

First Quarter 2014 Earnings Presentation

Intercorp Financial Services

Highlights

Intercorp Financial Services:

- IFS net earnings were S/. 153.0 million in 1Q14, a decrease of 32.5% QoQ and 24.8% YoY
- Excluding non-recurring items in both 4Q13 and 1Q13, IFS recurring net earnings increased 4.4% QoQ and 13.1% YoY
- The QoQ recurring increase was driven by 4.9% higher gross financial margin and 10.0% lower administrative expenses
- YoY recurring net earnings growth was mainly due to a 21.9% increase in gross financial margin, partially offset by 9.9% higher administrative expenses
- IFS recurring ROE was 21.9% in 1Q14, above the 20.3% in 4Q13 and the 21.2% in 1Q13

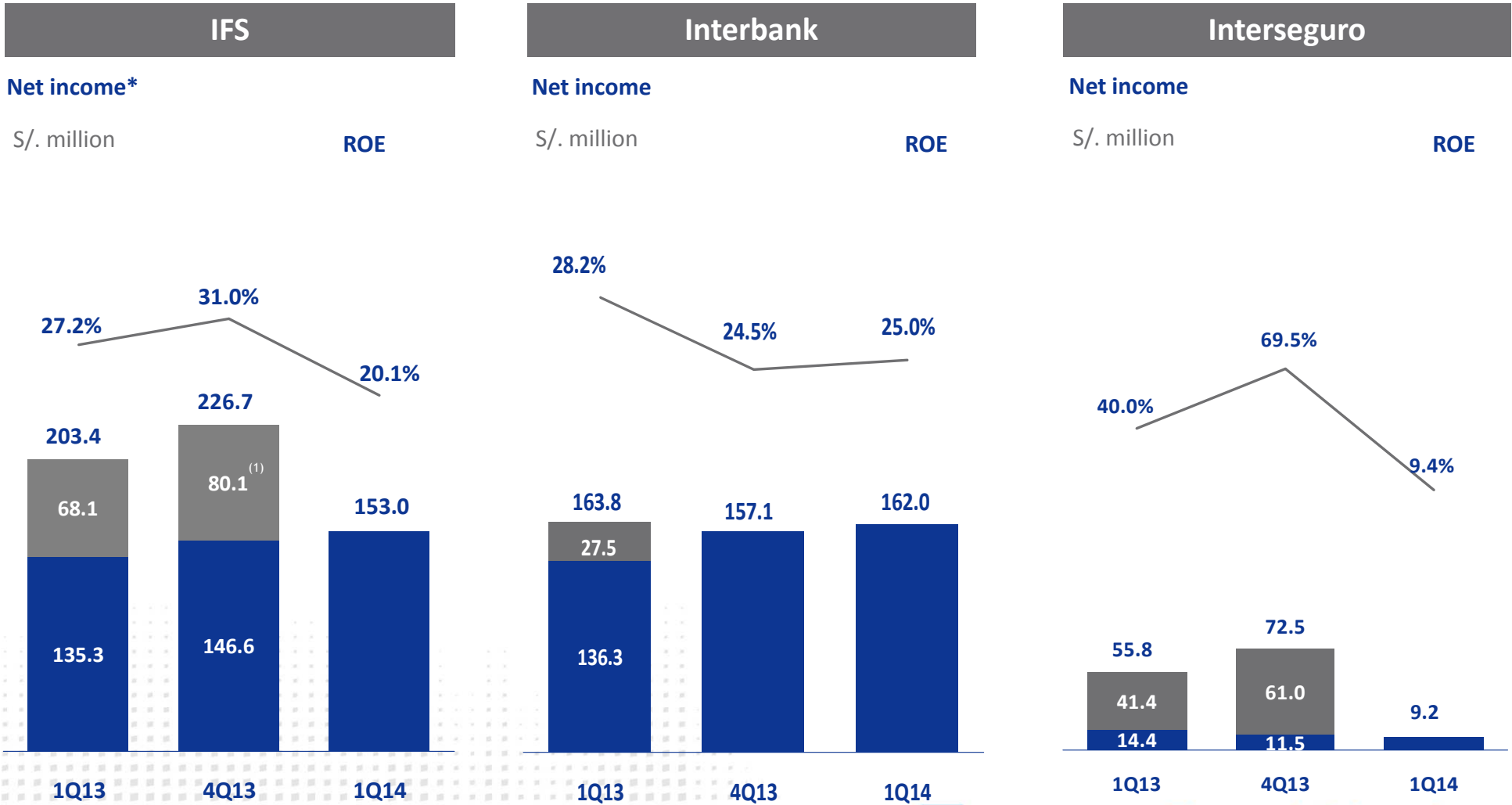
Interbank:

- Interbank's net earnings were S/. 162.0 million in 1Q14, a 3.1% increase QoQ
- The QoQ growth was driven by a 4.2% rise in gross financial margin and a 9.5% decline in administrative expenses
- Net earnings decreased 1.1% YoY, due to non-recurring investment income in 1Q13 which was not repeated in 1Q14
- Excluding non-recurring factors, earnings would have increased 18.8% YoY, as gross financial margin increased 21.2% while provision expenses remained relatively stable
- The loan portfolio expanded 3.1% QoQ and 27.2% YoY, driven by growth in credit cards, mortgages and commercial loans
- The ratio of past due loans to total loans increased from 1.8% in 4Q13 to 1.9% in 1Q14, in line with an expected seasoning of the loan portfolio
- The BIS ratio stood at 16.8% in 1Q14, well above regulatory requirements

Interseguro:

- Interseguro's net earnings were S/. 9.2 million in 1Q14, a decrease of 87.3% QoQ and 83.5% YoY
- Earnings declined QoQ and YoY due to lower investment income, as both 4Q13 and 1Q13 results included non-recurring gains in this respect
- Annuity sales increased 13.9% QoQ and 12.4% YoY supported by market expansion and gains in market share

IFS 1Q14 recurring net earnings increased 4.4% QoQ and 13.1% YoY



*Attributable to IFS shareholders

(1) Includes a S/. 19.1 million restatement due to a post-audit adjustment

IFS net earnings were S/. 153.0 million in 1Q14

Intercorp Financial Services' Statement of Comprehensive Income					
S/. million	1Q13	4Q13	1Q14	%chg QoQ	%chg YoY
Financial income	585.9	675.9	711.4	5.2%	21.4%
Financial expenses	-138.9	-156.4	-166.3	6.3%	19.7%
Gross financial margin	447.0	519.5	545.1	4.9%	21.9%
Provisions	-94.6	-94.7	-95.3	0.7%	0.7%
Net financial margin	352.4	424.9	449.8	5.9%	27.6%
Fee income from financial services, net	57.3	55.6	49.6	-10.9%	-13.4%
Result from insurance underwriting, net	-21.4	-3.8	-17.8	362.8%	-17.0%
Result from financial operations	159.5	163.6	77.8	-52.5%	-51.2%
Administrative expenses	-269.9	-329.8	-296.7	-10.0%	9.9%
Operating margin	277.8	310.4	262.7	-15.4%	-5.5%
Depreciation and amortization	-26.5	-27.3	-27.4	0.1%	3.1%
Other income (expenses)	9.9	4.7	-19.9	n.m.	n.m.
Income before tax	261.2	287.8	215.5	-25.1%	-17.5%
Income tax	-56.6	-60.1	-61.3	2.0%	8.3%
Net income	204.6	227.7	154.2	-32.3%	-24.7%
Attributable to IFS shareholders	203.4	226.7	153.0	-32.5%	-24.8%
EPS	2.17	2.42	1.64		
ROE	27.2%	31.0%	20.1%		
Recurring ROE	21.2%	20.3%	21.9%		

Interbank

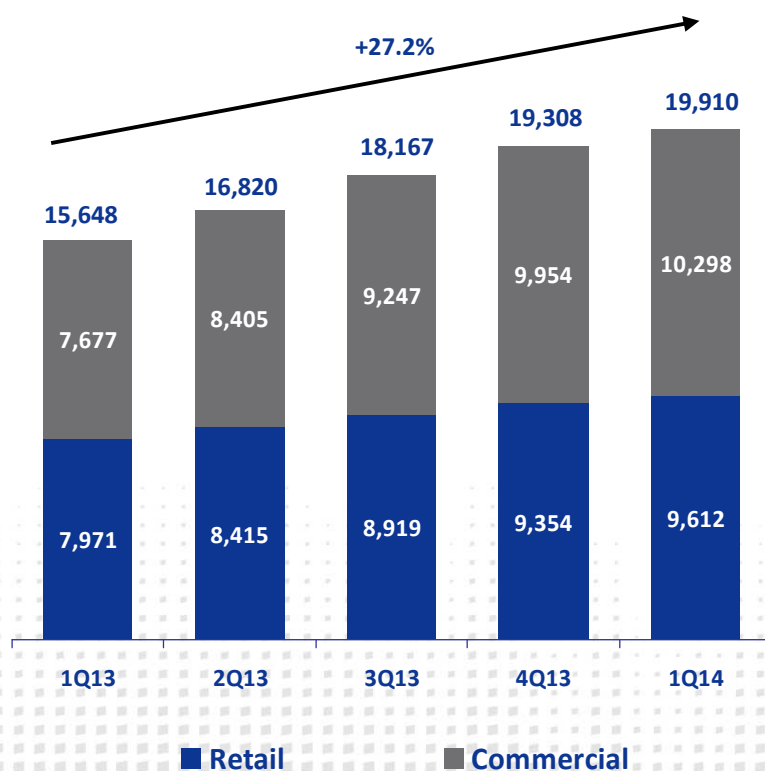
Interbank's net income was S/. 162.0 million in 1Q14

Interbank's Statement of Comprehensive Income					
S/. million	1Q13	4Q13	1Q14	% chg QoQ	% chg YoY
Financial income	552.5	637.2	666.7	4.6%	20.7%
Financial expenses	-138.7	-156.0	-165.3	6.0%	19.2%
Gross financial margin	413.8	481.3	501.4	4.2%	21.2%
Provisions	-94.6	-94.7	-95.3	0.7%	0.7%
Net financial margin	319.2	386.6	406.1	5.0%	27.2%
Fee income from financial services, net	61.1	66.0	58.4	-11.7%	-4.6%
Result from financial operations, net	98.4	71.6	74.0	3.3%	-24.8%
Administrative expenses	-245.0	-295.7	-267.6	-9.5%	9.2%
Operating margin	233.7	228.6	270.9	18.5%	15.9%
Depreciation and amortization	-25.8	-26.6	-26.6	-0.2%	3.1%
Other income (expenses)	8.2	12.9	-23.3	n.m.	n.m.
Income before taxes	216.1	214.8	221.0	2.9%	2.2%
Income tax	-52.3	-57.7	-59.0	2.3%	12.7%
Net income	163.8	157.1	162.0	3.1%	-1.1%
ROE	28.2%	24.5%	25.0%	50 bps	-320 bps

Loan growth remained strong at 27.2% YoY

Performing loans

S/. million



Breakdown of loans

S/. million

	1Q13	4Q13	1Q14	% chg QoQ	% chg YoY
Consumer loans:					
Credit cards	2,017	2,543	2,637	3.7%	30.8%
Other consumer	2,833	3,125	3,198	2.3%	12.9%
Total consumer loans	4,850	5,668	5,836	3.0%	20.3%
Mortgages	3,120	3,687	3,776	2.4%	21.0%
Total retail loans	7,971	9,354	9,612	2.8%	20.6%
Total commercial	7,677	9,954	10,298	3.5%	34.1%
Total loans	15,648	19,308	19,910	3.1%	27.2%

Market share in loans

	1Q13	4Q13	1Q14	bps QoQ	bps YoY
Consumer loans:					
Credit cards	17.9%	20.4%	21.2%	80	330
Other consumer	18.7%	18.5%	18.5%	0	-20
Total consumer loans	19.2%	20.1%	20.4%	30	120
Mortgages	12.8%	13.1%	13.0%	-10	20
Total retail loans	16.1%	16.6%	16.7%	10	60
Total commercial	8.4%	9.2%	9.3%	10	90
Total loans	11.1%	11.7%	11.8%	10	70

Interbank's deposits grew 4.5% QoQ and 31.9% YoY

Funding Structure

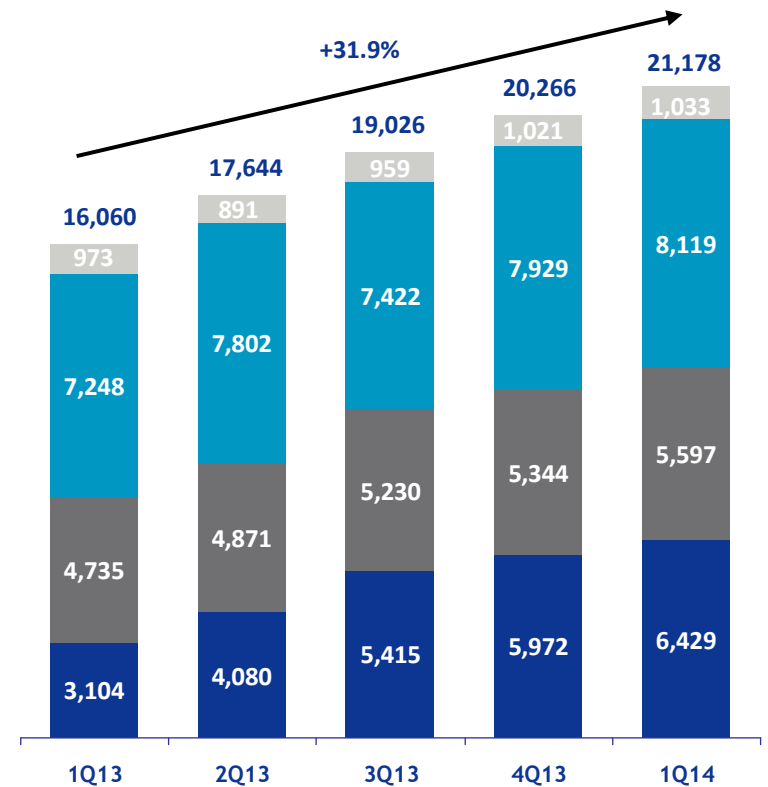
S/. million	1Q13	4Q13	1Q14	% chg QoQ	% chg YoY
Deposits	16,060	20,266	21,178	4.5%	31.9%
Due to banks	3,406	2,881	2,767	-3.9%	-18.8%
Bonds	2,809	3,072	3,950	28.6%	40.6%
Inter-bank funds	50	100	0	n.m.	n.m.
Total	22,325	26,318	27,895	6.0%	24.9%
AUM (Interfondos)	2,838	2,443	2,381	-2.5%	-16.1%

Market Share in Deposits

	1Q13	4Q13	1Q14	bps QoQ	bps YoY
Retail Deposits	11.4%	11.9%	11.9%	0	50
Commercial Deposits ⁽¹⁾	8.2%	12.1%	12.0%	-10	380

⁽¹⁾ Includes demand and savings deposits

Deposit Breakdown



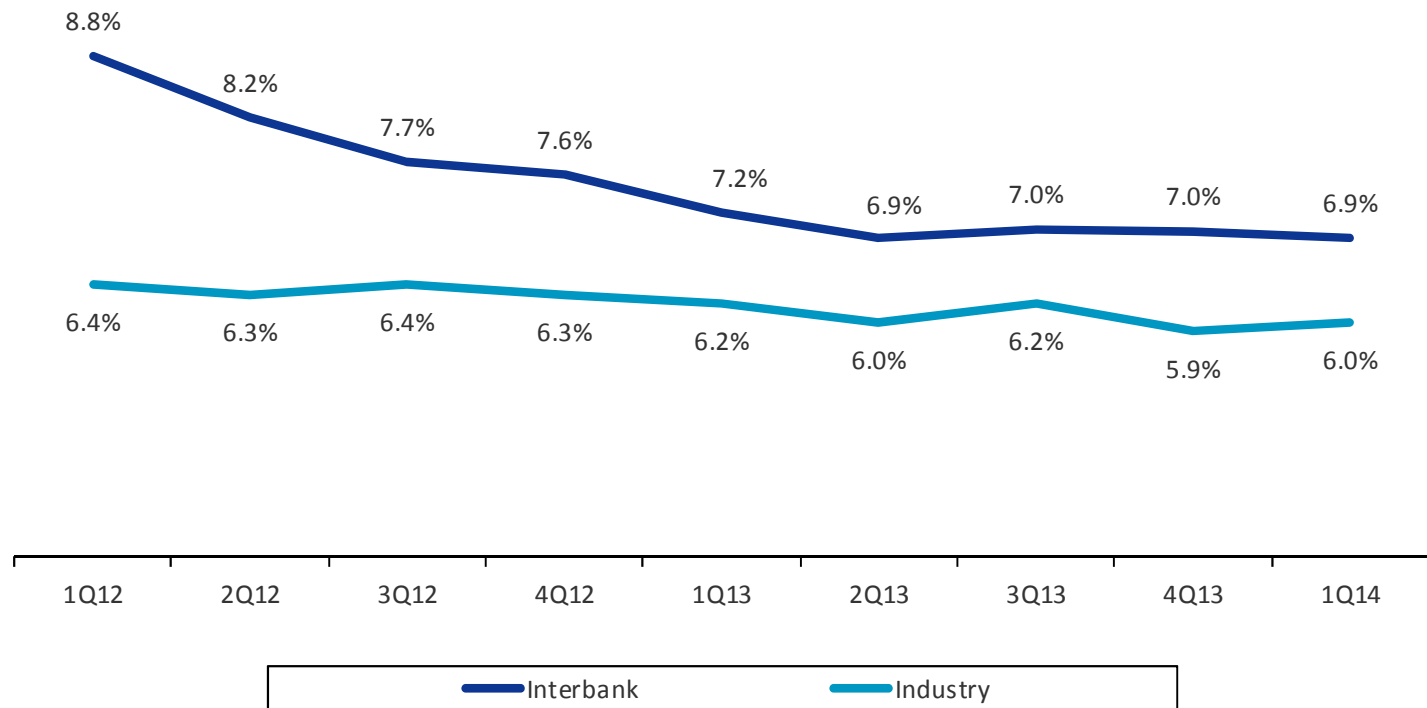
■ Demand ■ Savings ■ Time ■ Others
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Gross financial margin increased 4.2% QoQ and 21.2% YoY

Interbank's Gross Financial Margin					
S/. million	1Q13	4Q13	1Q14	% chg QoQ	% chg YoY
Financial income:					
Interest on loans	459.6	552.7	570.7	3.3%	24.2%
Fees on loans	61.1	64.6	74.0	14.6%	21.2%
Investment income	10.9	14.9	18.1	21.0%	66.4%
Interest on cash and inter-bank funds	19.6	4.6	3.7	-19.8%	-81.4%
Other	1.3	0.5	0.2	-65.3%	-87.0%
Total financial income	552.5	637.2	666.7	4.6%	20.7%
Financial expenses:					
Interest and fees on deposits	58.3	69.0	75.2	8.9%	28.9%
Interest on due to banks and inter-bank funds	33.2	38.8	37.5	-3.1%	13.2%
Interest on bonds	45.6	46.5	51.0	9.8%	11.9%
Other	1.6	1.7	1.5	-11.7%	-4.8%
Financial expenses	138.7	156.0	165.3	6.0%	19.2%
Gross financial margin	413.8	481.3	501.4	4.2%	21.2%

NIM remains above the industry's average

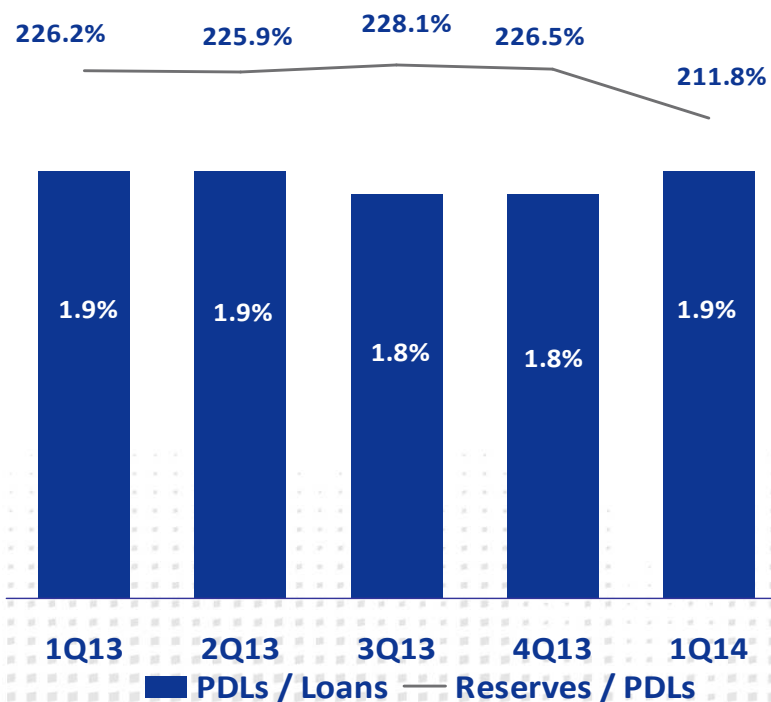
Net Interest Margin (%) *



* Gross financial margin / Average interest-earning assets. The gross financial margin includes fees on loans.

PDLs increased 10 bps to 1.9%, yet provision expenses grew only 0.7% QoQ

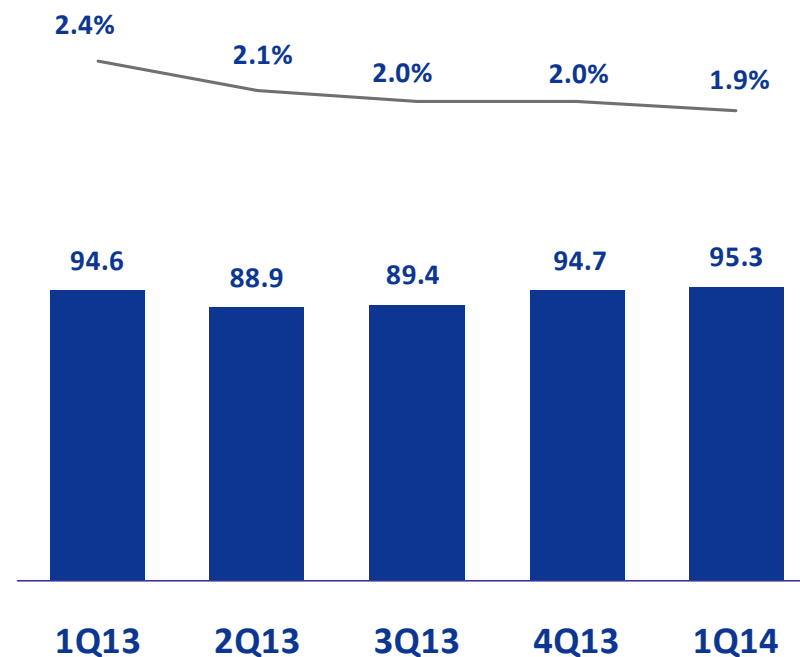
PDL & Coverage Ratios



Loan Provision Expense

S/. million

Provision expense*
Loans



 Intercorp Financial Services

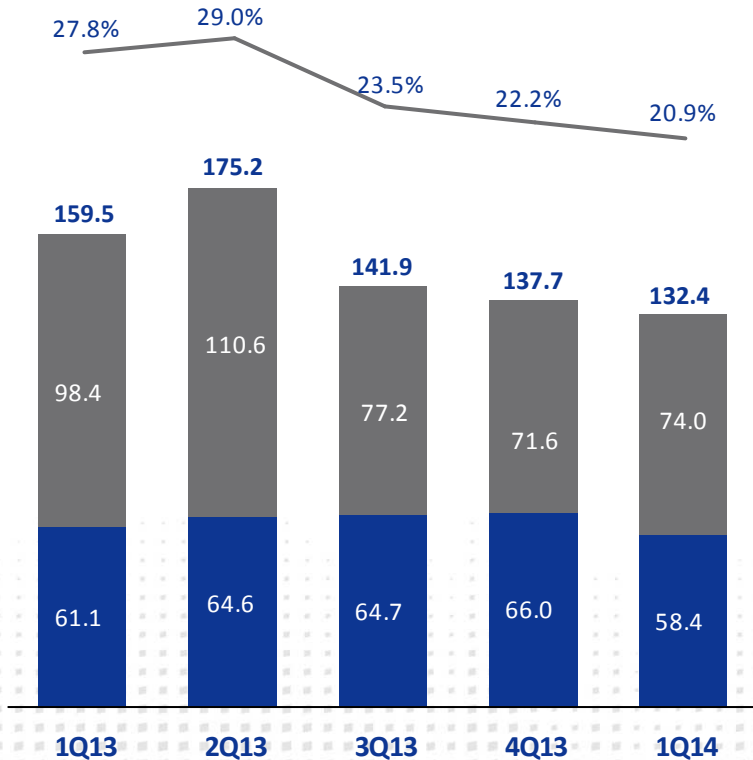
*Annualized

Fee income and results from financial operations (ROF) decreased 3.8%, while operating expenses declined 8.7% QoQ

Fee income & ROF

S/. million

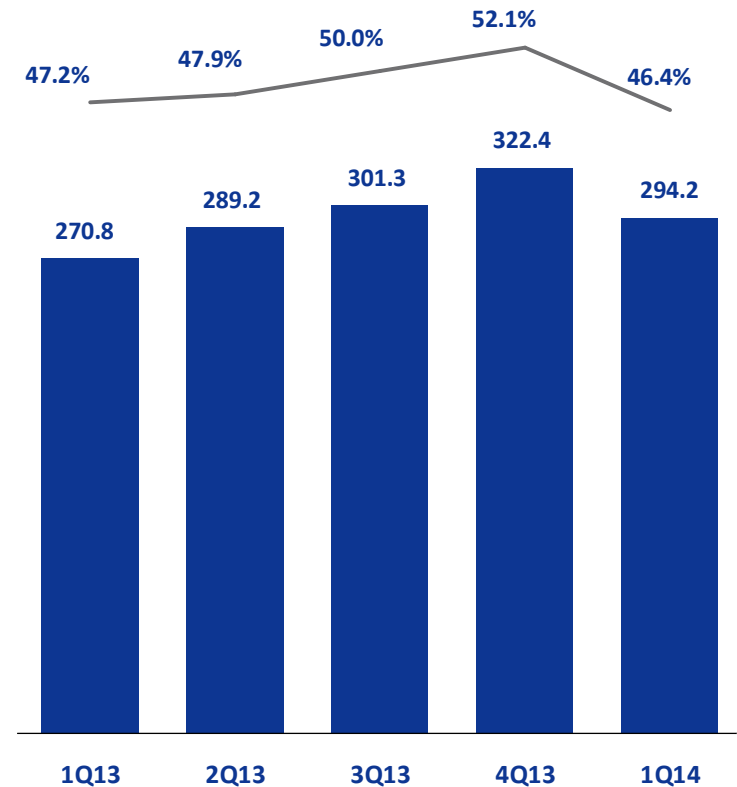
- (Fee income + ROF) / operating revenues
- ROF
- Net fee income



Operating expenses

S/. million

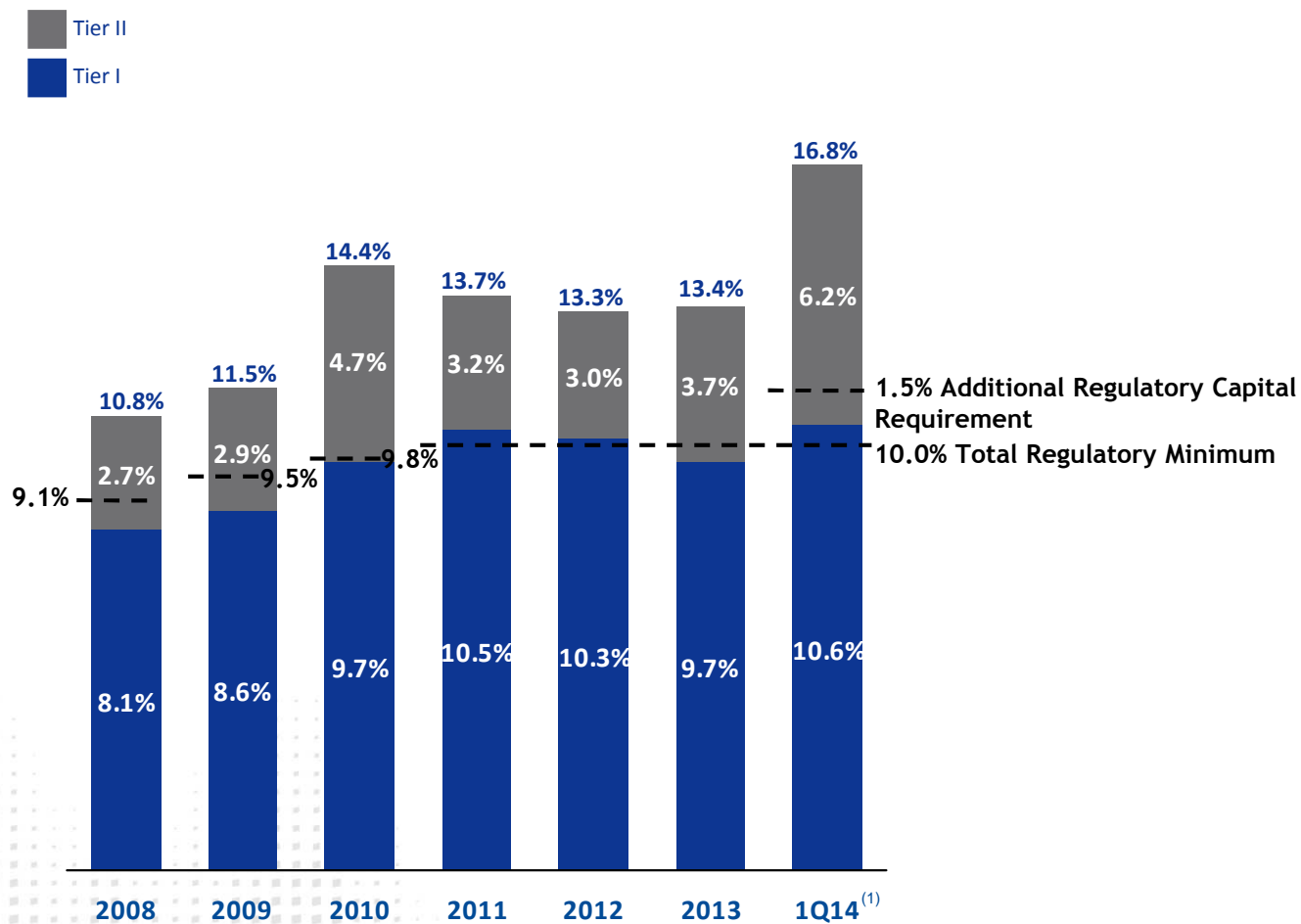
Efficiency ratio*



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* Cost / Income

Interbank's BIS ratio reinforced by a Tier II subordinated bond issuance



(1) In April 2010, Interbank issued US\$200 million in non-cumulative junior subordinated notes, which are considered Tier I and Tier II capital. Under Peruvian regulation, junior subordinated notes that receive Tier I capital treatment are capped at 17.65% of capital and reserves. As of March 31, 2014, 80.4% of the notes qualified as Tier I while the remaining 19.6% qualified as Tier II.

Interseguro

Interseguro's net income was S/. 9.2 million in 1Q14

Profit and Loss Statement Summary					
S/. million	1Q13	4Q13	1Q14	% chg QoQ	% chg YoY
Premiums	134.0	152.4	166.8	9.5%	24.5%
Premiums ceded	-1.2	-1.5	-1.5	-1.6%	23.0%
Fees	-4.1	-10.8	-11.9	10.0%	192.7%
Claims	-39.1	-46.4	-50.9	9.7%	30.3%
Change in reserves	-113.8	-106.1	-128.4	21.1%	12.8%
Diverse Income, net	0.1	-0.8	0.3	n.m.	121.2%
Technical margin	-24.0	-13.2	-25.6	94.2%	6.5%
Administrative expenses	-22.1	-29.9	-23.8	-20.5%	7.6%
Investment income, net*	101.9	115.7	58.6	-49.3%	-42.5%
Net income	55.8	72.5	9.2	-87.3%	-83.5%
ROE	40.0%	69.5%	9.4%		

*Includes exchange rate difference

Premiums grew 9.5% QoQ and 24.5% YoY supported by higher sales in annuities and almost all other business lines

Premiums by Business Line					
S/. million	1Q13	4Q13	1Q14	% chg QoQ	% chg YoY
Individual Life	6.2	7.4	7.7	3.4%	22.8%
Annuities	104.6	103.3	117.6	13.9%	12.4%
Group Life	12.2	22.0	23.0	4.7%	88.3%
Disability and survivor benefits	0.0	0.0	0.1	48.1%	28.4%
Mandatory traffic accident	6.2	6.4	7.8	21.7%	25.3%
Non Life	4.7	13.2	10.7	-19.3%	128.9%
TOTAL	134.0	152.4	166.8	9.5%	24.5%

Investment income declined mainly due to extraordinary gains from real estate investments reported in 1Q13 and 4Q13

Investment Income, Net					
S/. million	1Q13	4Q13	1Q14	% chg QoQ	% chg YoY
Income:					
Fixed Income	43.7	41.3	43.6	5.5%	-0.2%
Interest	33.4	38.2	42.7	11.7%	27.9%
Realized Gains	10.3	3.1	0.9	-70.5%	-91.0%
Equity and Mutual Funds	10.8	11.3	8.1	-27.8%	-24.8%
Real estate	51.5	65.5	10.2	-84.5%	-80.3%
Total Income	106.0	118.1	61.9	-47.6%	-41.6%
Expenses	-0.9	-1.1	-1.9	70.8%	110.5%
Exchange difference and others	-3.1	-1.4	-1.4	2.7%	-55.5%
Net investment income	101.9	115.7	58.6	-49.3%	-42.5%

Investment Portfolio					
S/. million	1Q13	4Q13	1Q14	% chg QoQ	% chg YoY
Fixed Income	2,388.0	2,672.4	2,717.4	1.7%	13.8%
Equity and Mutual Funds	481.2	430.5	495.1	15.0%	2.9%
Real estate	343.3	427.4	484.2	13.3%	41.0%
Others	4.7	5.4	5.6	3.1%	20.0%
TOTAL	3,217.2	3,535.7	3,702.2	4.7%	15.1%



 **Intercorp** Financial Services