



## First Quarter 2010 Earnings Presentation

 **Intergroup**  
Financial Services

# Intergroup Financial Services

# Highlights

## Intergroup:

- Intergroup's net earnings were S/. 138.9 million in 1Q10, nearly double the earnings reported in 1Q09
- This significant increase was driven by growth in the gross financial margin at Interbank, increased investment returns and premium sales at Interseguro, and lower provisioning expenses

## Interbank:

- Interbank reported a 69.1% YoY increase in net earnings, and a 11.4% decline from a record-high 4Q09
- While total loans remained stable QoQ, retail loans increased 2.9% as demand for credit increased
- Net interest margin was 8.5% in 1Q10, significantly above the industry's average of 6.9% and 80 basis points above Interbank's 1Q09 NIM
- Asset quality remained strong, with a past-due loan ratio of 1.6%, and a reserve coverage ratio of 255.1%. Provision expenses decreased 11.8% QoQ and 14.1% YoY
- Capitalization strengthened as the BIS ratio rose from 11.5% in 4Q09 to 12.8% 1Q10. The placement of a US\$200mm Tier I bond in April 2010 will lead to a further increase in the BIS ratio

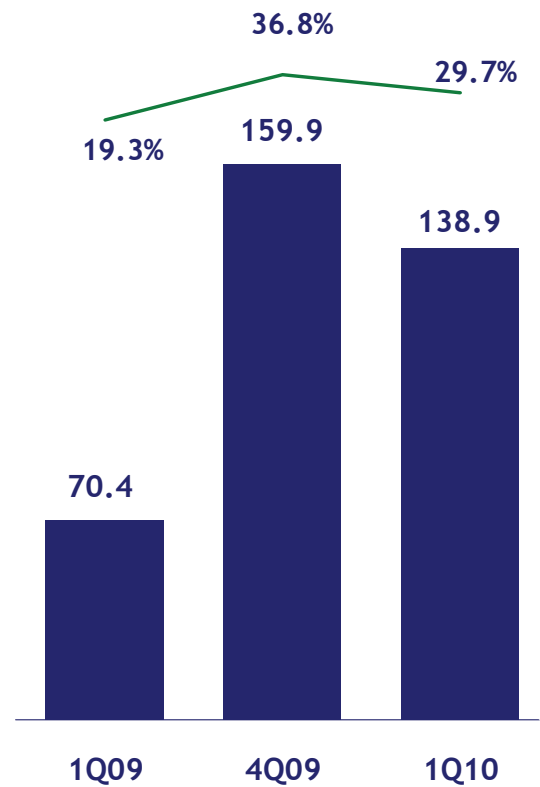
## Interseguro:

- Interseguro continued to post a strong performance, with a fivefold YoY increase in net earnings
- Premiums increased 20.1% QoQ and 10.3% YoY, driven by higher annuity sales

# Intergroup's net income\* nearly doubled YoY, driven by strong performance from both subsidiaries

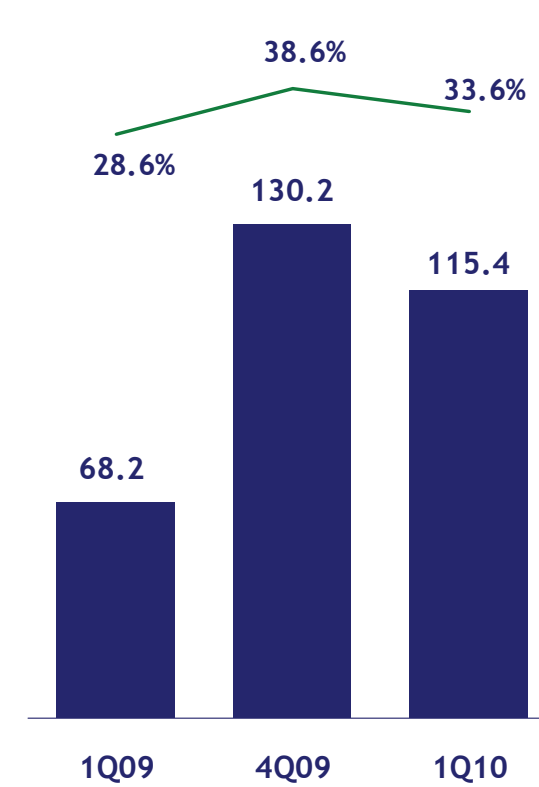
## Intergroup

S/. million ROE



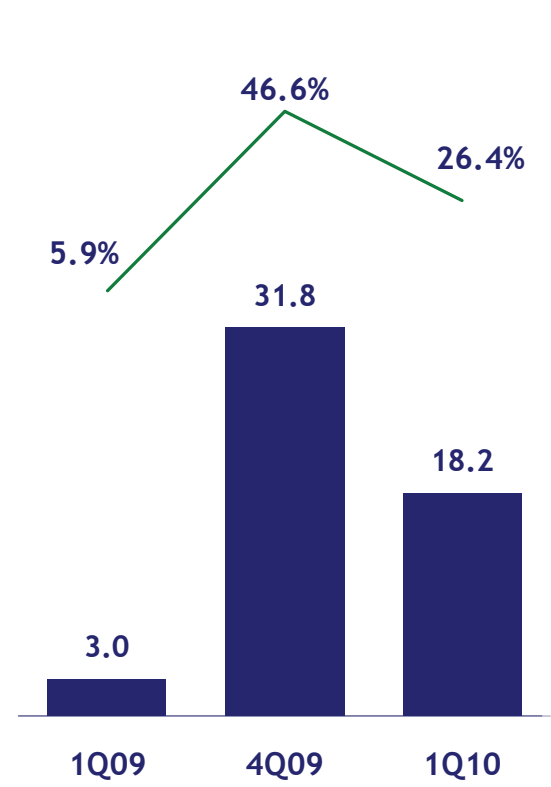
## Interbank

S/. million ROE



## Interseguro

S/. million ROE



\*Attributable to IFS shareholders

# Net Earnings

## Intergroup's Profit and Loss Statement Summary

S/. million	1Q09	4Q09	1Q10	%chg QoQ	%chg YoY
Financial income	470.5	504.9	504.5	-0.1%	7.2%
Financial expenses	-160.9	-90.0	-92.1	2.4%	-42.7%
<b>Gross financial margin</b>	<b>309.6</b>	<b>414.9</b>	<b>412.3</b>	<b>-0.6%</b>	<b>33.2%</b>
Provisions	-91.9	-89.4	-78.9	-11.8%	-14.1%
<b>Net financial margin</b>	<b>217.7</b>	<b>325.5</b>	<b>333.5</b>	<b>2.5%</b>	<b>53.1%</b>
Fee income from financial services, net	88.3	111.7	97.2	-13.0%	10.1%
Result from insurance underwriting, net	-7.5	-8.6	-4.9	-42.9%	-34.8%
Administrative expenses	-198.7	-232.9	-217.1	-6.8%	9.2%
<b>Net operating margin</b>	<b>99.7</b>	<b>195.6</b>	<b>208.7</b>	<b>6.7%</b>	<b>109.2%</b>
Depreciation and amortization	-17.2	-20.7	-25.4	22.7%	47.9%
Other income (expenses)	13.0	43.8	16.6	-62.1%	27.6%
<b>Income before tax and profit sharing</b>	<b>95.6</b>	<b>218.7</b>	<b>199.9</b>	<b>-8.6%</b>	<b>109.1%</b>
Income tax and profit sharing	-24.8	-57.4	-60.3	5.0%	143.3%
<b>Net income</b>	<b>70.8</b>	<b>161.3</b>	<b>139.6</b>	<b>-13.5%</b>	<b>97.1%</b>
<b>Attributable to IFS shareholders</b>	<b>70.4</b>	<b>159.9</b>	<b>138.9</b>	<b>-13.2%</b>	<b>97.4%</b>
<b>EPS</b>	<b>0.75</b>	<b>1.71</b>	<b>1.48</b>		
<b>ROE</b>	<b>19.3%</b>	<b>36.8%</b>	<b>29.7%</b>		

# Interbank

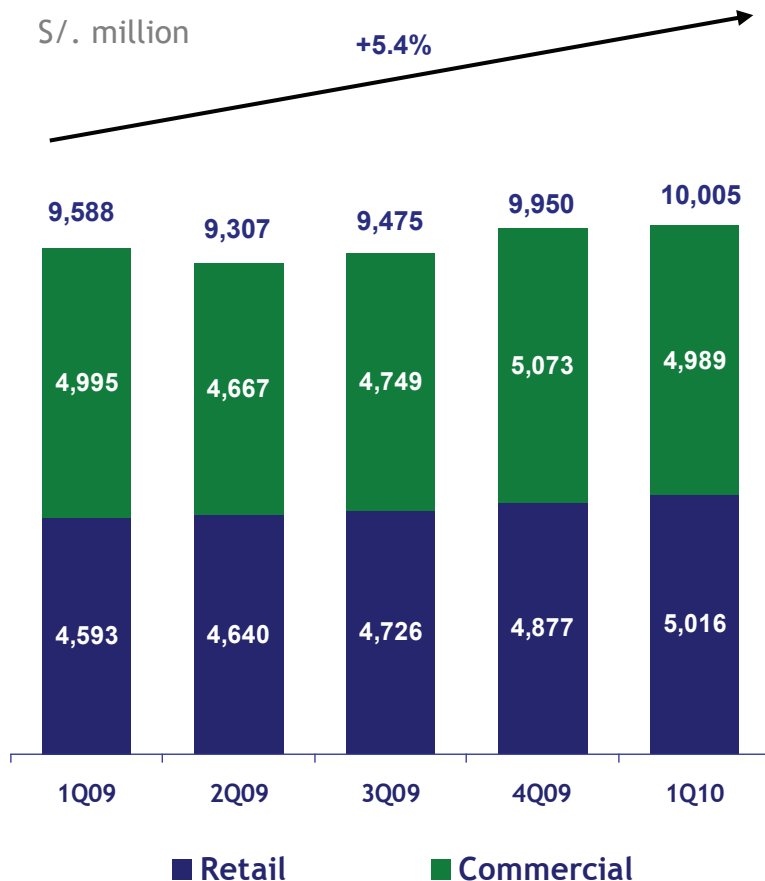
# Interbank's net income increased 69.1% YoY

## Profit and Loss Statement Summary

S/. million	1Q 09	4Q 09	1Q 10	% chg QoQ	% chg YoY
Financial income	447.0	441.6	455.6	3.2%	1.9%
Financial expenses	-149.4	-86.7	-89.0	2.7%	-40.4%
<b>Gross financial margin</b>	<b>297.6</b>	<b>354.9</b>	<b>366.5</b>	<b>3.3%</b>	<b>23.2%</b>
Provisions	-91.9	-89.4	-78.9	-11.8%	-14.1%
<b>Net financial margin</b>	<b>205.7</b>	<b>265.5</b>	<b>287.6</b>	<b>8.4%</b>	<b>39.8%</b>
Fee income from financial services, net	101.6	121.6	111.6	-8.2%	9.8%
Administrative expenses	-197.2	-226.7	-208.8	-7.9%	5.9%
<b>Net operating margin</b>	<b>110.2</b>	<b>160.3</b>	<b>190.4</b>	<b>18.7%</b>	<b>72.8%</b>
Depreciation and amortization	-16.3	-20.9	-23.1	10.8%	41.8%
Other income (expenses)	-1.8	46.1	6.7	-85.4%	n.m.
<b>Income before tax and profit sharing</b>	<b>92.0</b>	<b>185.5</b>	<b>174.0</b>	<b>-6.2%</b>	<b>89.0%</b>
Expenses tax and profit sharing	-23.8	-55.4	-58.6	5.9%	146.2%
<b>Net income</b>	<b>68.2</b>	<b>130.2</b>	<b>115.4</b>	<b>-11.4%</b>	<b>69.1%</b>
<b>ROE</b>	<b>28.6%</b>	<b>38.6%</b>	<b>33.6%</b>		

# Interbank's market share in retail loans continues to increase

## Performing loans



## Breakdown of loans

S/. million	1Q 09	4Q 09	1Q 10	% chg QoQ	% chg YoY
<b>Consumer loans:</b>					
Credit cards	1,476	1,459	1,495	2.5%	1.3%
Other consumer	1,894	2,087	2,132	2.2%	12.6%
<b>Total consumer loans</b>	<b>3,371</b>	<b>3,546</b>	<b>3,628</b>	<b>2.3%</b>	<b>7.6%</b>
Mortgages	1,222	1,331	1,389	4.3%	13.6%
<b>Total retail loans</b>	<b>4,593</b>	<b>4,877</b>	<b>5,016</b>	<b>2.9%</b>	<b>9.2%</b>
<b>Total commercial</b>	<b>4,995</b>	<b>5,073</b>	<b>4,989</b>	<b>-1.7%</b>	<b>-0.1%</b>
<b>Total loans</b>	<b>9,588</b>	<b>9,950</b>	<b>10,005</b>	<b>0.6%</b>	<b>4.3%</b>

## Market share in loans

S/. million	1Q 09	4Q 09	1Q 10	% chg QoQ	% chg YoY
<b>Consumer loans:</b>					
Credit cards	21.2%	20.4%	20.9%	0.6%	-0.3%
Other consumer	20.7%	21.7%	22.4%	0.7%	1.7%
<b>Total consumer loans</b>	<b>21.1%</b>	<b>21.2%</b>	<b>21.7%</b>	<b>0.5%</b>	<b>0.6%</b>
Mortgages	10.4%	10.7%	10.8%	0.1%	0.4%
<b>Total retail loans</b>	<b>16.6%</b>	<b>16.7%</b>	<b>17.5%</b>	<b>0.8%</b>	<b>1.0%</b>
<b>Total commercial</b>	<b>8.0%</b>	<b>8.1%</b>	<b>8.0%</b>	<b>-0.1%</b>	<b>0.0%</b>
<b>Total loans</b>	<b>10.7%</b>	<b>10.9%</b>	<b>11.0%</b>	<b>0.1%</b>	<b>0.3%</b>



# Deposits remain stable

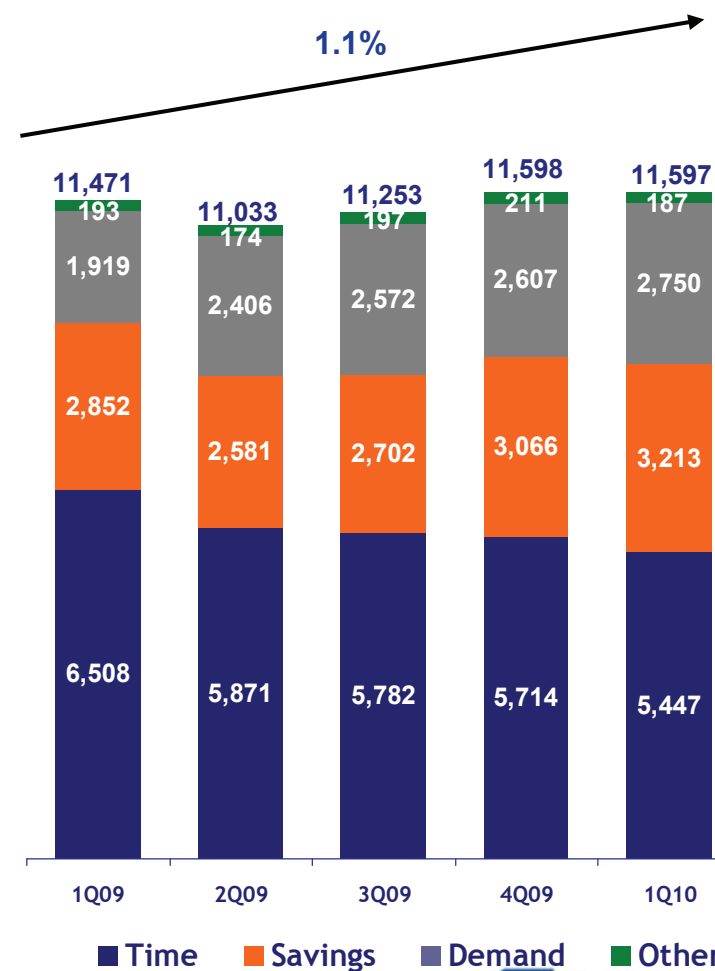
## Funding Structure

S/. million	1Q 09	4Q 09	1Q 10	% chg QoQ	% chg YoY
Deposits and obligations	11,471	11,598	11,597	0.0%	1.1%
Due to banks	1,869	1,960	2,185	11.5%	16.9%
Bonds and obligations	482	506	500	-1.2%	3.7%
Interbank funds	21	240	36	-85.2%	65.4%
<b>Total</b>	<b>13,844</b>	<b>14,305</b>	<b>14,318</b>	<b>0.1%</b>	<b>3.4%</b>
AUM (Interfondos)	1,281	2,332	2,475	6.1%	93.2%

## Market Share in Deposits

S/. million	1Q 09	4Q 09	1Q 10	% chg QoQ	% chg YoY
Retail Deposits	12.1%	12.1%	12.0%	-0.1%	-0.1%
Commercial Deposits	10.2%	10.5%	10.8%	0.3%	0.6%
<b>Total deposits</b>	<b>10.9%</b>	<b>11.1%</b>	<b>11.3%</b>	<b>0.2%</b>	<b>0.4%</b>

## Deposit Breakdown



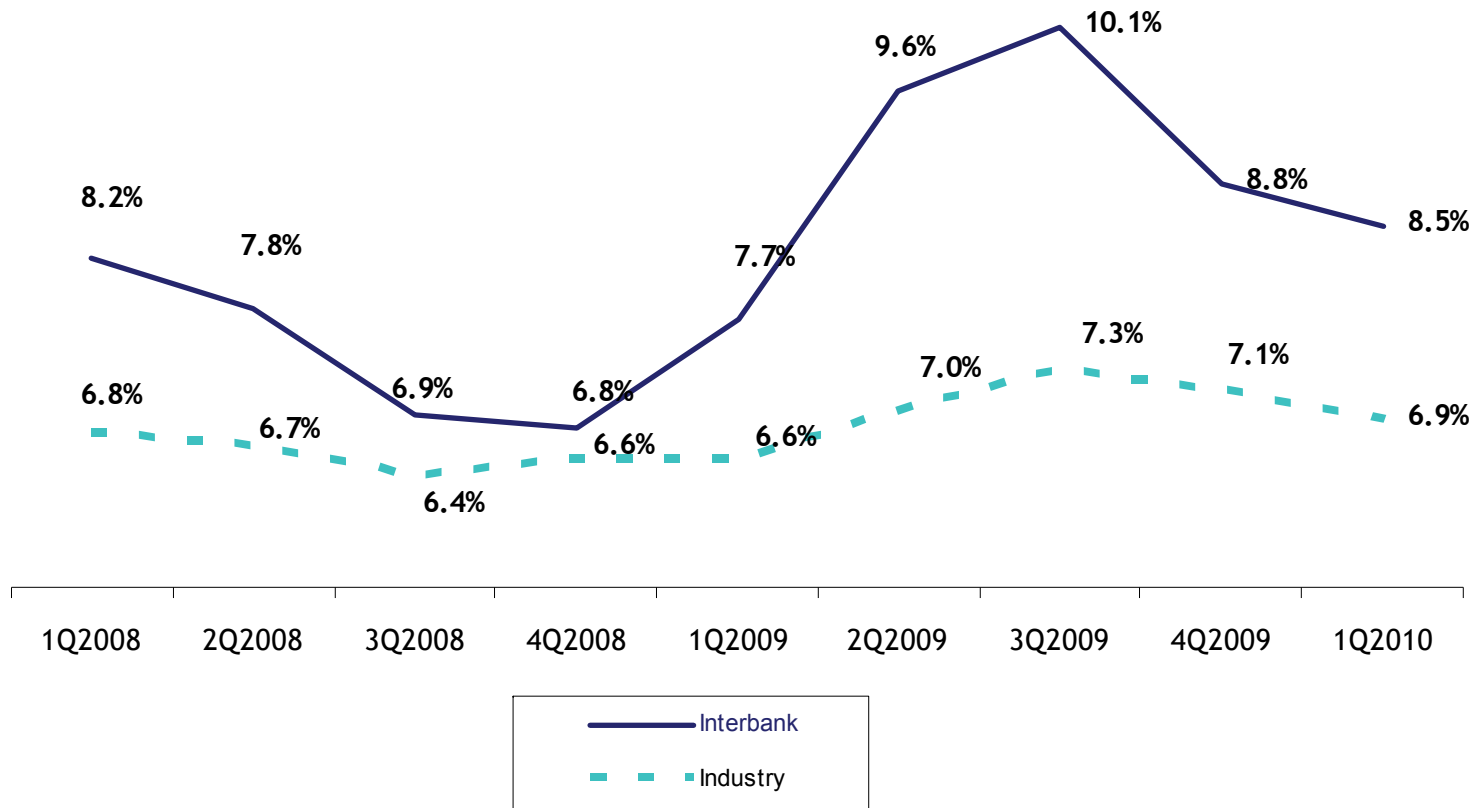
# Gross financial margin increased 3.3% QoQ and 23.2% YoY

## Interbank Net Financial Margin

S/. million	1Q 09	4Q 09	1Q 10	% chg QoQ	% chg YoY
<b>Financial income:</b>					
Loans	357.5	378.9	374.7	-1.1%	4.8%
Investments	34.0	30.5	34.5	13.1%	1.6%
Interest on due from banks and interbanks funds	3.8	0.9	0.8	-4.0%	-78.2%
Exchange and derivatives gains	50.8	31.1	42.5	36.6%	-16.3%
Other	0.9	0.2	3.0	n.m.	n.m.
<b>Total financial income</b>	<b>447.0</b>	<b>441.6</b>	<b>455.6</b>	<b>3.2%</b>	<b>1.9%</b>
<b>Financial expenses:</b>					
Deposits	92.2	44.1	35.0	-20.7%	-62.1%
Others	57.2	42.6	54.1	27.0%	-5.5%
<b>Total financial expenses</b>	<b>149.4</b>	<b>86.7</b>	<b>89.0</b>	<b>2.7%</b>	<b>-40.4%</b>
<b>Gross Financial Margin</b>	<b>297.6</b>	<b>354.9</b>	<b>366.5</b>	<b>3.3%</b>	<b>23.2%</b>

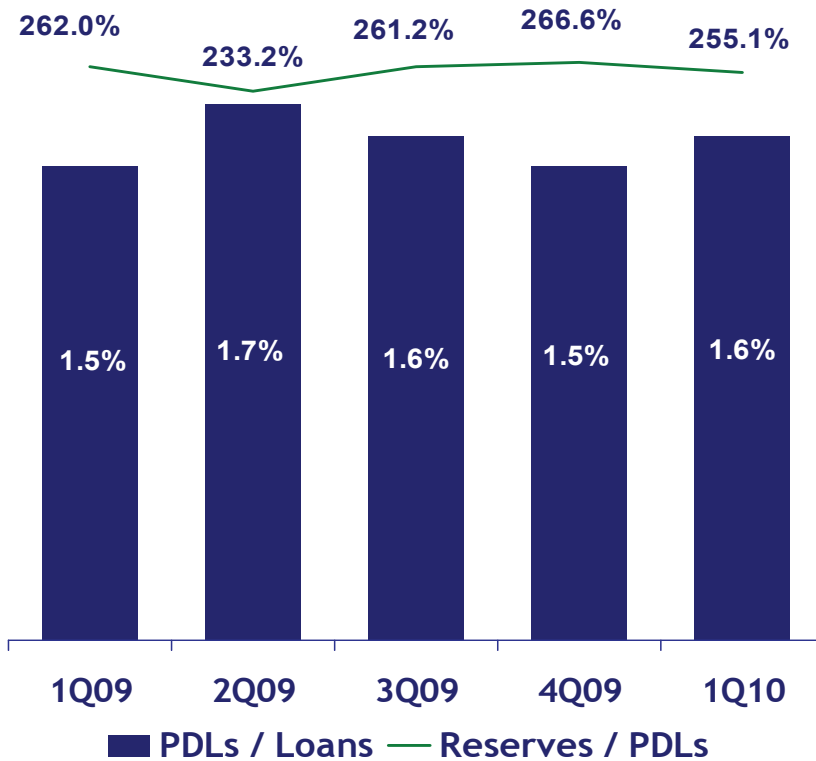
# NIM remains significantly above the industry's average

## Net Interest Margin (%)



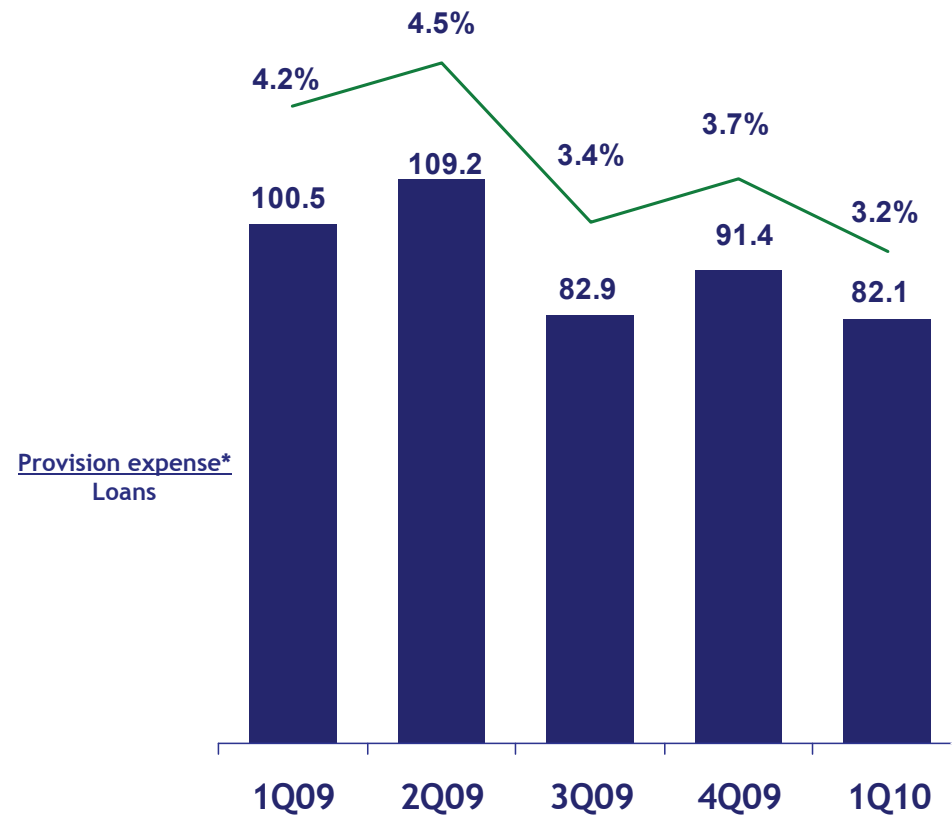
# Asset quality remained strong, leading to a decline in provision expenses

## PDL & Coverage Ratios



## Loan Provision Expense

S/. million



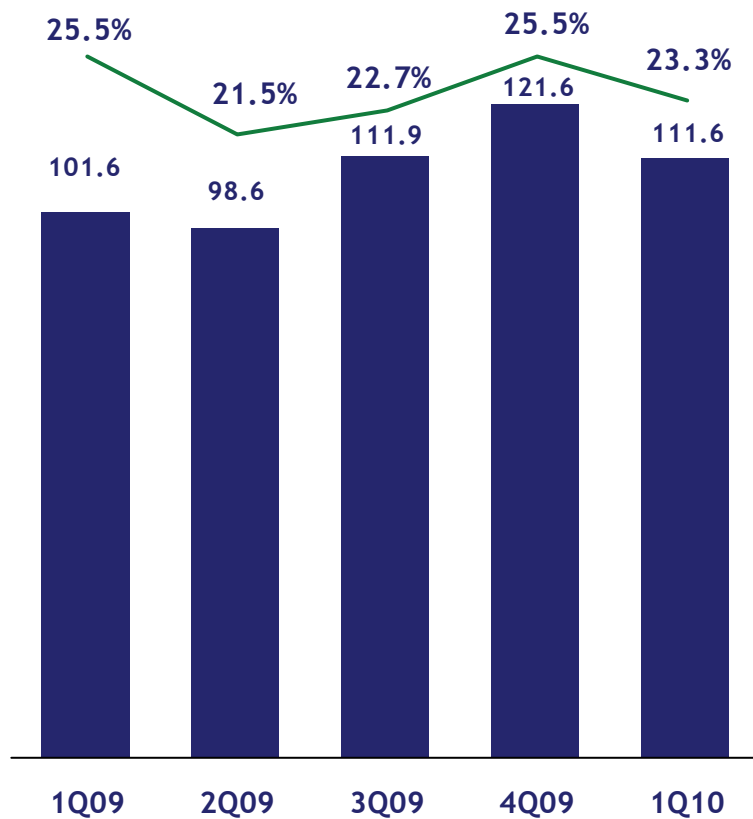
\*Annualized

# Expense growth was moderate, and the efficiency ratio remained below 50%

## Fee income

S/. million

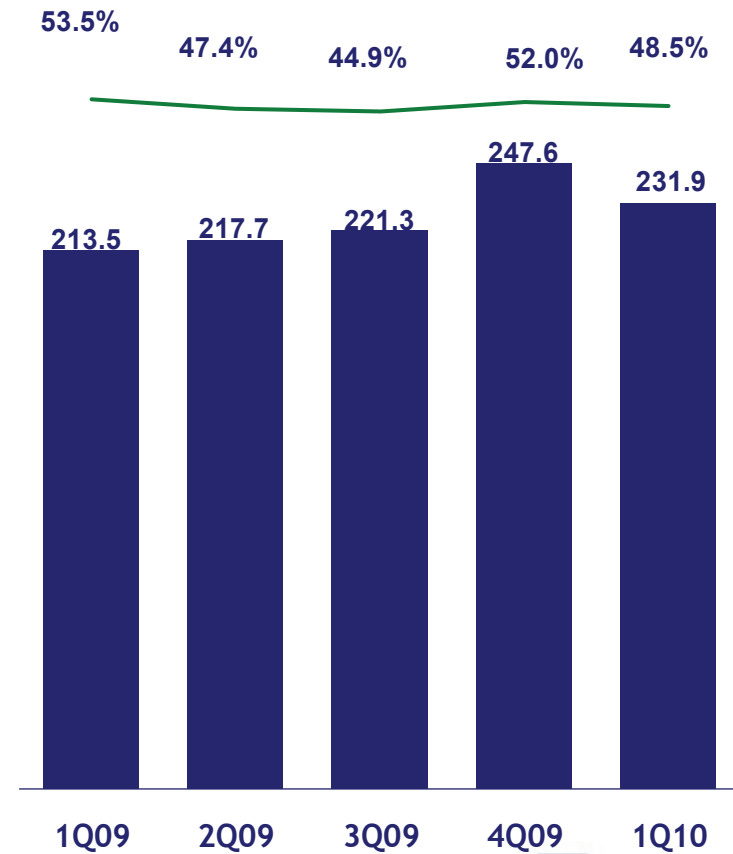
- Fee income
- Fee income / operating revenues



## Operating expenses

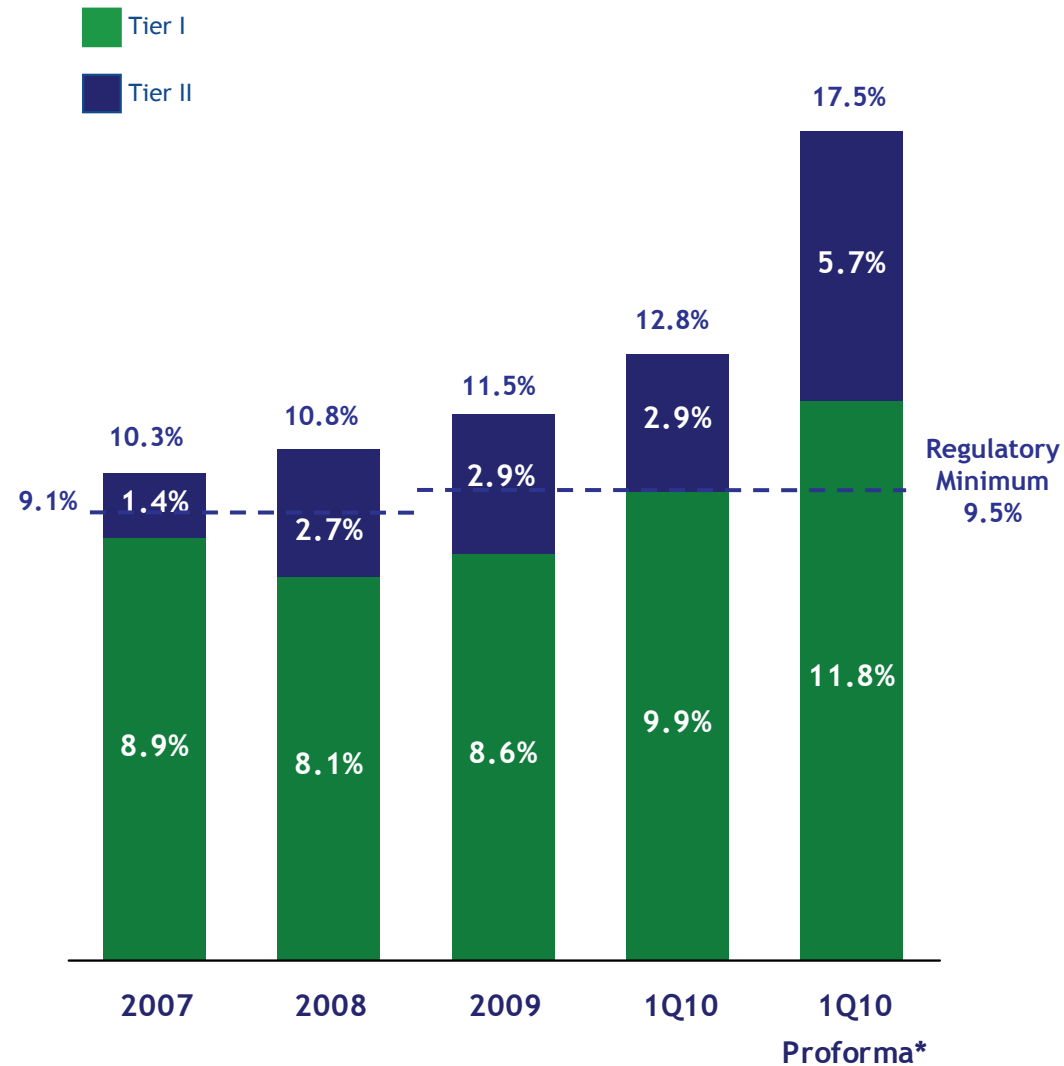
S/. million

Efficiency ratio\*



\*Cost / Income

# Interbank's capitalization has been significantly strengthened



\*Adjusted for a Junior Subordinated bond issue of S/. 568.2 million closed on 16 April, 2010, of which S/. 224.9 million would be considered as Tier 1

# Interseguro

# Interseguro reported a fivefold YoY increase in net income

## Profit and Loss Statement Summary

S/. million	1Q09	4Q09	1Q10	%chg QoQ	%chg YoY
Premiums	58.0	53.2	64.0	20.1%	10.3%
Premiums ceded	-1.9	-2.0	-2.5	24.5%	33.3%
Fees	-2.3	-2.2	-2.4	7.5%	3.8%
Claims	-29.1	-29.7	-29.7	0.0%	2.4%
Change in reserves	-33.3	-29.0	-35.3	21.7%	5.9%
Diverse Income, net	-0.9	-0.7	-0.9	37.1%	1.4%
<b>Technical margin</b>	<b>-9.5</b>	<b>-10.3</b>	<b>-6.8</b>	<b>-33.8%</b>	<b>-27.6%</b>
Administrative expenses	-7.6	-11.0	-10.8	-1.5%	42.9%
Investment income, net*	20.0	53.1	35.9	-32.5%	79.2%
<b>Net income</b>	<b>3.0</b>	<b>31.8</b>	<b>18.2</b>	<b>-42.8%</b>	<b>509.9%</b>
<b>ROE</b>	<b>5.9%</b>	<b>46.6%</b>	<b>26.4%</b>		

\*Includes exchange gains



## Premiums increased 20.1% QoQ and 10.3% YoY, mainly due to higher annuity sales

### Premiums by Business Line

S/. million	1Q09	4Q09	1Q10	%chg QoQ	%chg YoY
Individual Life	6.1	5.5	5.8	5.8%	-4.3%
Annuities	34.3	31.0	38.5	24.2%	12.2%
Group Life	10.8	10.1	11.8	16.6%	8.8%
Disability and survivor benefits	0.2	0.1	0.1	20.3%	-34.6%
Mandatory traffic accident	4.9	5.1	6.0	17.4%	21.6%
Non Life Insurance	1.6	1.4	1.7	20.7%	6.6%
<b>Total</b>	<b>58.0</b>	<b>53.2</b>	<b>64.0</b>	<b>20.1%</b>	<b>10.3%</b>

# Excluding non-recurring gains, investment income remains strong

Investment Portfolio					
S/. million	1Q09	4Q09	1Q10	%chg QoQ	%chg YoY
Fixed Income	1,257.8	1,248.6	1,260.4	0.9%	0.2%
Equity and mutual funds	173.3	154.3	154.6	0.2%	-10.8%
Real estate	388.6	461.1	488.6	6.0%	25.7%
Others	5.1	5.5	12.4	124.7%	142.3%
<b>Total</b>	<b>1,824.9</b>	<b>1,869.6</b>	<b>1,916.0</b>	<b>2.5%</b>	<b>5.0%</b>

Investment Income, Net					
S/. million	1Q09	4Q09	1Q10	%chg QoQ	%chg YoY
<b>Income:</b>					
Interest	19.5	19.6	19.7	0.1%	1.0%
Valuation Gains	4.7	27.4	6.9	-74.7%	47.0%
Fixed Income	24.2	47.0	26.6	-43.5%	10.0%
Equity and Mutual Funds	0.1	3.8	1.3	-65.2%	1747.1%
Real estate	5.0	0.8	7.9	846.8%	55.7%
Total income	29.3	51.6	35.8	-30.7%	22.0%
Expenses	-1.3	-1.3	-0.9	-33.4%	-36.2%
Exchange gains	-7.9	2.7	0.9	-65.8%	n.m.
<b>Net income</b>	<b>20.0</b>	<b>53.1</b>	<b>35.9</b>	<b>-32.4%</b>	<b>79.2%</b>



**Intergroup**

Financial Services