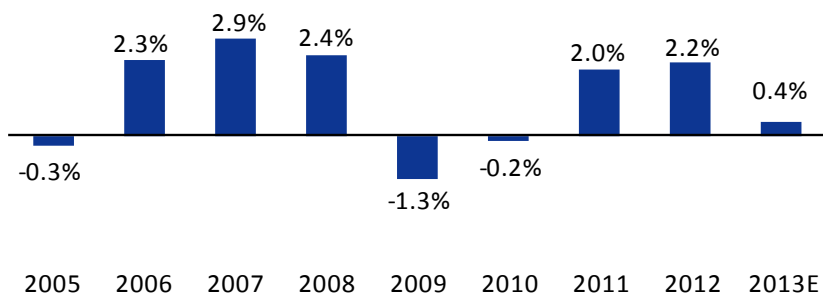
**22.5%** (B, C, D)      **32.5%** (B, C)

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# ...with strong macroeconomic fundamentals

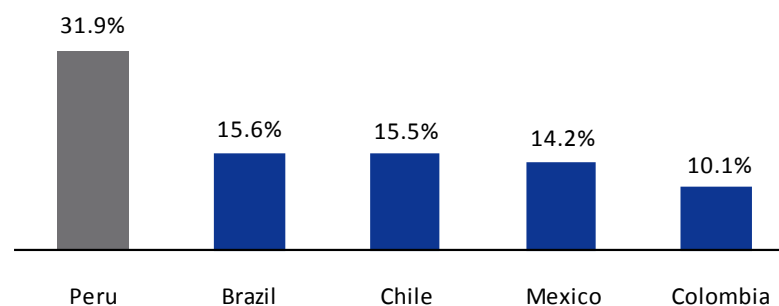
## Responsible fiscal policy

Budget Balance (% GDP)



## Solid reserve position

Net International Reserves (% GDP) <sup>(1)</sup>



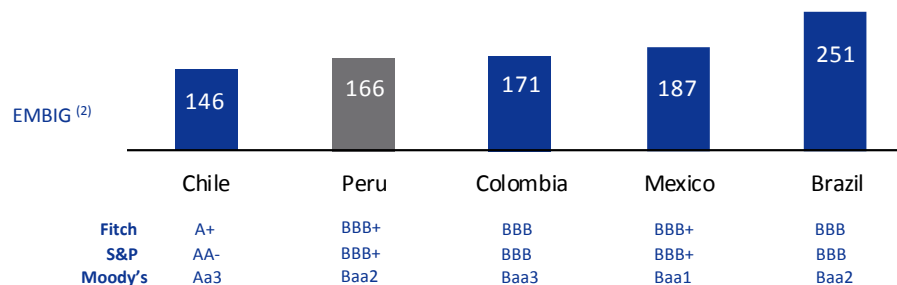
## Relatively stable currency (Indexed to US\$1.0) <sup>(2)</sup>

Peru Colombia Chile Mexico Brazil



## Attractive country risk profile

External Debt <sup>(1)</sup> (% GDP)



Sources: Wall Street research, BCRP, Bloomberg and Latin Focus

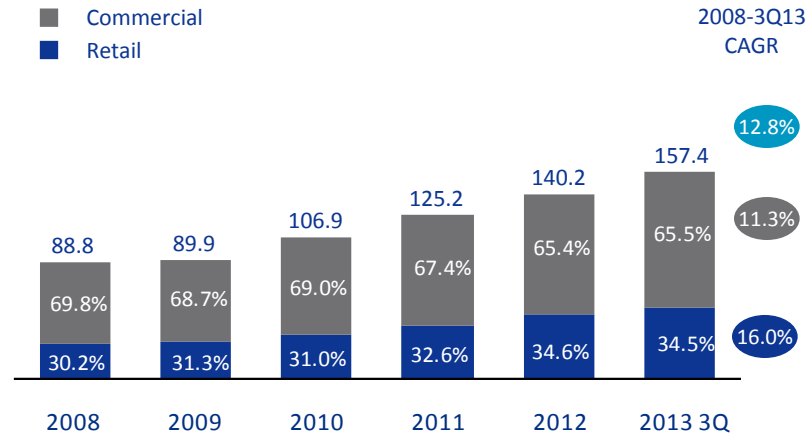
<sup>(1)</sup> As of December 31<sup>st</sup>, 2012

<sup>(2)</sup> As of January 8<sup>th</sup>, 2014

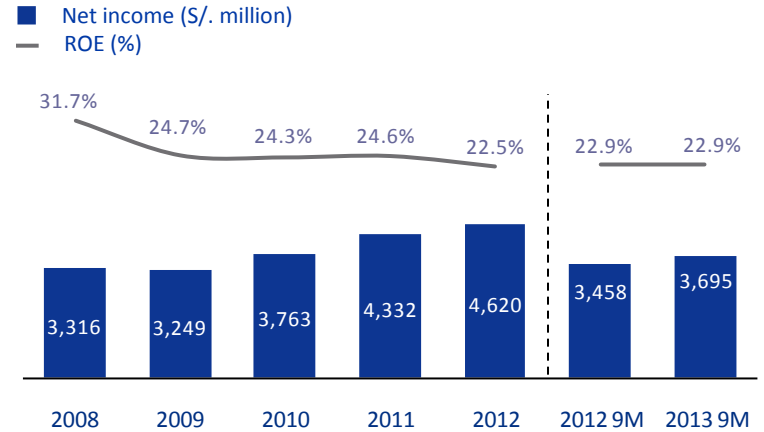


# The banking system has experienced profitable, solid growth...

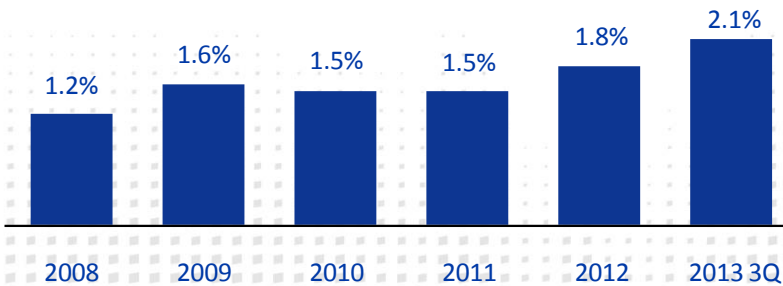
Performing loans (S/. billion)



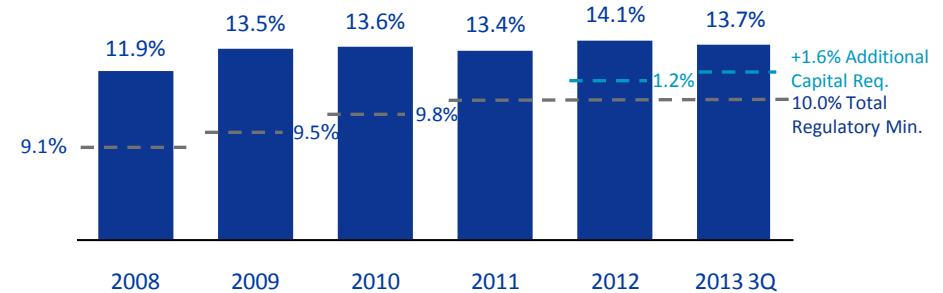
ROE (%)



PDLs / Total loans (%)



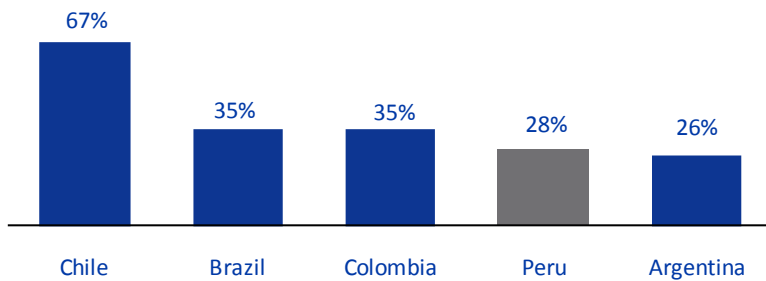
BIS ratio (%)



# ...and has significant growth potential

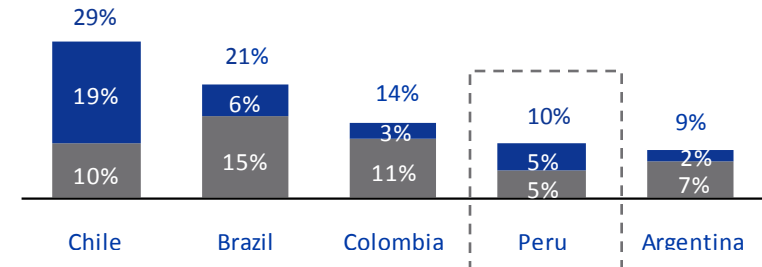
## Banking penetration <sup>(1)</sup>

Deposits / GDP (%)

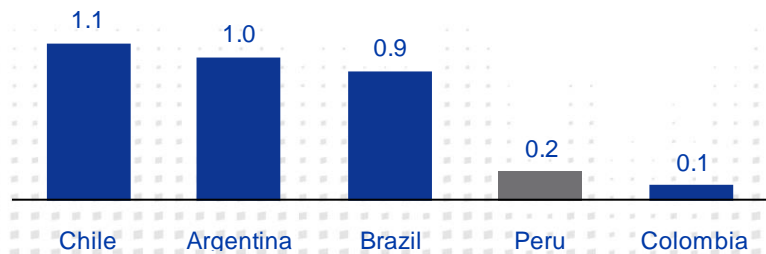


## Retail loan penetration <sup>(1)</sup>

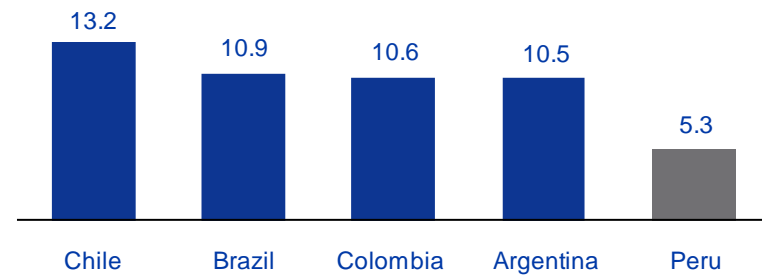
- Mortgage loans / GDP (%)
- Consumer loans / GDP (%)



## Credit cards per inhabitant <sup>(2)</sup>



## Branches per 100,000 inhabitants <sup>(2)</sup>



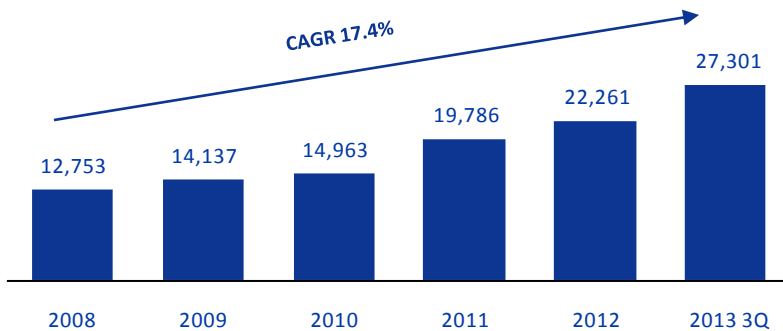
Sources: Local superintendencias, Local Central Banks, Felaban, Euromonitor, IMF, Wall Street research

<sup>(1)</sup> As of December 31<sup>st</sup>, 2012

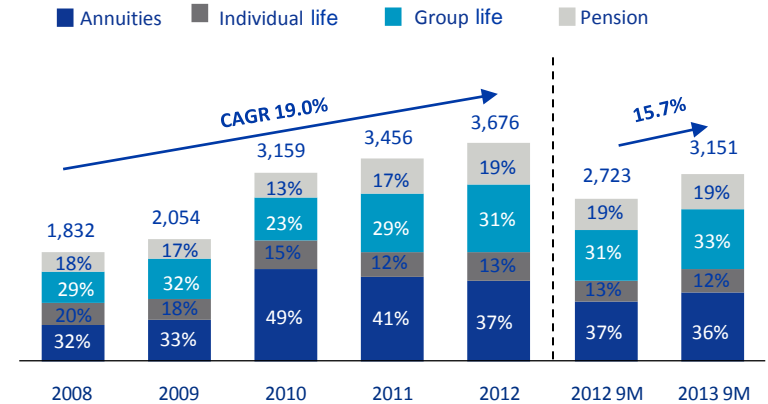
<sup>(2)</sup> As of December 31<sup>st</sup>, 2011

# High growth potential also in the insurance industry

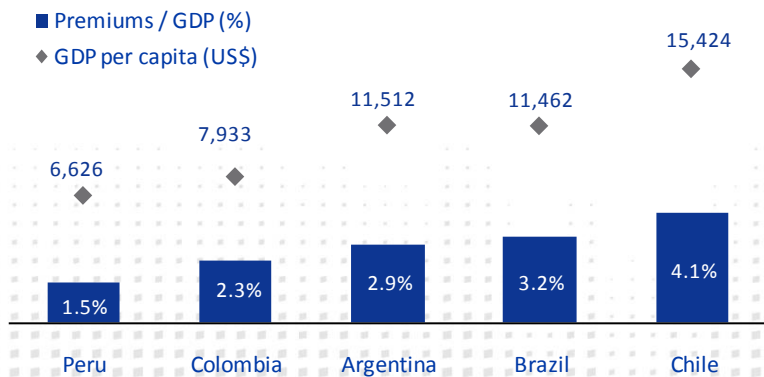
Total assets (S/. million)



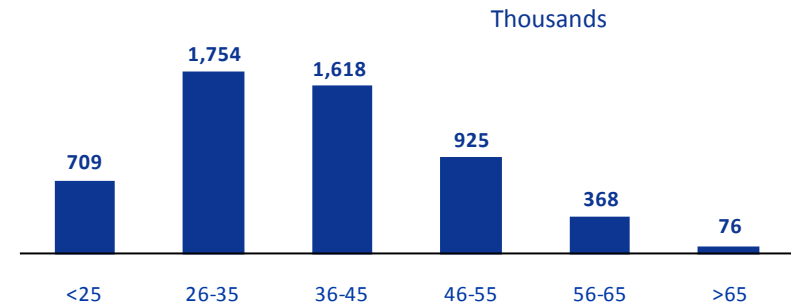
Life insurance premiums in Peru (S/. million)



Premiums / GDP & GDP per capita <sup>(1)</sup>



Affiliates to private pension system by age group <sup>(2)</sup>



<sup>(1)</sup> Sources: Sigma Swiss Re and Central Banks as of December 31<sup>st</sup>, 2012

<sup>(2)</sup> As of September 30<sup>th</sup>, 2013

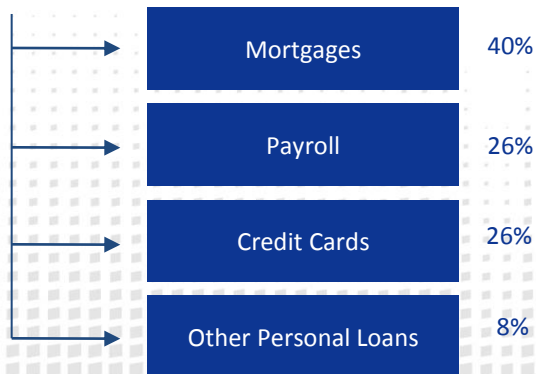
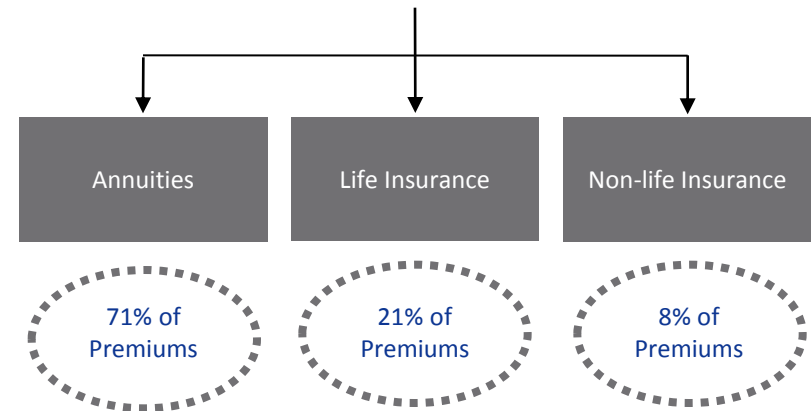
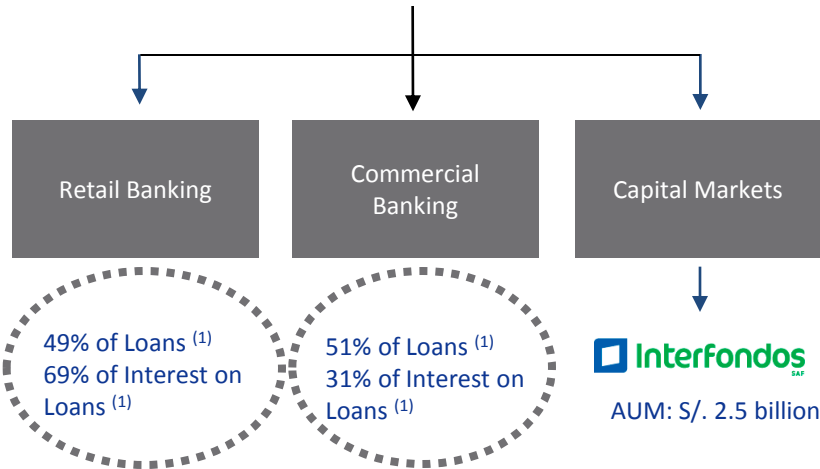
## 2. Leading franchise in financial services

# IFS: strategic focus on retail banking and annuities

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 Interbank

 Interseguro



Source: Interbank as of September 30<sup>th</sup>, 2013  
<sup>(1)</sup> Performing loans

 Intercorp Financial Services

# A clear and consistent strategy

## Unique value proposition

- Convenience
- Speed
- Service

## Experienced management team & motivated workforce

- Professional management team with significant local and international experience
- Interbank is the only Peruvian company to be ranked one of the Top 20 Best Companies to Work For, twelve years in a row
- Strong corporate governance

## Sound risk management

- High growth with strong asset quality
- Experienced risk management team focused on monitoring and managing risks across all business areas
- Development of data mining and customer scoring models

## Above average, profitable growth

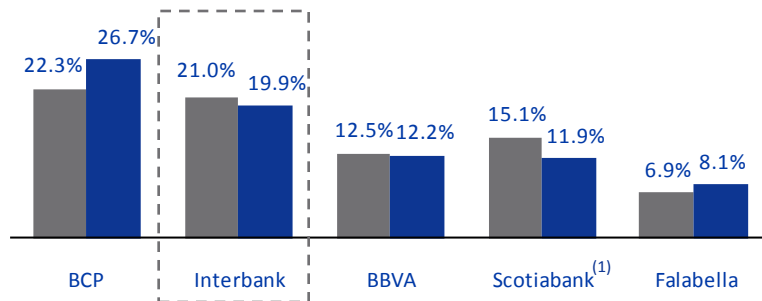
- One of the fastest growing banks in terms of performing loans (CAGR 2008-3Q13 of 16.0% vs. 12.8% for the banking system)
- As of 2012, Interbank's ROE (27.1%) was significantly higher than the banking system's average (22.5%) and ROE for Interseguro (44.1%) was the highest in the insurance industry



# Leading position in retail banking and annuities

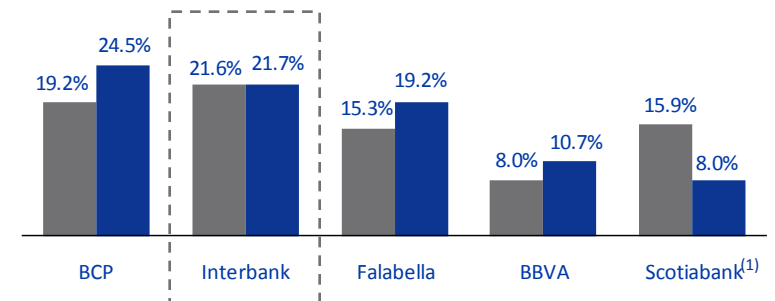
## Consumer loans market share

■ 2008  
■ 2013 3Q



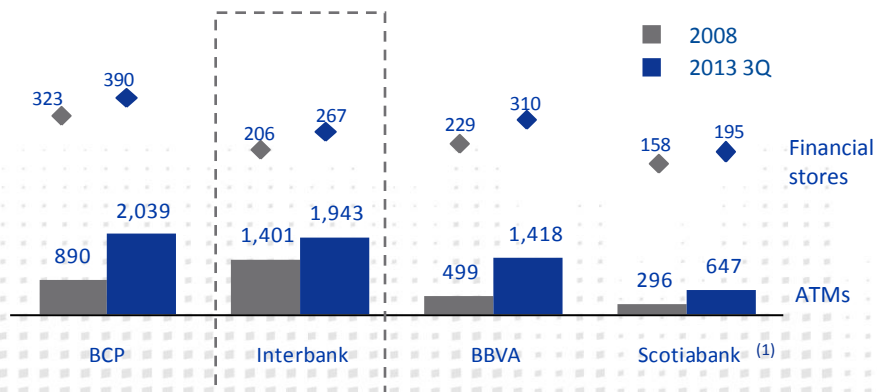
## Credit cards market share

■ 2008  
■ 2013 3Q



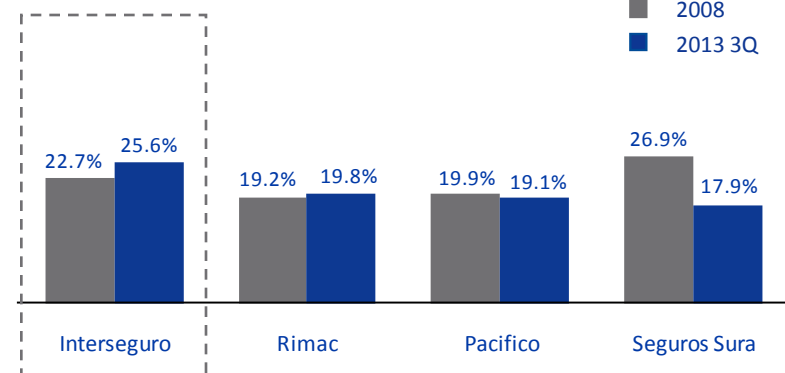
## Number of financial stores & ATMs

■ 2008  
■ 2013 3Q



## Market share in annuities

■ 2008  
■ 2013 3Q



Source: ASBANC as of September 30<sup>th</sup>, 2013

<sup>(1)</sup> Scotiabank does not include Banco del Trabajo nor CrediScotia

### 3. Demonstrated ability to deliver results

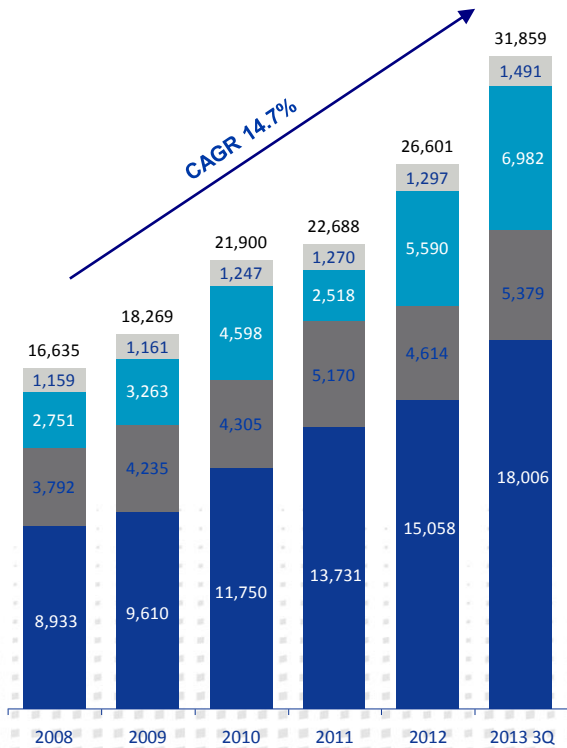


# Significant asset growth

## IFS total assets

Loans, net  
Cash and due to banks  
Investments  
Others

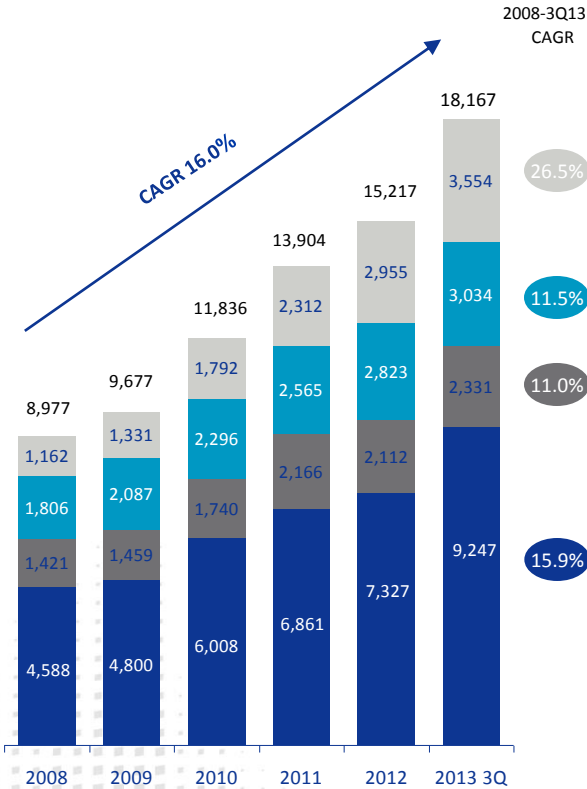
S/. million



## Interbank's performing loans

Commercial  
Other consumer  
Credit cards  
Mortgages

S/. million

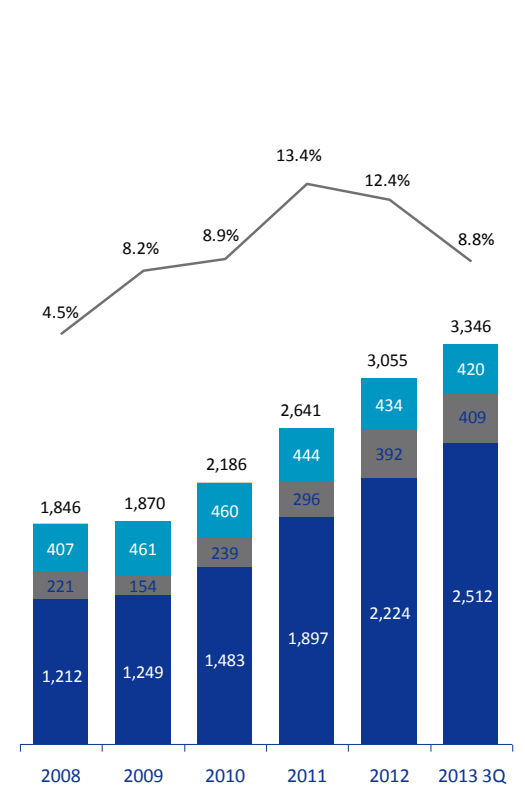


## Interseguro's investment portfolio

Fixed Income  
Real Estate  
Equity and Mutual Funds  
Other

S/. million

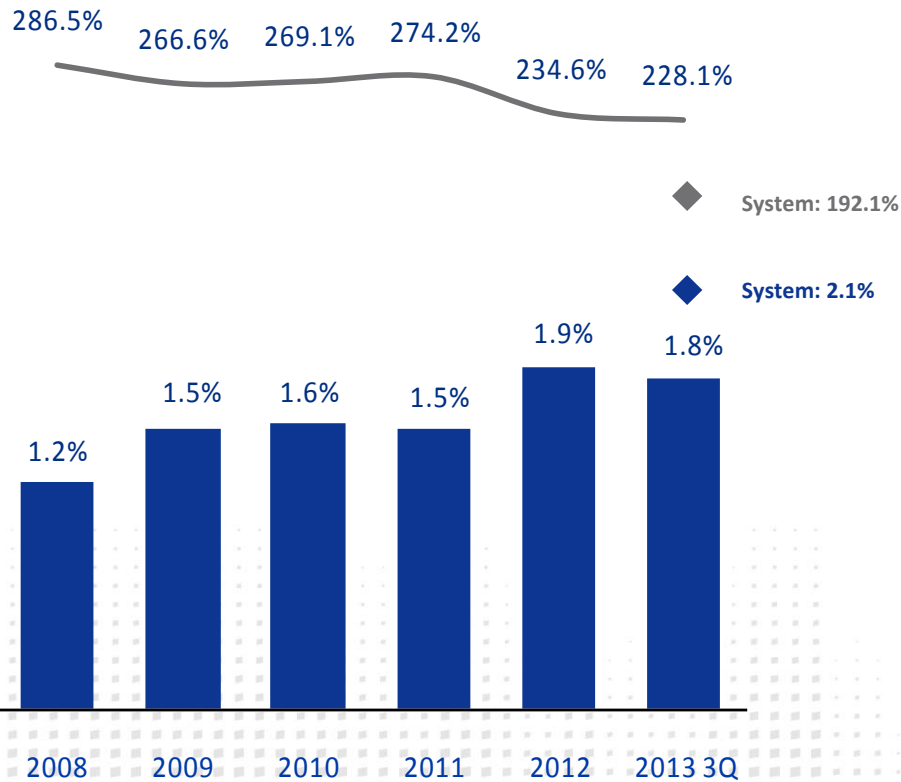
— Yield



# Strong asset quality

## PDL & Coverage ratios - Interbank

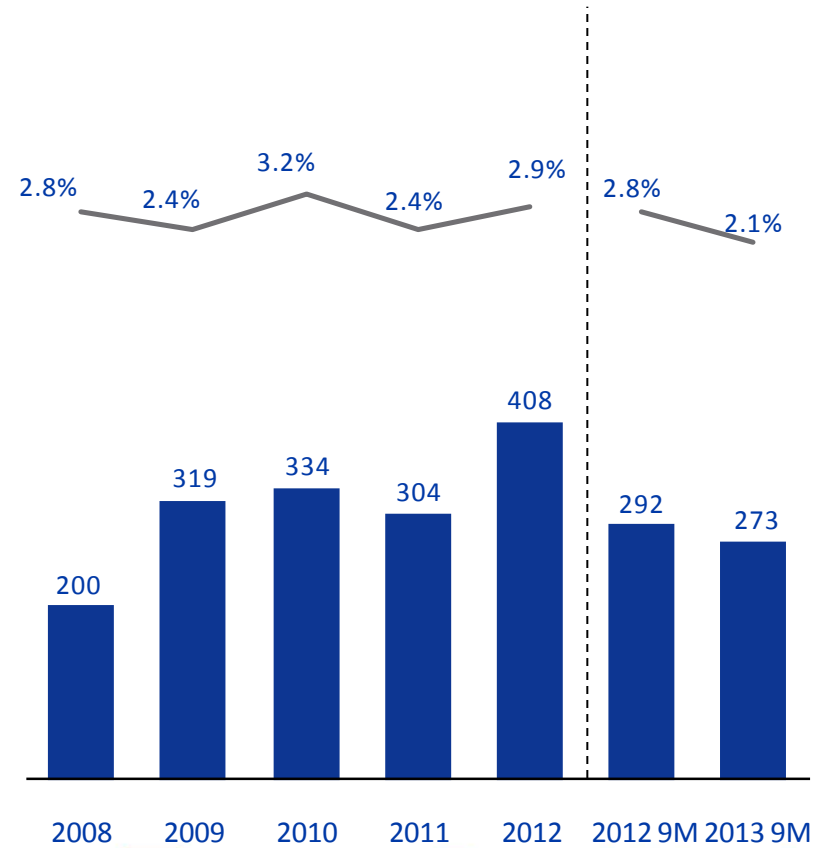
- PDL ratio
- Coverage ratio <sup>(1)</sup>



<sup>(1)</sup> Allowances / PDLs

## Loan Provision Expense - Interbank

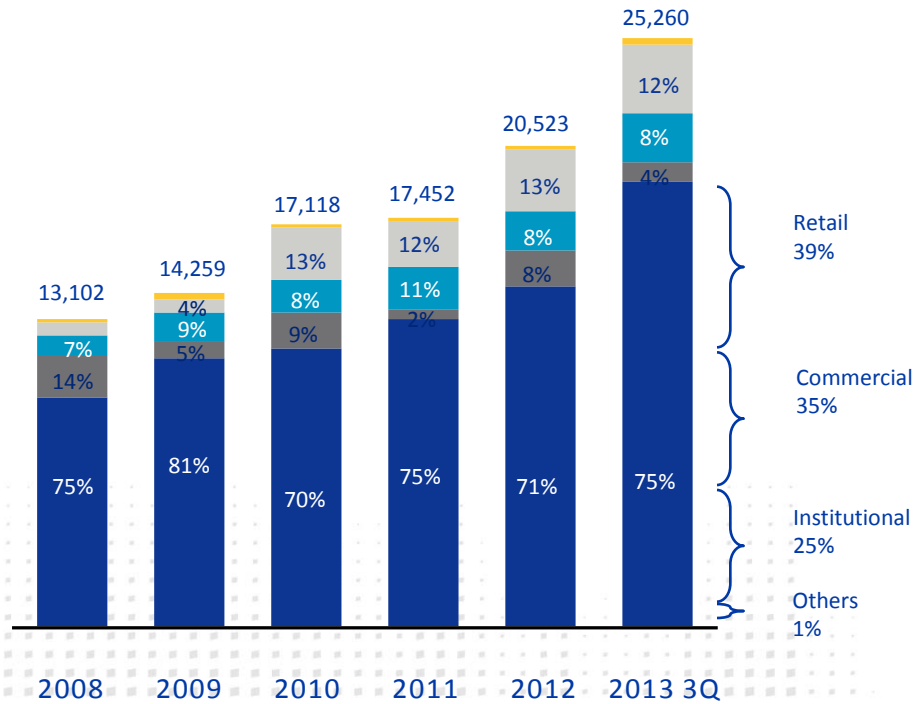
- Provision expense (\$/. million)
- Provisions / average loans



# Stable funding and responsible capital management

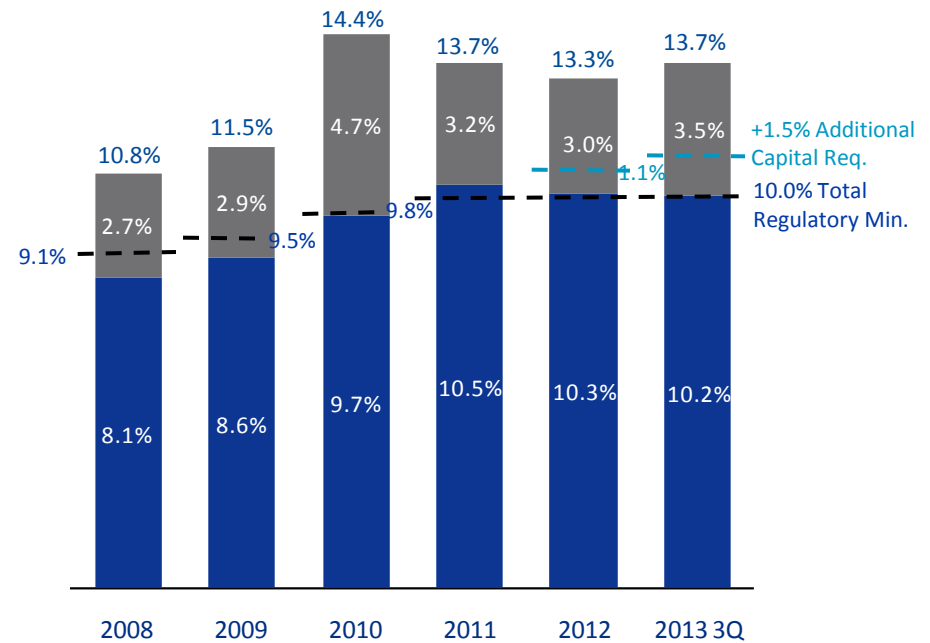
Funding mix – Interbank

- Inter-bank funds
  - Bonds
  - Long-term loans
  - Lines of credit
  - Deposits and obligations
- S/. million



BIS ratio - Interbank

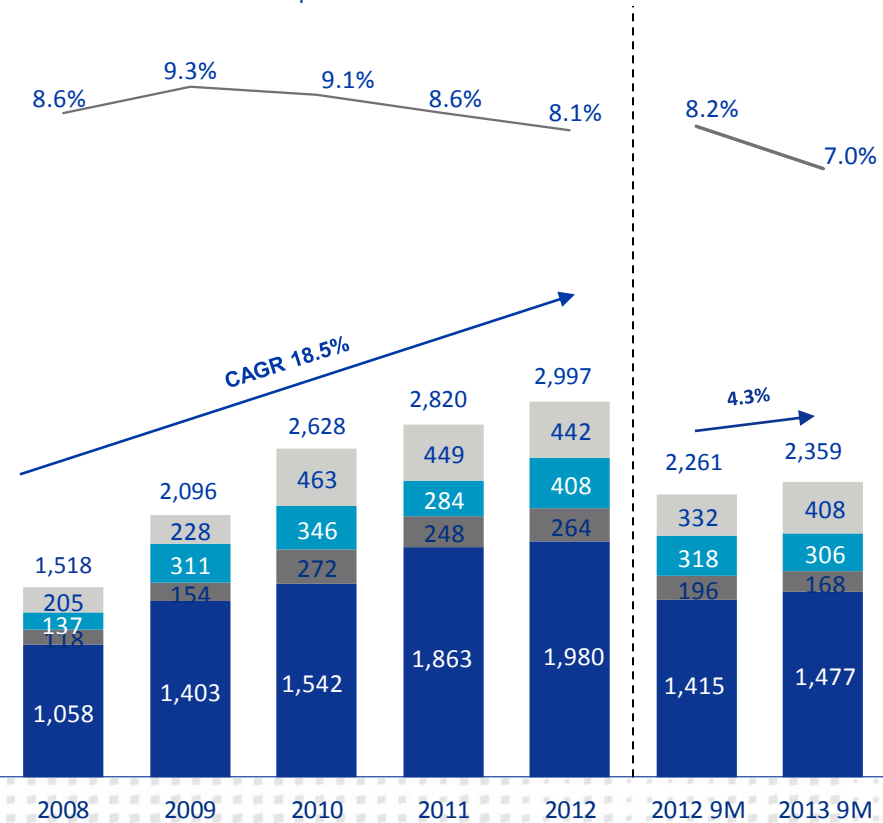
- Tier II
- Tier I



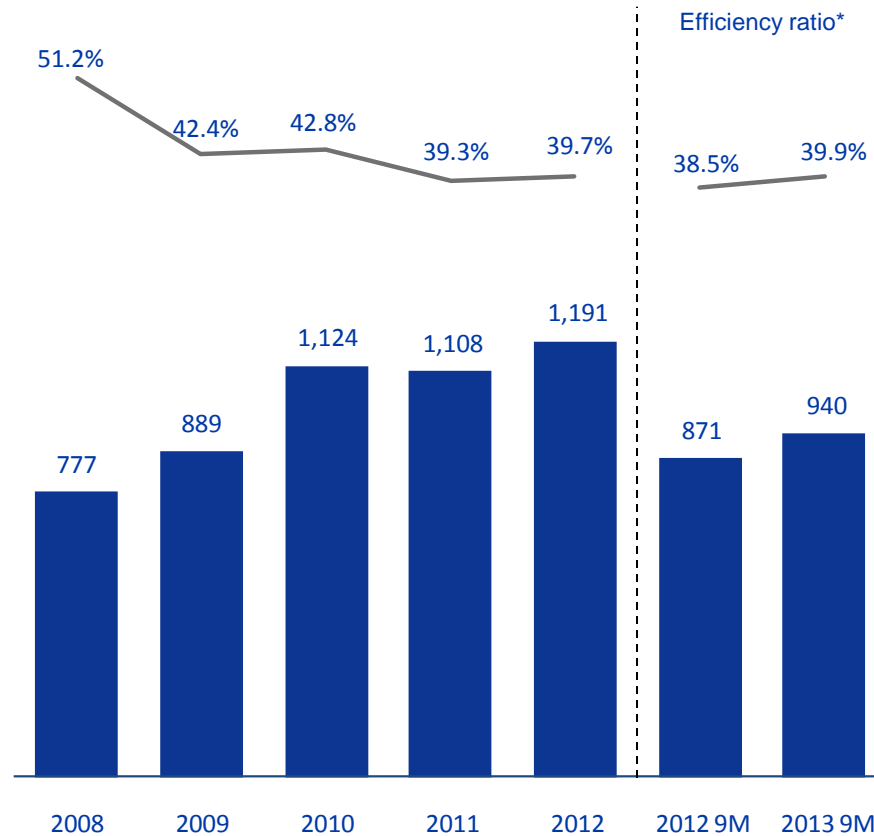
# Consistent and strong revenue growth with improvements in efficiency

Operating revenues - IFS (\$/. million)

- Gross financial margin
- Fee income, net
- Results from financial operations
- Total premiums
- NIM Interbank



Operating expenses - IFS (\$/. million)



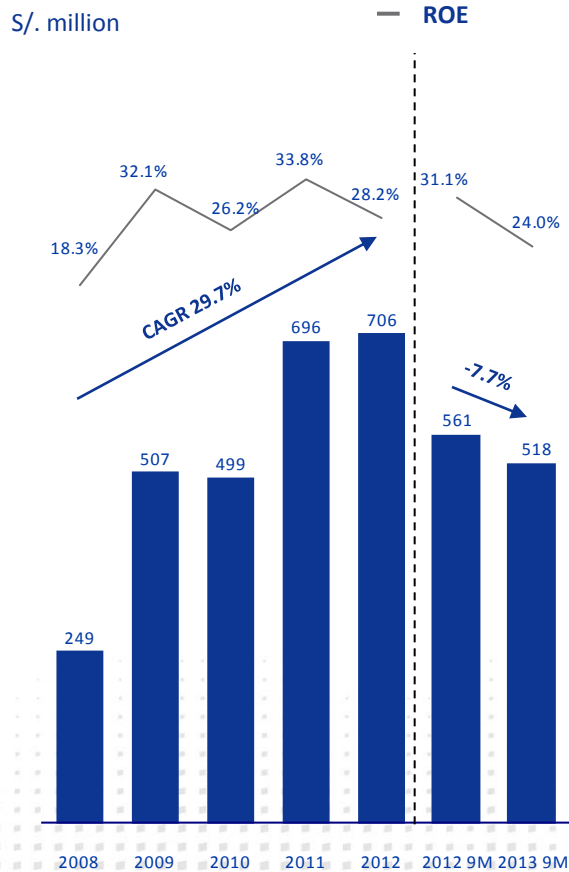
Note: Operating revenues = Gross financial margin + net fee income + net results from financial operations + total premiums

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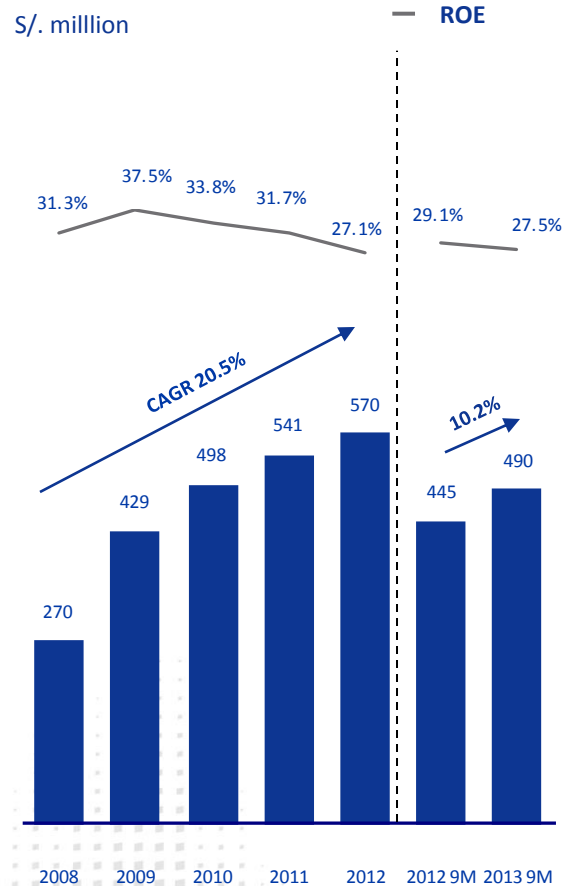
\*Operating expenses / Operating revenues

# Significant growth in net income

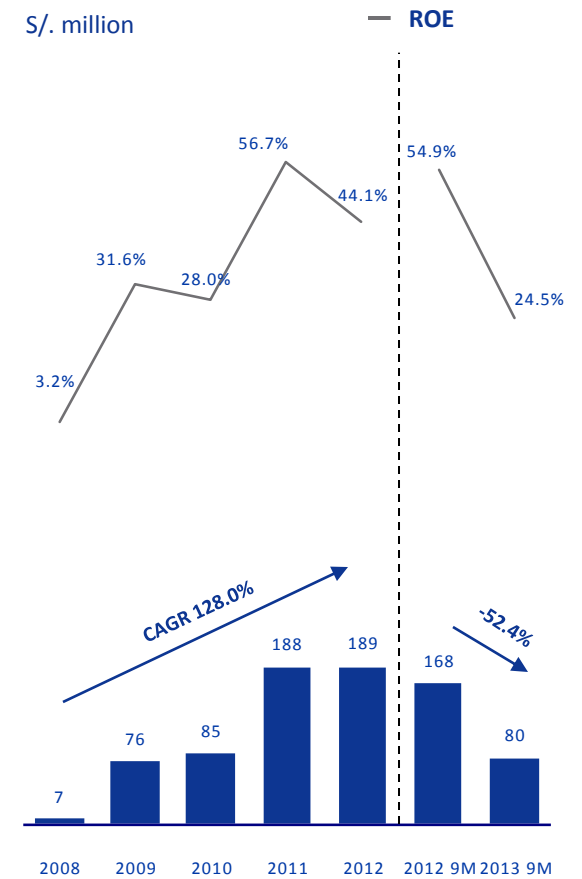
## Net income\* - IFS



## Net income - Interbank



## Net income - Interseguro



\*Attributable to IFS shareholders

# Investment highlights

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The logo consists of a blue square with a white square inside, slightly offset to the top-left corner.

**Intercorp** Financial Services