

# Management Presentation

November 2013

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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%



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:
  - 268 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



**Intercorp Financial Services**

Note: information as of September 30th, 2013

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

# IFS financial highlights

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

	2010	2011	2012	September 2013	2008 to 3Q13 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	15.0%
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*

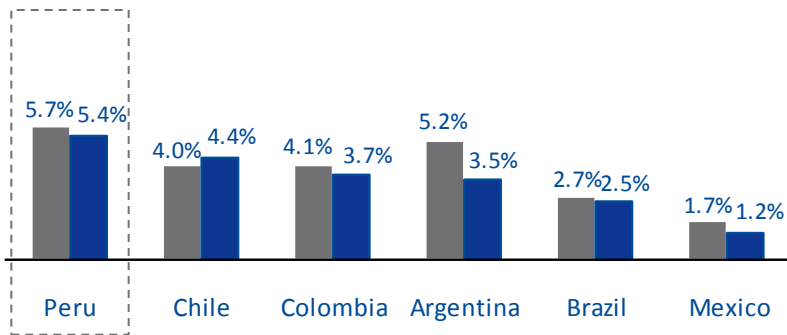
# 1. Strong economic and financial system

# Peru is an economic success...

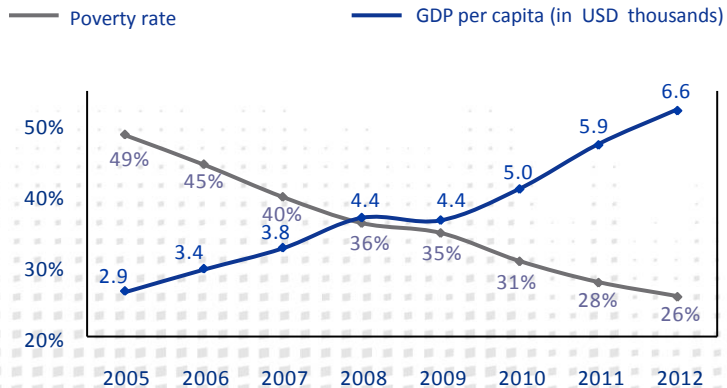
## Impressive economic growth

### Real GDP Growth

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



## Increased purchasing power

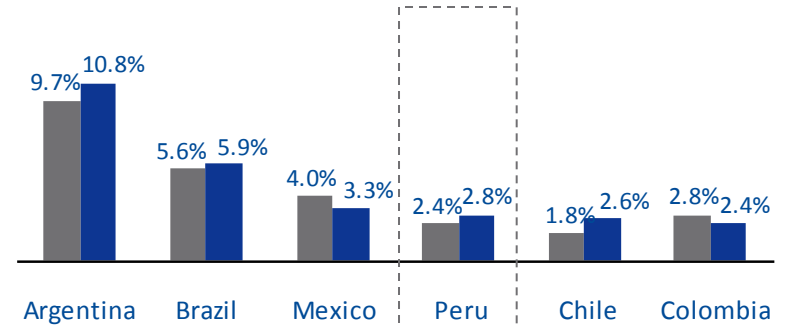


Sources: Wall Street research, INEI, Apoyo Consultoria  
<sup>(1)</sup> International Monetary Fund as of October 2013

## 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%
	<b>22.5%</b>	<b>32.5%</b>

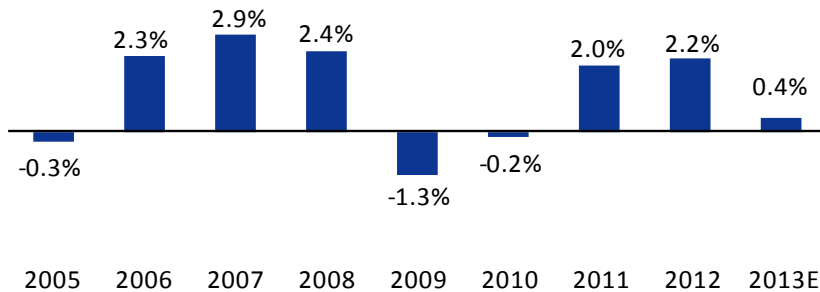
 Intercorp Financial Services



# ...with strong macroeconomic fundamentals

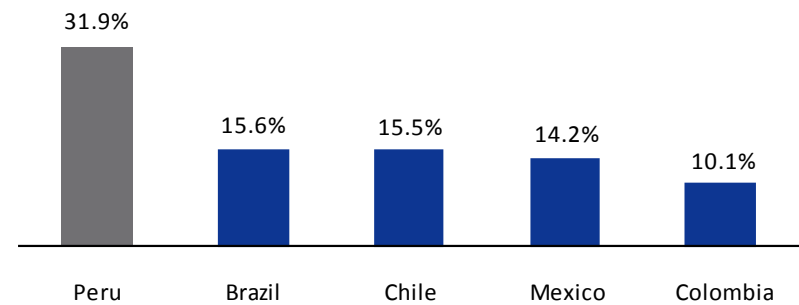
## Responsible fiscal policy

Budget Balance (% GDP)



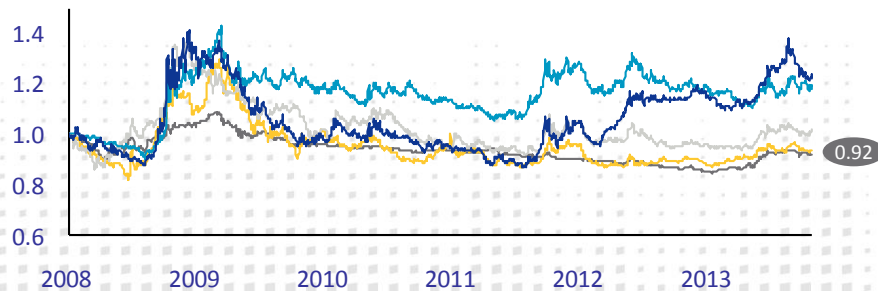
## Solid reserve position

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

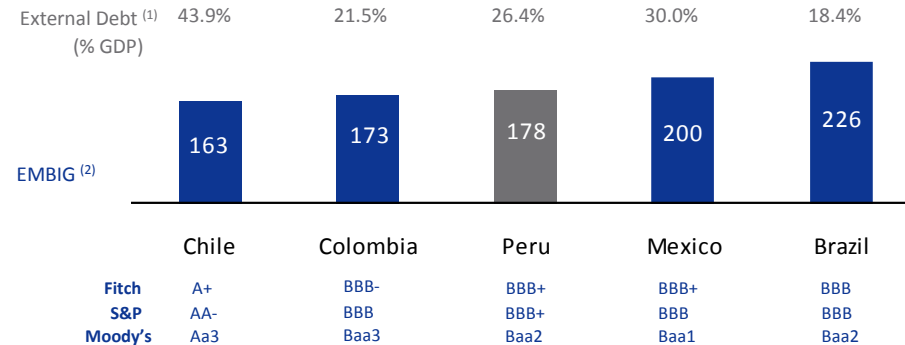


## Relatively stable currency (Indexed to US\$1.0) <sup>(2)</sup>

— Peru — Colombia — Chile — Mexico — Brazil



## Attractive country risk profile



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

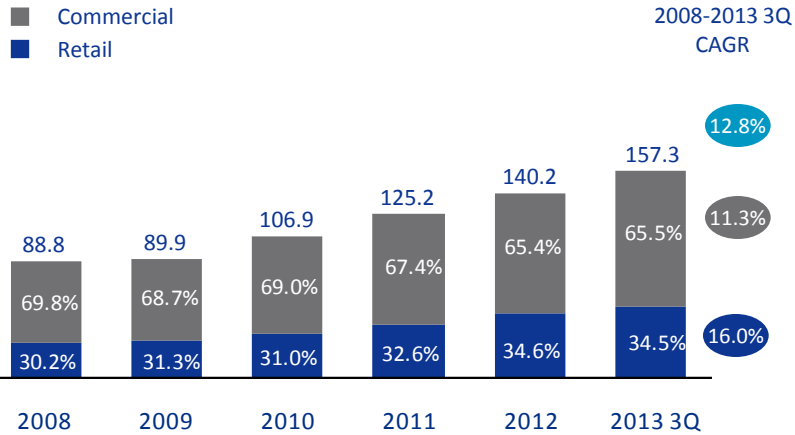
<sup>(1)</sup> As of December 31<sup>st</sup>, 2012

<sup>(2)</sup> As of October 29<sup>th</sup>, 2013. Bloomberg, BCRP

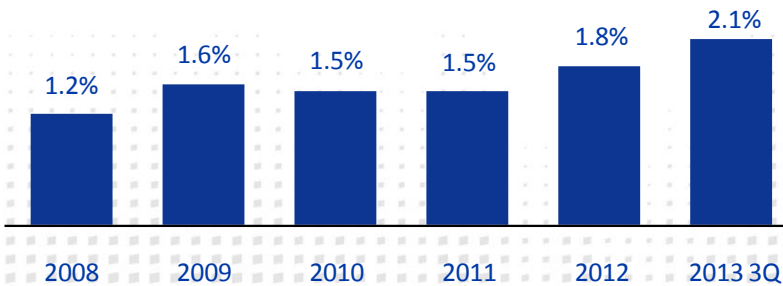


# The banking system has experienced profitable, solid growth...

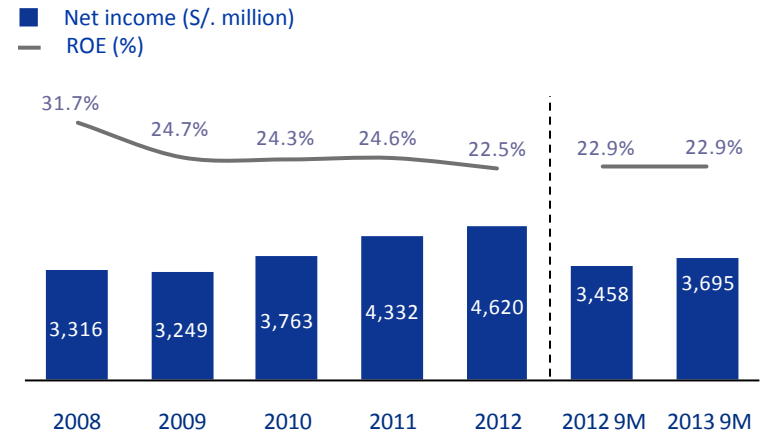
## Performing loans (S/. billion)



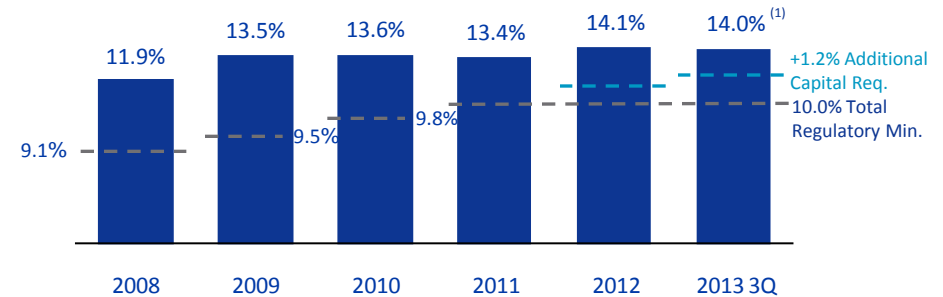
## PDLs / Total loans (%)



## ROE (%)



## BIS ratio (%)

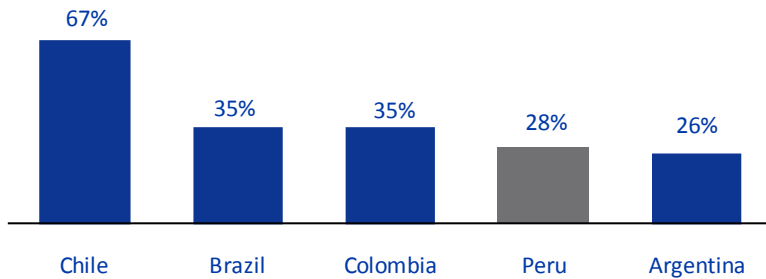


Source: ASBANC and SBS as of September 30<sup>th</sup>, 2013  
<sup>(1)</sup> As of August 31<sup>st</sup>, 2013

# ...and has significant growth potential

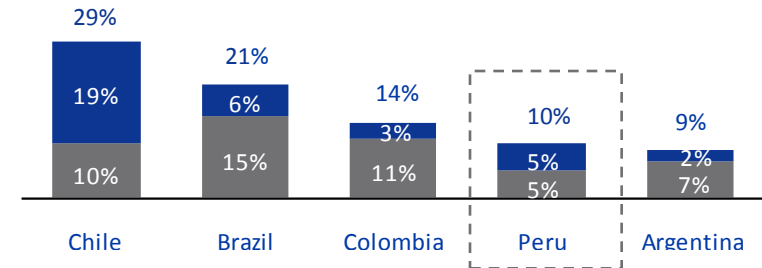
## Banking penetration <sup>(1)</sup>

Deposits / GDP (%)

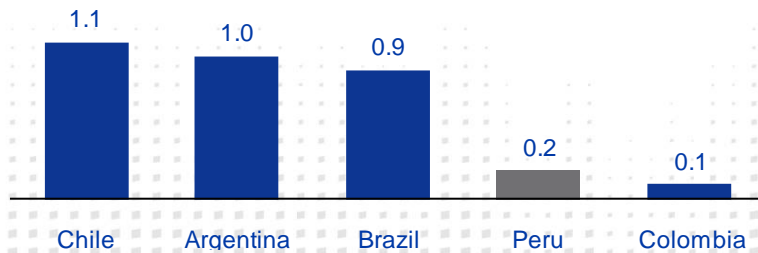


## Retail loan penetration <sup>(1)</sup>

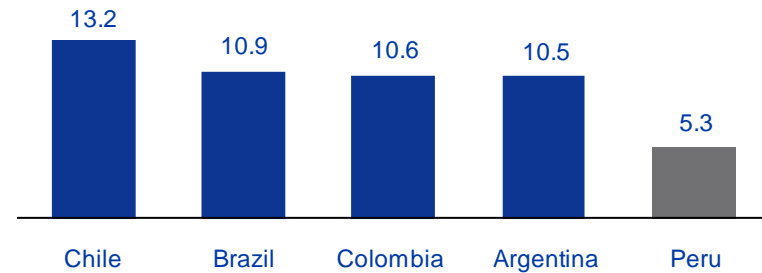
- Mortgage loans / GDP (%)
- Consumer loans / GDP (%)



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



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



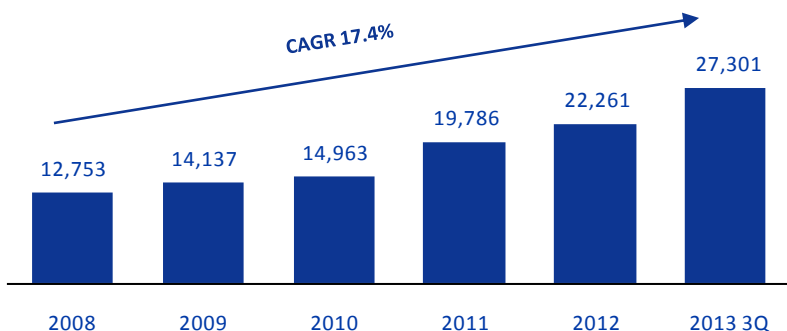
Source: Local superintendencies, Local Central Banks, Felaban, Euromonitor, IMF, Wall Street research

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

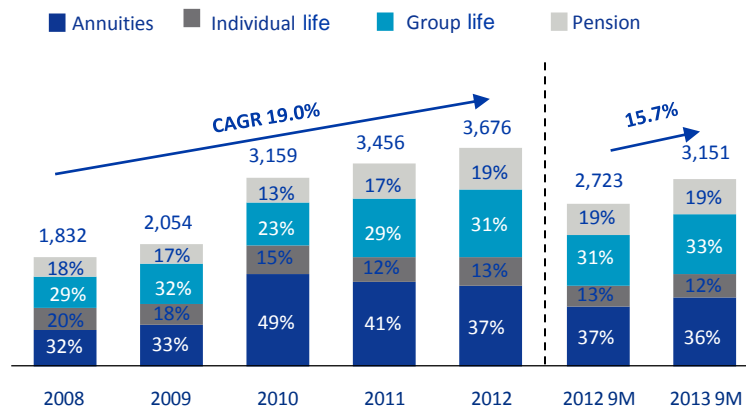
<sup>(2)</sup> As of December 31<sup>st</sup>, 2011

# High growth potential also in the insurance industry

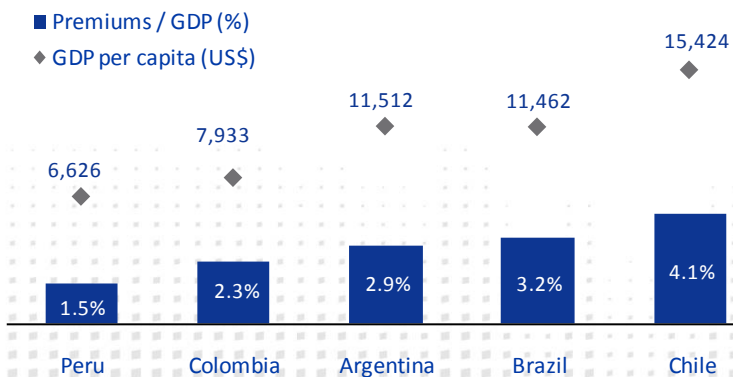
Total assets (S/. million)



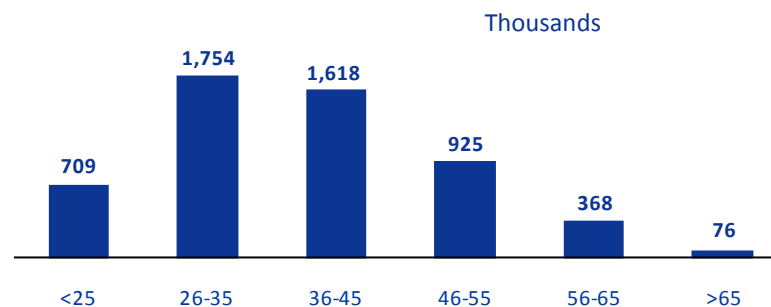
Life insurance premiums in Peru (S/. million)



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



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

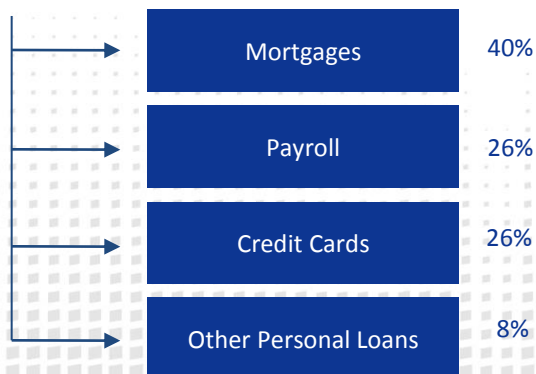
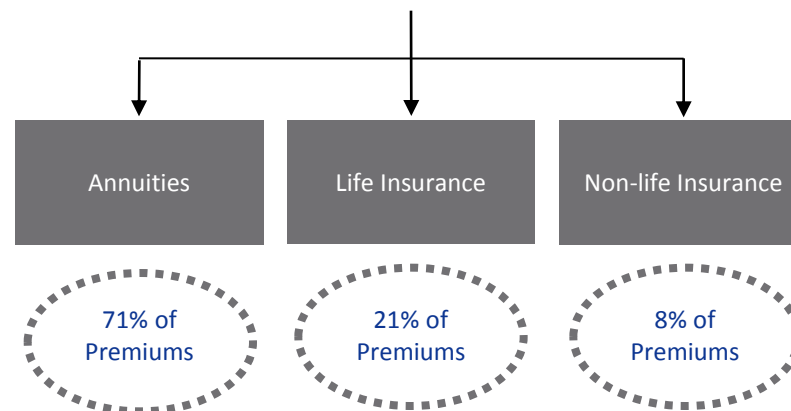
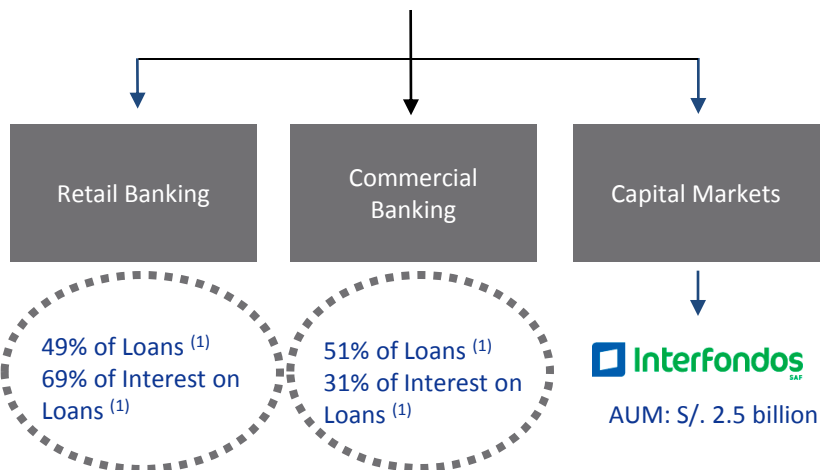


<sup>(1)</sup> Source: Sigma Swiss Re and Central Banks as of December 31st, 2012

<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



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

# 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, ten 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

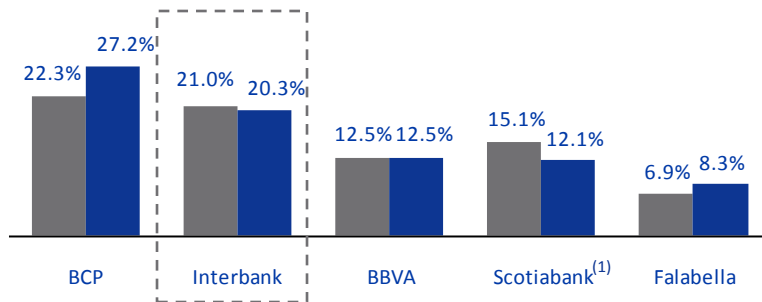
- One of the fastest growing banks in terms of performing loans (CAGR 2008-3Q13 of 16.0% vs. 12.8% for the banking system)
- As of 2012, Interbank's ROE (27.1%) was significantly higher than the banking system's average (22.5%) and ROE for Interseguro (44.1%) was the highest in the insurance industry



# Leading position in retail banking and annuities

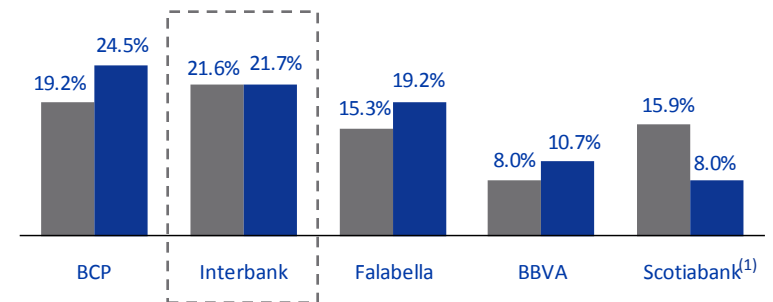
## Consumer loans market share

■ 2008  
■ 2013 3Q



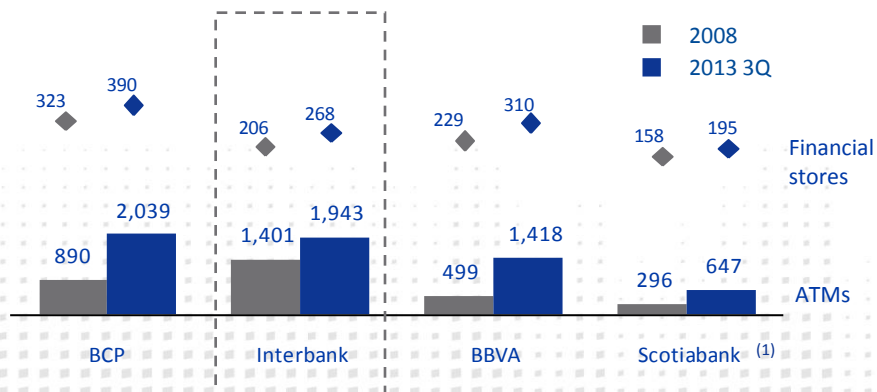
## Credit cards market share

■ 2008  
■ 2013 3Q



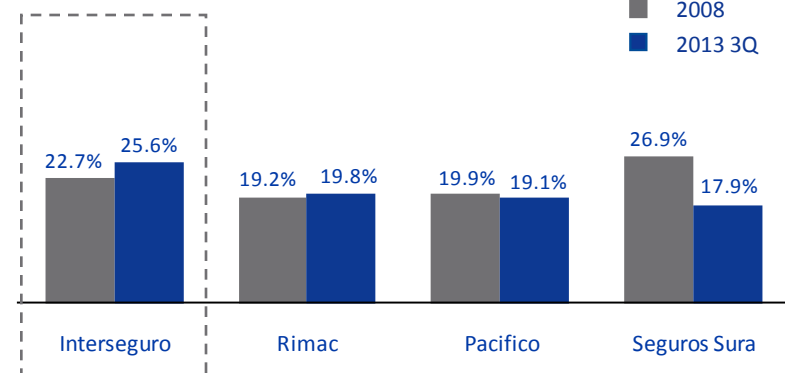
## Number of financial stores & ATMs

■ 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



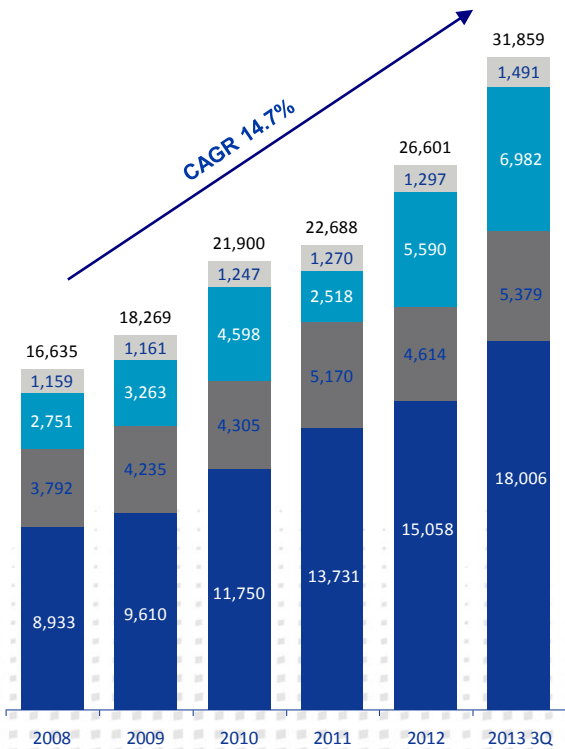
### 3. Demonstrated ability to deliver results

# Significant asset growth

## IFS total assets

Loans, net  
Cash and due to banks  
Investments  
Others

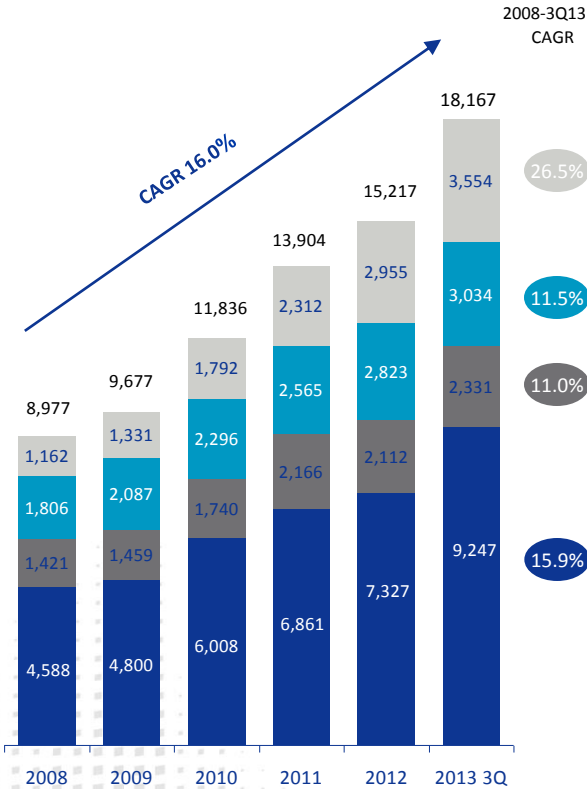
S/. million



## Interbank's performing loans

Commercial  
Other consumer  
Credit cards  
Mortgages

S/. million

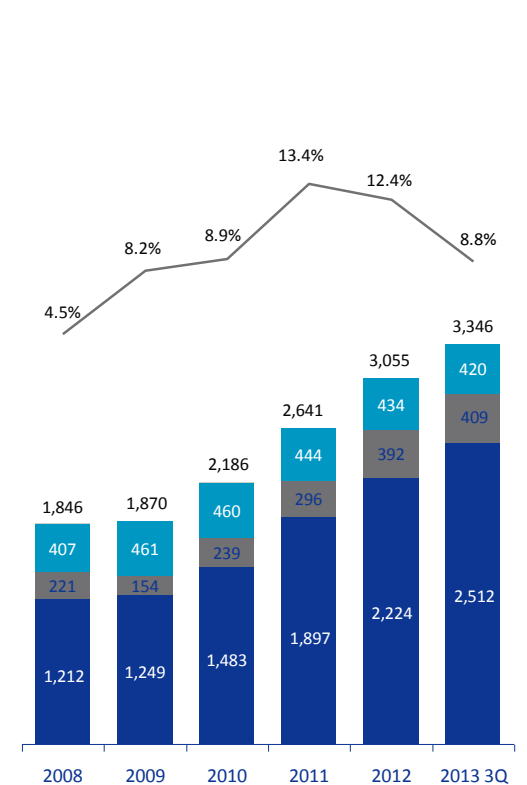


## Interseguro's investment portfolio

Fixed Income  
Real Estate  
Equity and Mutual Funds  
Others

S/. million

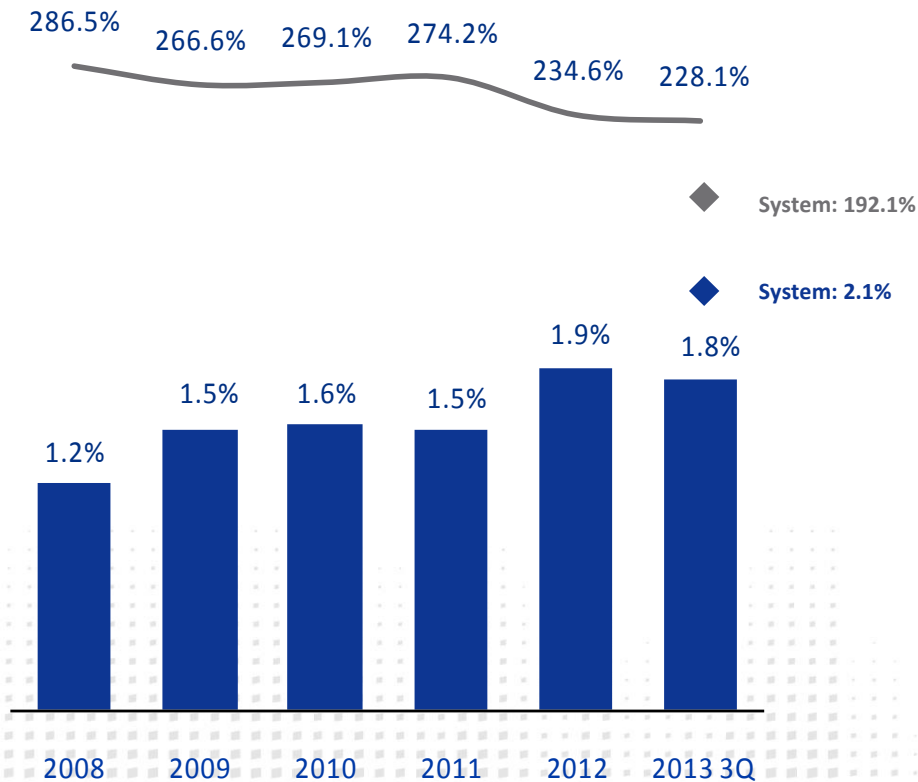
— Yield



# Strong asset quality

## PDL & Coverage ratios - Interbank

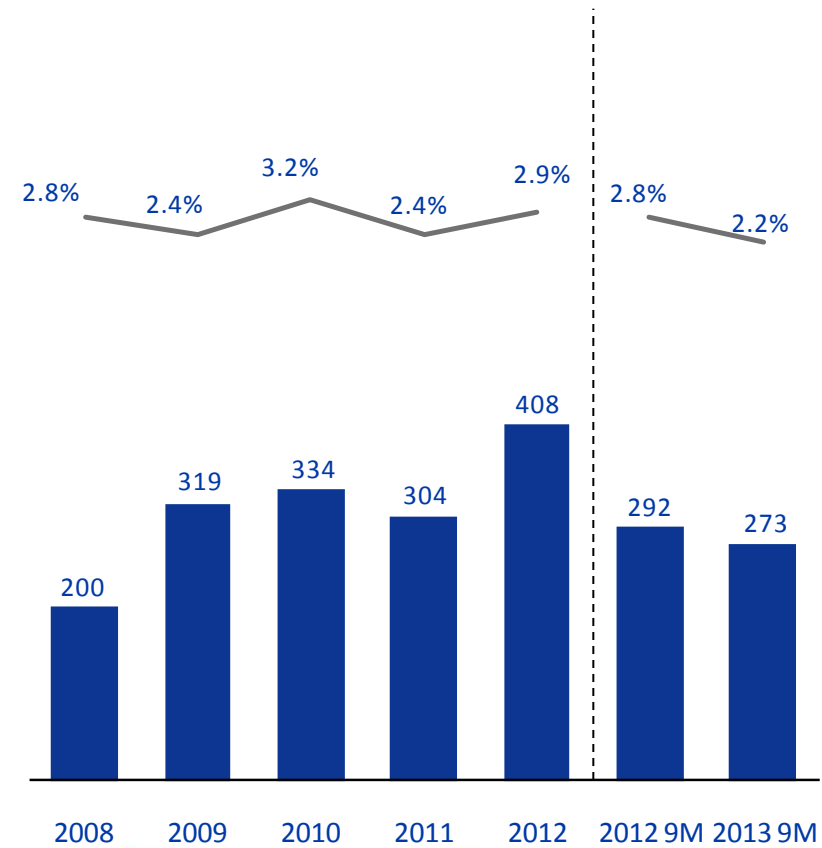
- PDL ratio
- Coverage ratio <sup>(1)</sup>



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

## Loan Provision Expense - Interbank

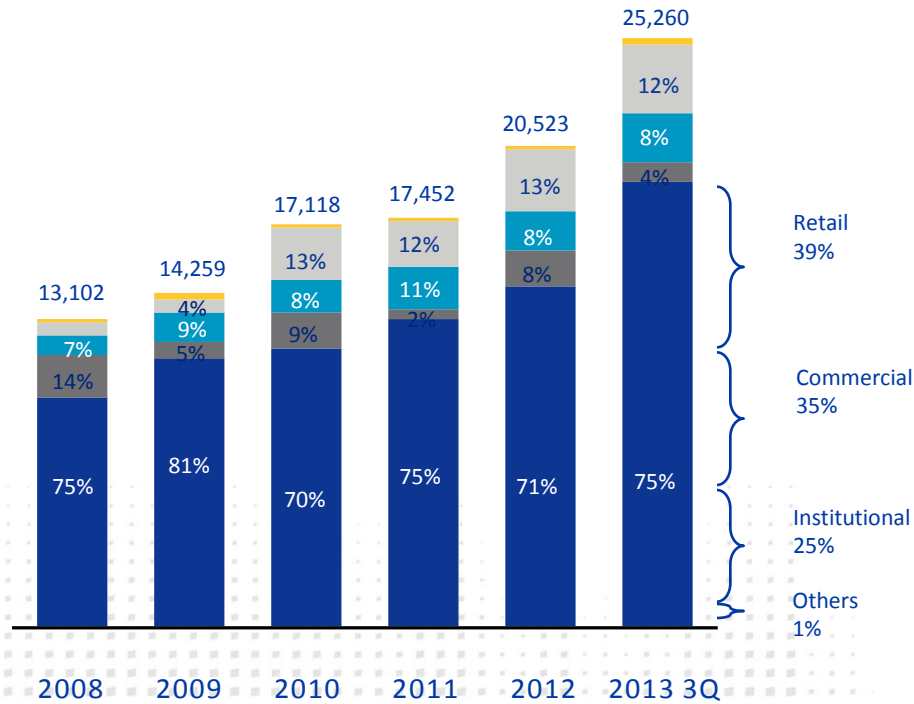
- Provision expense (\$/. million)
- Provisions / average loans



# Stable funding and responsible capital management

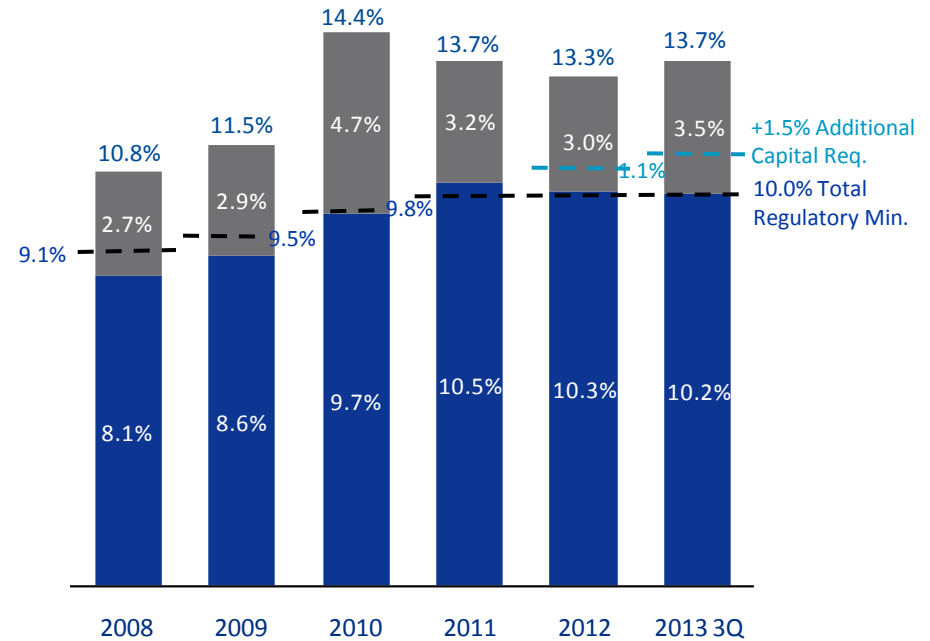
Funding mix – Interbank

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



BIS ratio - Interbank

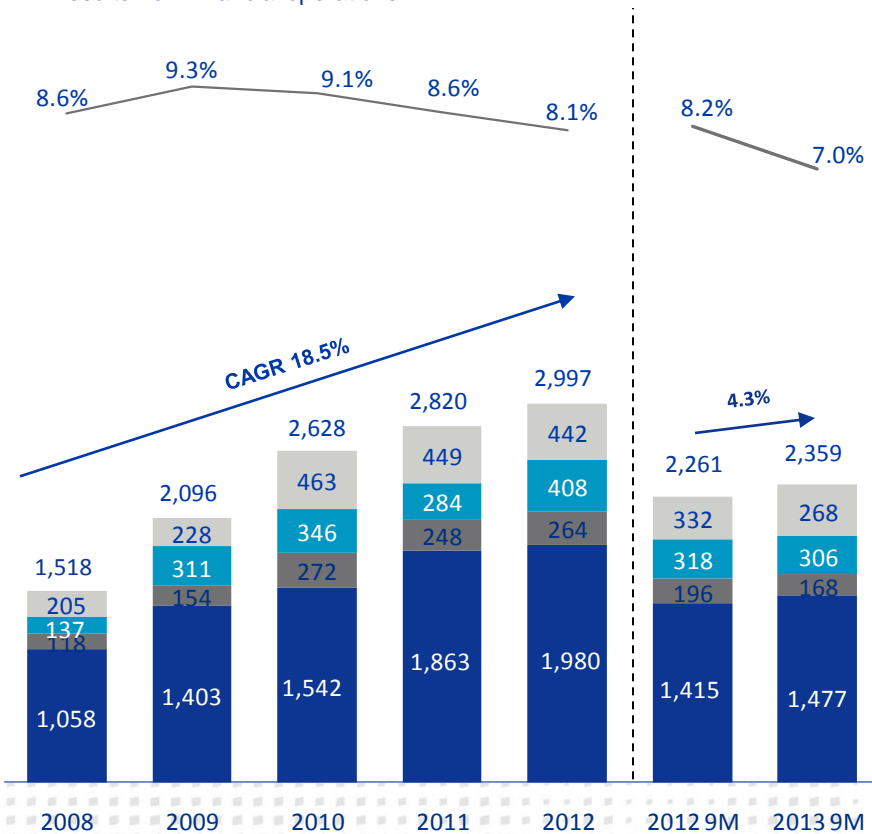
- Tier II
- Tier I



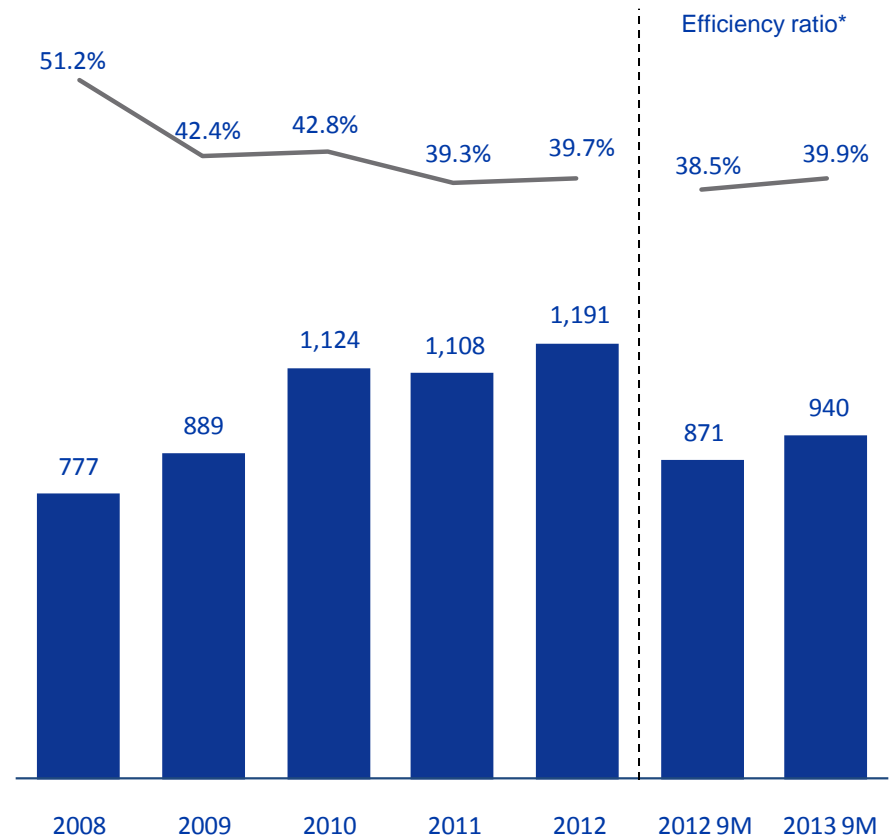
# Consistent and strong revenue growth with improvements in efficiency

Operating revenues - IFS (\$/. million)

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



Operating expenses - IFS (\$/. million)

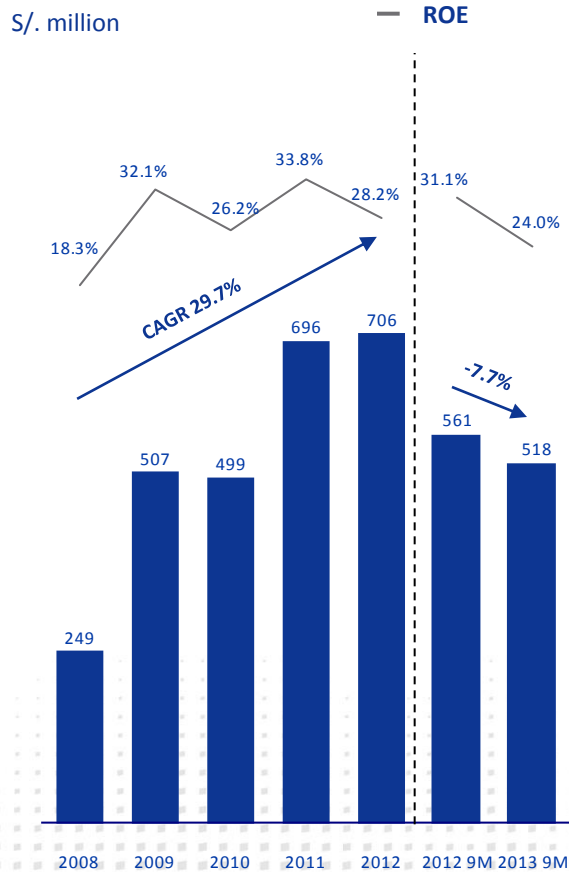


Note: Operating revenues = Gross financial margin + net fee income + net results from financial operations + total premiums

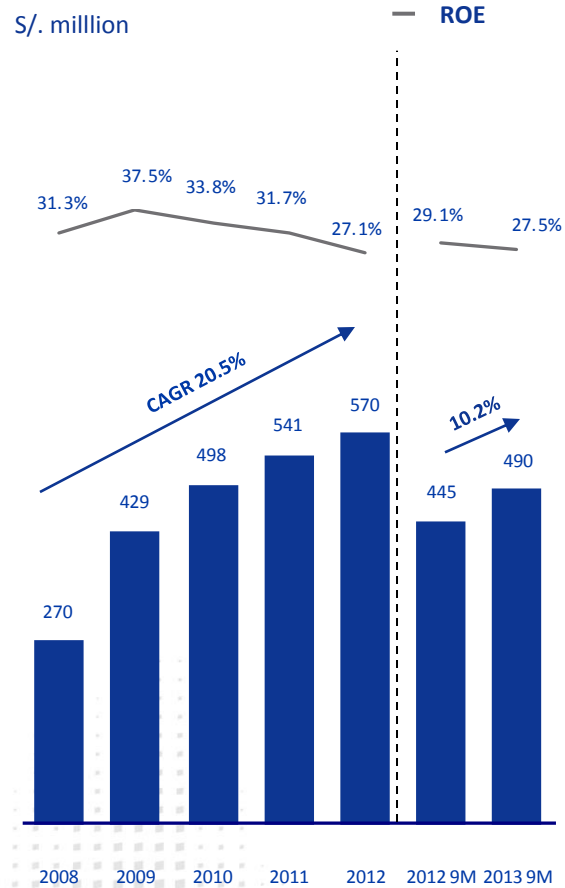
\*Operating expenses / Operating revenues

# Significant growth in net income

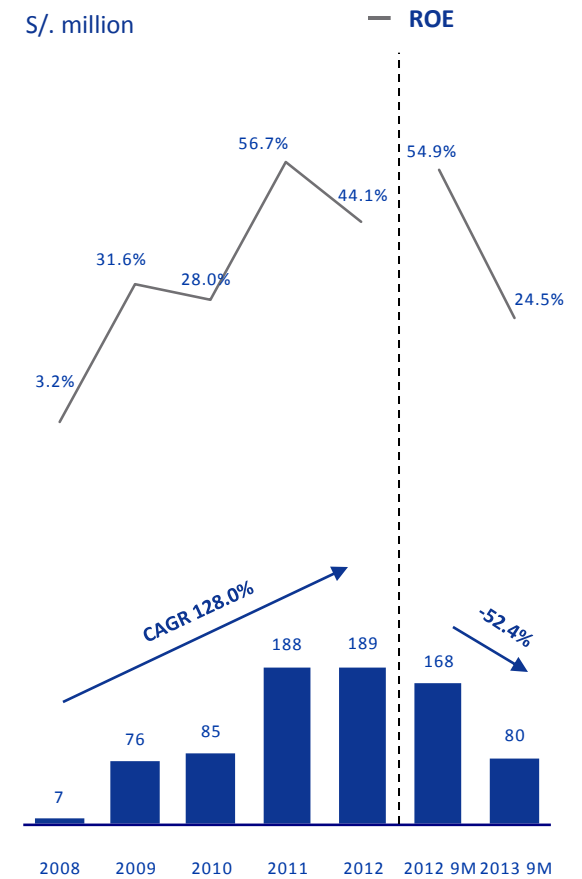
## Net income\* - IFS



## Net income - Interbank



## Net income - Interseguro



\*Attributable to IFS shareholders

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 **Intercorp** Financial Services