

# Intercorp Financial Services

## First Quarter 2015

### Earnings Presentation

# Highlights 1Q15

IFRS

## Intercorp Financial Services

- 1Q15 net profit was S/. 262.9 million, a 95.1% increase YoY and a 3.1% decrease QoQ. The YoY growth was mainly explained by strong performances at Interbank and Interseguro; while the quarterly decrease was driven by seasonality factors, as well as increases in provisions at Interbank and in adjustment of technical reserves at Interseguro
- 1Q15 annualized ROAE was 23.9%

## Interbank

- 1Q15 net profit was S/. 205.2 million, a 29.6% growth YoY and a 1.7% decrease QoQ. The yearly performance was attributed to increases of 13.2% in net interest and similar income, 82.9% in other income and 15.0% in fee income, factors which were partially offset by a 43.3% growth in provisions
- Performing loans and deposits grew 10.1% and 4.1% YoY, respectively, while retail deposits increased 15.4% YoY
- NIM improved 33 bps YoY, to 6.27% in 1Q15, while the efficiency ratio improved 400 bps YoY, to 42.3%
- 1Q15 annualized ROAE was 25.5%

## Interseguro

- 1Q15 net profit\* was S/. 33.6 million, an increase of S/. 90.7 million YoY and a decrease of S/. 19.6 million or 36.8% QoQ. The YoY growth was mainly explained by increases of 23.6% in total premiums earned and 44.7% in other income
- Annuity sales increased 29.3% YoY supported by Interseguro's leadership position in a market that continues to expand
- 1Q15 annualized ROAE was 23.3%

## Inteligo

- 1Q15 net profit was S/. 36.1 million in 1Q15, a 133.8% increase QoQ and a 25.0% decrease YoY. The quarterly increase was mainly due to higher fee income and other income
- Net interest and similar income was S/. 14.3 million in 1Q15, a 12.1% decrease QoQ and a 37.3% increase YoY. The QoQ performance was explained by lower income received from investments compared to the previous quarter
- AuM + deposits increased 6.2% QoQ and 21.6% YoY
- 1Q15 annualized ROAE was 29.1%

\* Attributable to shareholders

# IFS key indicators 1Q15

IFRS

## Intercorp Financial Services' key indicators

S/. million

		1Q14	4Q14	1Q15	%chg QoQ	%chg YoY
<b>Results</b>	Net interest and similar income	475.6	556.4	545.8	-1.9%	14.8%
	Fee income from financial services, net	161.9	197.0	194.8	-1.1%	20.4%
	Profit for the period	134.7	271.2	262.9	-3.1%	95.1%
<b>Profitability</b>	NIM	5.69%	6.27%	5.91%	-36 bps	22 bps
	ROAE	14.4%	26.0%	23.9%	-210 bps	950 bps
	EPS	1.22	2.39	2.39		
<b>Asset quality</b>	PDL ratio	1.8%	2.3%	2.1%	-20 bps	30 bps
	PLL / Avg. loans	1.9%	1.8%	2.5%	70 bps	60 bps
	Coverage ratio	190.0%	151.6%	171.7%		
<b>Insurance</b>	Net Premiums <sup>(1)</sup>	165.3	165.3	204.3	23.7%	23.6%
	Adjustment of technical reserves	-202.7	-109.5	-156.5	42.9%	-22.8%
	Net claims and benefits incurred	-50.9	-48.3	-59.9	23.9%	17.6%
	Discount rate impact on technical reserves	-56.6	25.5	28.0	9.4%	n.m.
<b>Other ratios</b>	Efficiency ratio <sup>(2)</sup>	46.2%	39.0%	38.8%	-20 bps	-740 bps
	BIS ratio (Interbank)	16.8%	15.2%	16.7%	150 bps	-10 bps

(1) Net of premiums ceded to reinsurers

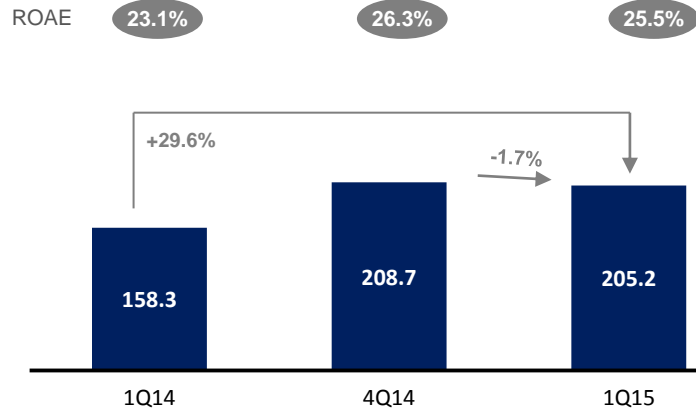
(2) Efficiency ratio is defined as (Salaries and employee benefits + Administrative expenses + Depreciation and amortization) / (Net interest + Other income + Net premiums earned)

# IFS 1Q15 net profit almost doubled YoY

IFRS

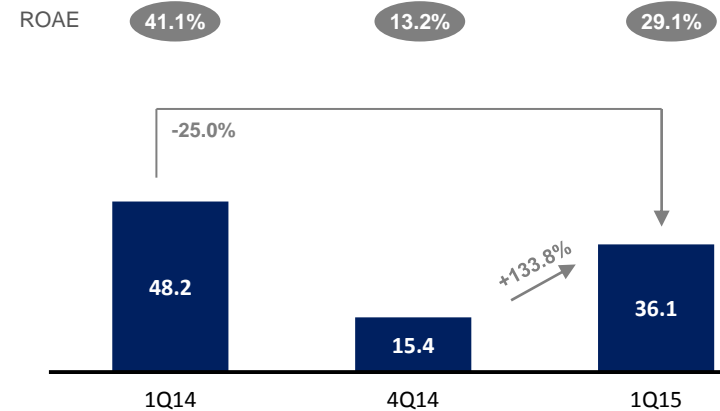
## Interbank

Net profit in S/. million



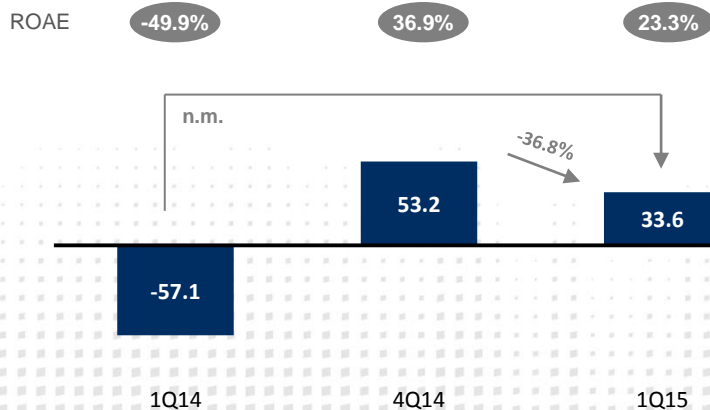
## Inteligo

Net profit in S/. million



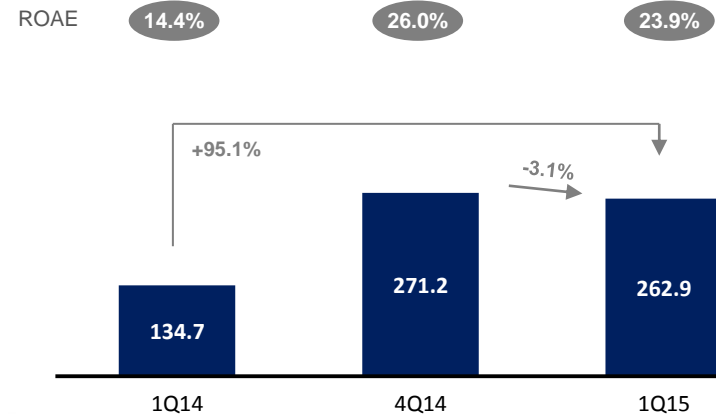
## Interseguro

Net profit in S/. million



## IFS

Net profit in S/. million



**Interbank**

# Interbank's net profit grew 29.6% YoY

IFRS

## Banking Segment's P&L Statement

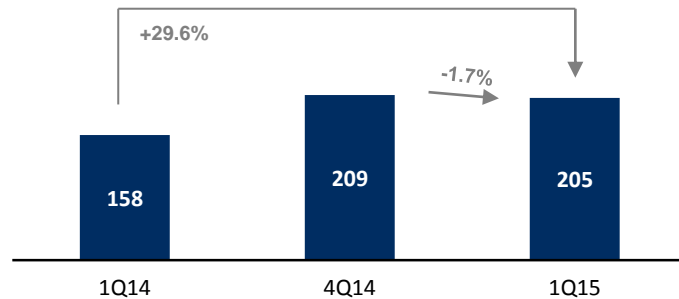
S/. million

	1Q14	4Q14	1Q15	%chg QoQ	%chg YoY
Interest and similar income	593.3	671.8	668.6	-0.5%	12.7%
Interest and similar expenses	-171.7	-187.5	-191.5	2.2%	11.5%
<b>Net interest and similar income</b>	<b>421.6</b>	<b>484.4</b>	<b>477.1</b>	<b>-1.5%</b>	<b>13.2%</b>
Provision for loan losses, net of recoveries	-103.8	-105.8	-148.8	40.6%	43.3%
<b>Net interest and similar income after provision for loan losses</b>	<b>317.8</b>	<b>378.5</b>	<b>328.3</b>	<b>-13.3%</b>	<b>3.3%</b>
Fee income from financial services, net	150.6	181.0	173.2	-4.3%	15.0%
Other income	68.4	82.0	125.1	52.6%	82.9%
Other expenses	-320.8	-328.3	-340.3	3.7%	6.1%
<b>Income before translation result and income tax</b>	<b>215.9</b>	<b>313.2</b>	<b>286.2</b>	<b>-8.6%</b>	<b>32.6%</b>
Translation result	-0.8	-9.6	-12.4	29.3%	n.m.
Income tax	-56.7	-94.9	-68.6	-27.7%	21.0%
<b>Profit for the period</b>	<b>158.3</b>	<b>208.7</b>	<b>205.2</b>	<b>-1.7%</b>	<b>29.6%</b>
<b>ROAE</b>	<b>23.1%</b>	<b>26.3%</b>	<b>25.5%</b>		
<b>Efficiency ratio</b>	<b>46.3%</b>	<b>43.7%</b>	<b>42.3%</b>		
<b>NIM</b>	<b>5.94%</b>	<b>6.61%</b>	<b>6.27%</b>		

# Interbank's net profit IFRS vs. Local GAAP

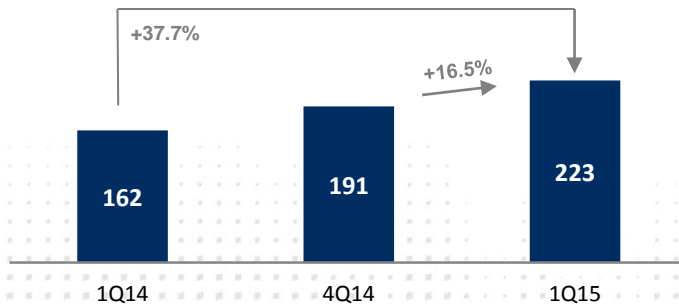
## Net profit – IFRS

S/. million



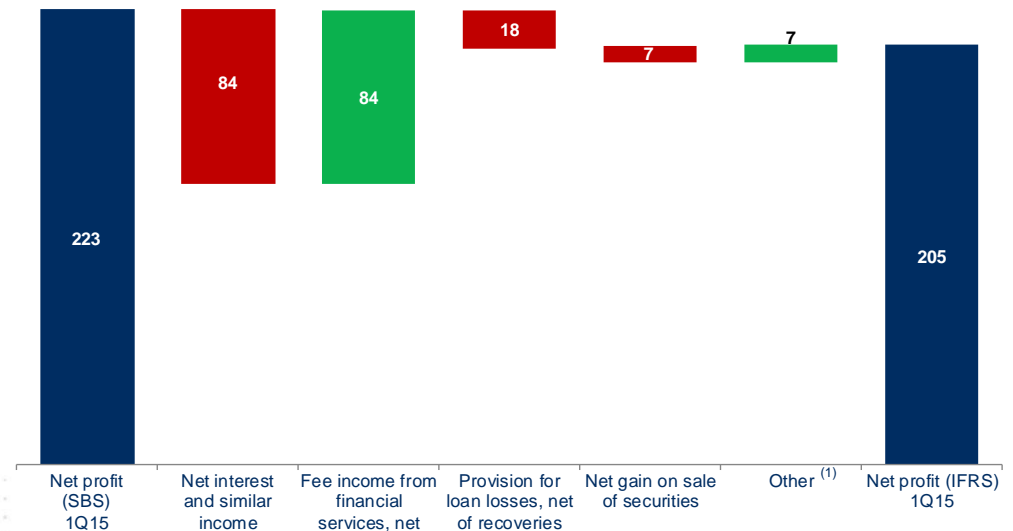
## Net profit – Local GAAP

S/. million



## Net profit bridge from Local GAAP to IFRS (1Q15)

S/. million

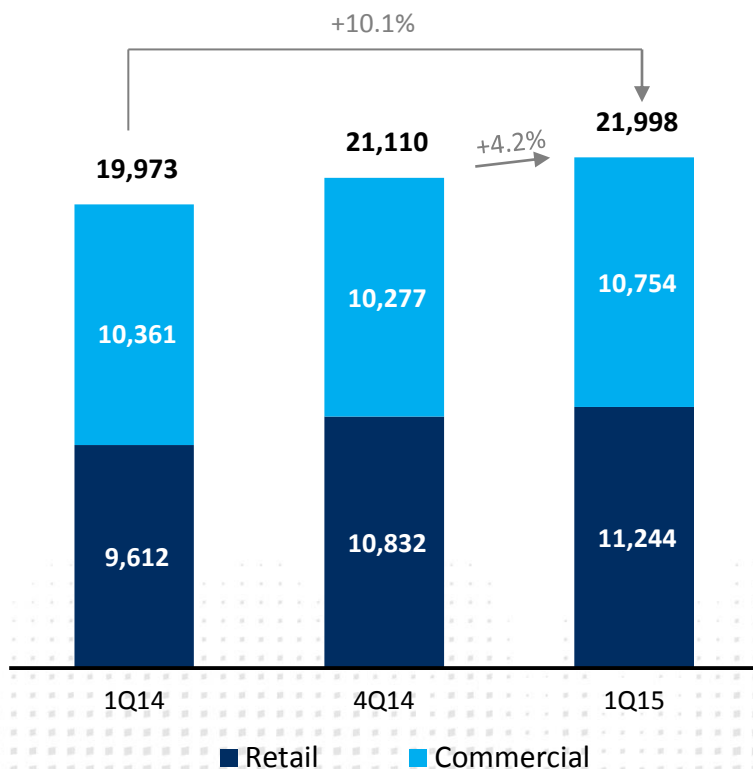


(1) Includes D&A expenses (S/. 2 million) and tax expenses (S/. 5 million).

# Performing loans grew 4.2% QoQ and 10.1% YoY

## Performing loans

S/. million



## Breakdown of loans

S/. million

	1Q14	4Q14	1Q15	% chg QoQ	% chg YoY
<b>Consumer loans:</b>					
Credit cards	2,637.4	3,183.4	3,347.2	5.1%	26.9%
Other consumer	3,198.4	3,581.4	3,741.7	4.5%	17.0%
<b>Total consumer loans</b>	<b>5,835.8</b>	<b>6,764.8</b>	<b>7,089.0</b>	<b>4.8%</b>	<b>21.5%</b>
Mortgages	3,776.1	4,067.6	4,154.5	2.1%	10.0%
<b>Total retail loans</b>	<b>9,611.9</b>	<b>10,832.5</b>	<b>11,243.5</b>	<b>3.8%</b>	<b>17.0%</b>
<b>Total commercial</b>	<b>10,360.7</b>	<b>10,277.2</b>	<b>10,754.4</b>	<b>4.6%</b>	<b>3.8%</b>
<b>Total loans</b>	<b>19,972.6</b>	<b>21,109.7</b>	<b>21,997.9</b>	<b>4.2%</b>	<b>10.1%</b>

## Market share in loans <sup>(1)</sup>

S/. million

	1Q14	4Q14	1Q15	bps QoQ	bps YoY
<b>Consumer loans:</b>					
Credit cards	23.3%	24.5%	24.9%	40	160
Other consumer	18.4%	19.1%	18.9%	-20	50
<b>Total consumer loans</b>	<b>20.4%</b>	<b>21.4%</b>	<b>21.4%</b>	<b>0</b>	<b>100</b>
Mortgages	13.0%	12.7%	12.5%	-20	-50
<b>Total retail loans</b>	<b>16.7%</b>	<b>17.0%</b>	<b>17.0%</b>	<b>0</b>	<b>30</b>
<b>Total commercial</b>	<b>9.1%</b>	<b>8.3%</b>	<b>8.1%</b>	<b>-20</b>	<b>-100</b>
<b>Total loans</b>	<b>11.7%</b>	<b>11.3%</b>	<b>11.1%</b>	<b>-20</b>	<b>-60</b>

<sup>(1)</sup> Based on Local GAAP Figures



# Interbank's deposits grew 4.1% YoY driven by strong retail deposit growth of 15.4%

## Funding structure

S/. million	1Q14	4Q14	1Q15	%chg QoQ	%chg YoY
Deposits	21,221.6	21,124.1	22,099.6	4.6%	4.1%
Retail	8,033.2	9,001.1	9,271.6	3.0%	15.4%
Commercial <sup>(1)</sup>	13,188.4	12,123.0	12,828.1	5.8%	-2.7%
Due to banks	2,767.5	3,219.1	3,974.0	23.5%	43.6%
Bonds	3,942.8	4,197.2	4,377.4	4.3%	11.0%
<b>Total</b>	<b>27,931.9</b>	<b>28,540.4</b>	<b>30,451.0</b>	<b>6.7%</b>	<b>9.0%</b>
AUM (Interfondos)	2,381.4	2,568.6	2,673.4	4.1%	12.3%

## Market share in deposits<sup>(2)</sup>

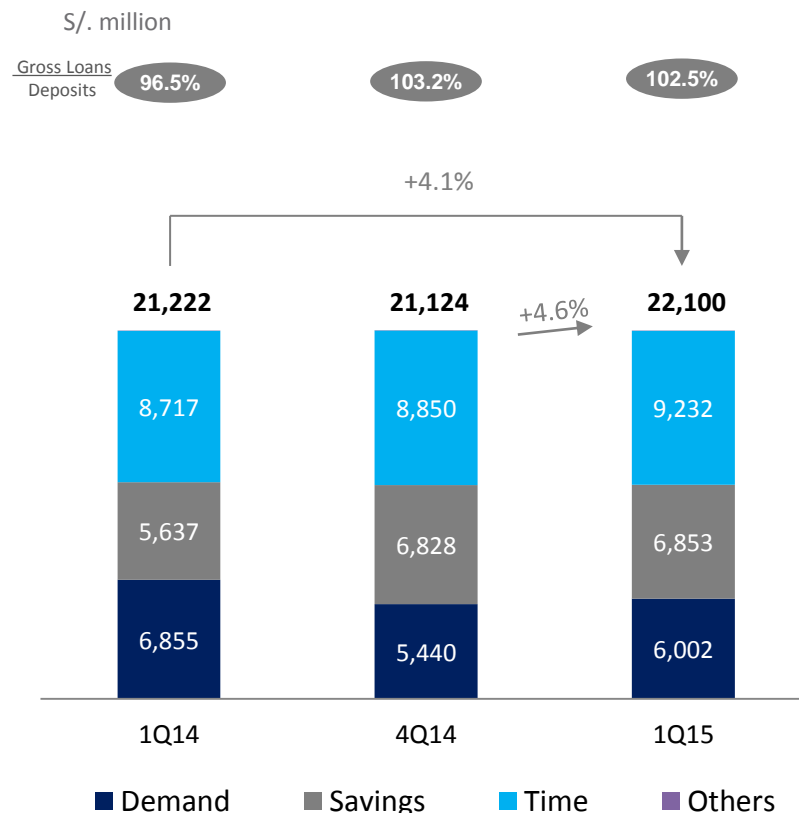
S/. million	1Q14	4Q14	1Q15	bps QoQ	bps YoY
Retail Deposits	11.9%	12.1%	12.1%	0	20
Commercial Deposits <sup>(3)</sup>	11.9%	11.2%	11.3%	10	-60
<b>Total Deposits</b>	<b>11.9%</b>	<b>11.6%</b>	<b>11.6%</b>	<b>0</b>	<b>-30</b>

<sup>(1)</sup> Includes Institutional and others

<sup>(2)</sup> Based on Local GAAP Figures

<sup>(3)</sup> Includes demand and savings deposits

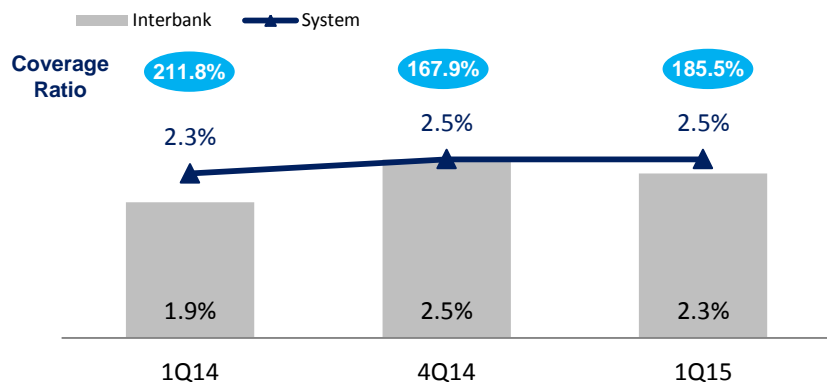
## Deposit breakdown



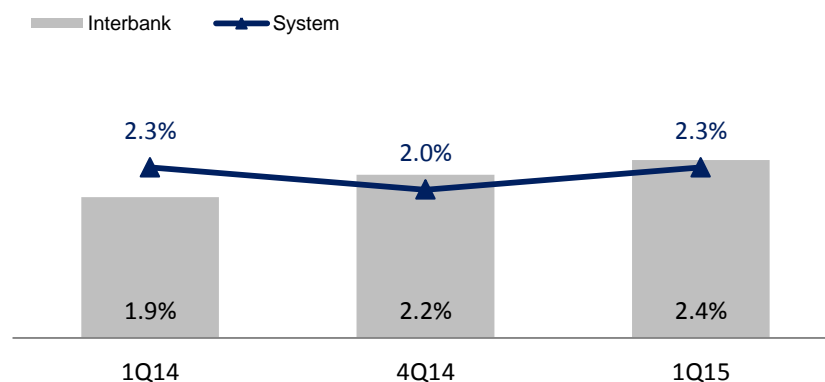
# Asset quality remains strong, better than the system in most products

Local GAAP figures

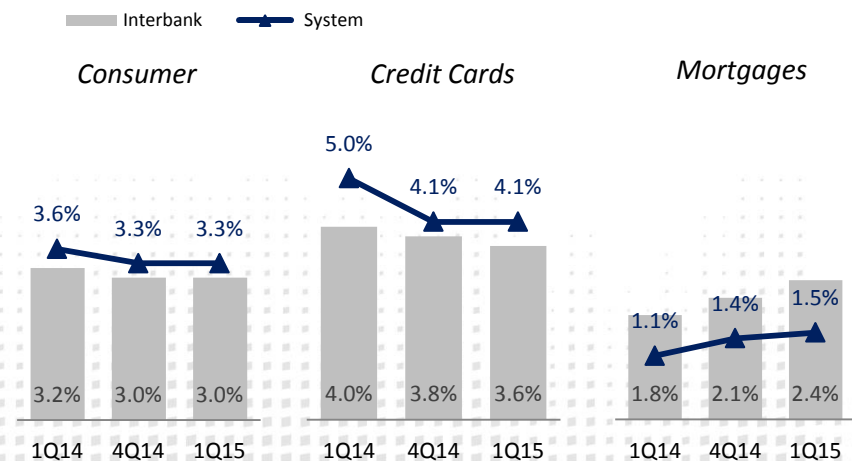
## PDL vs. System



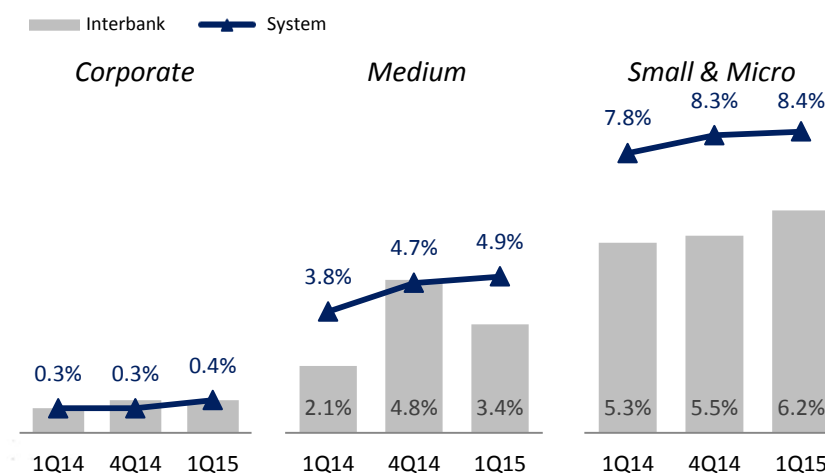
## Loan provision expense vs. System



## PDL retail banking vs. System



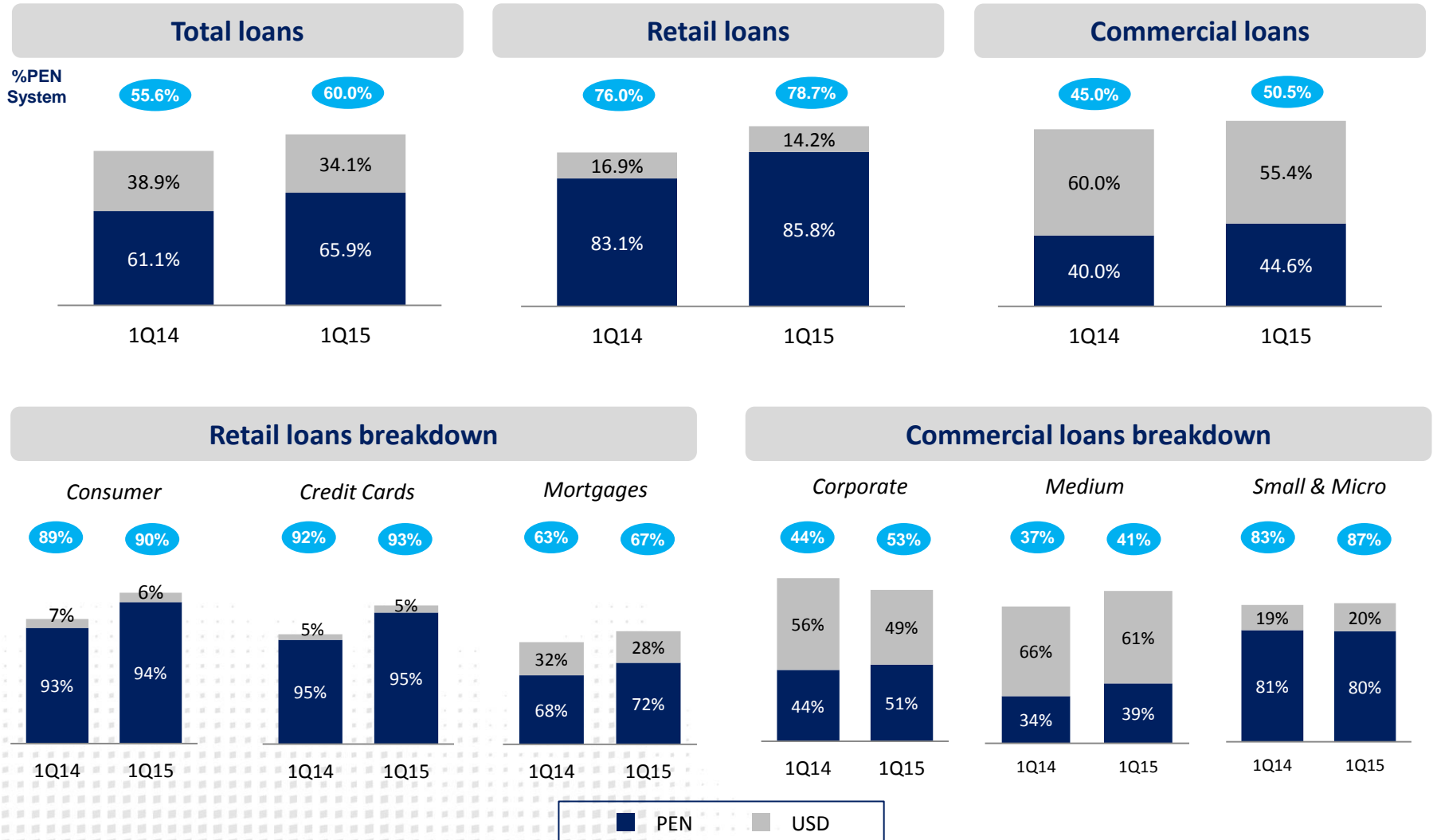
## PDL commercial banking vs. System



Note: Based on SBS & ASBANC Figures

# Strong de-dollarization trend in the last year

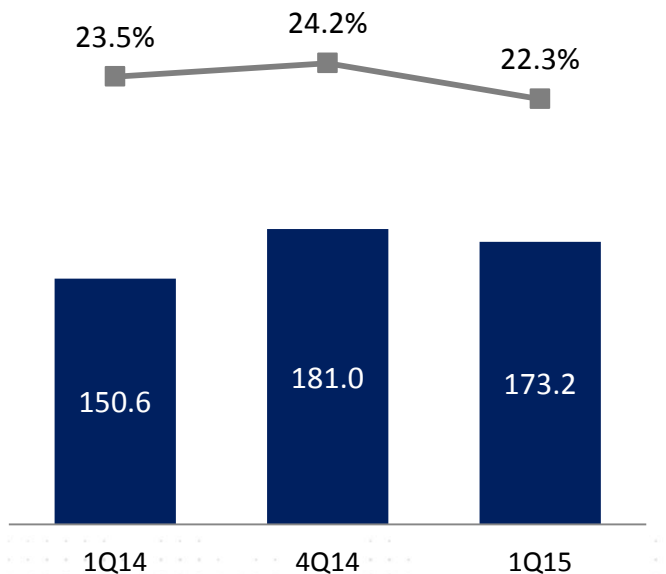
Local GAAP figures



# Fee income increased 15.0% YoY and efficiency ratio improved considerably

## Fee income

S/. million

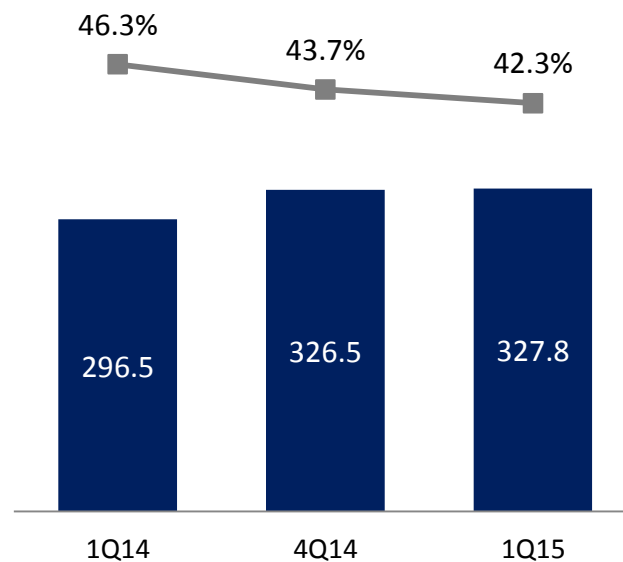


■ Net Fee income

■ Fee income / (Net interest income + Fee income + Other income)

## Operating expenses

S/. million



■ Salaries, administrative and D&A expenses

■ Efficiency ratio <sup>(1)</sup>

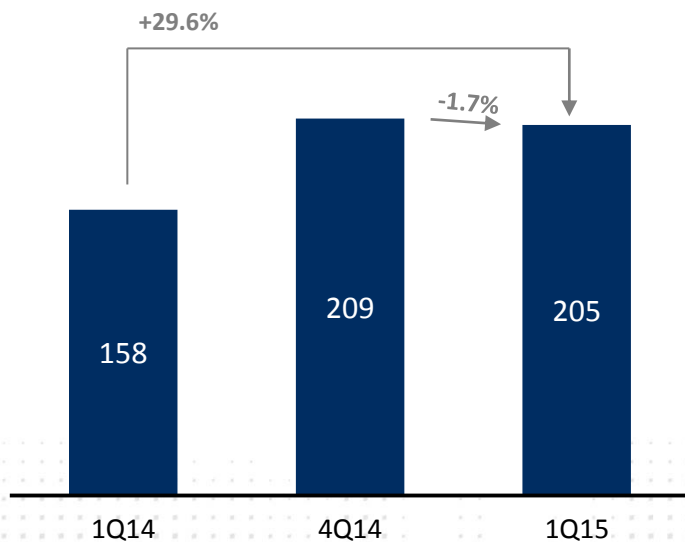
(1) Efficiency ratio is defined as (Salaries and employee benefits + Administrative expenses + Depreciation and amortization) / (Net interest income + Fee income + Other income)

# Strong quarter at Interbank with solid ROE levels

IFRS

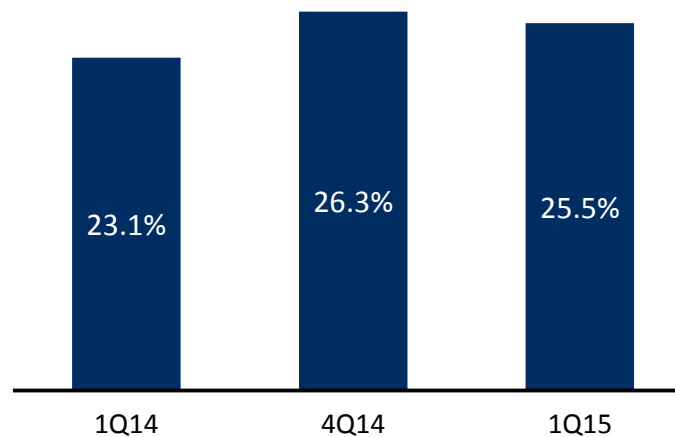
## Net profit

S/. million

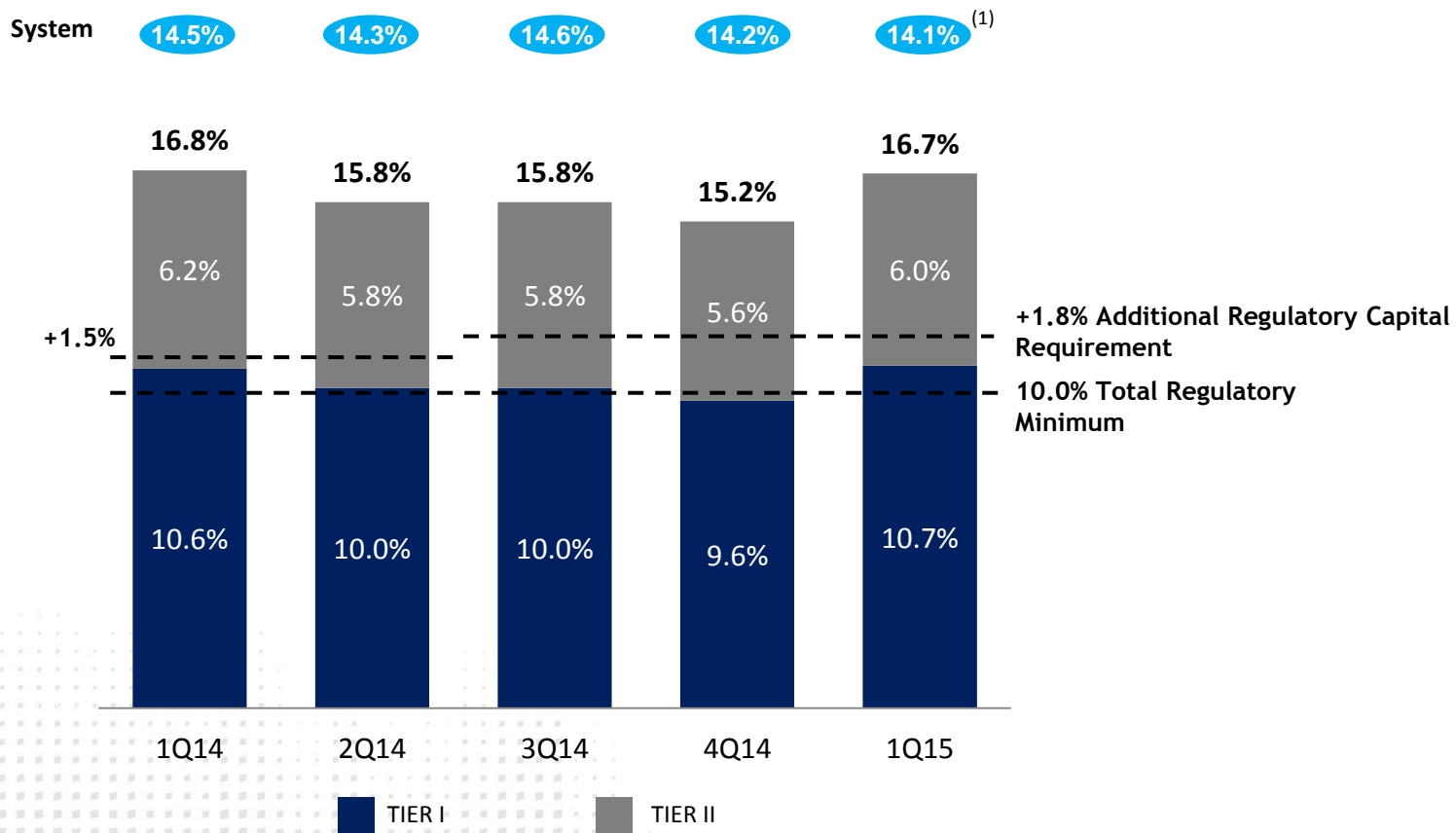


## ROE

Annualized



# Interbank's BIS ratio remained well above regulatory requirements



(1) As of February 2015

# Interseguro

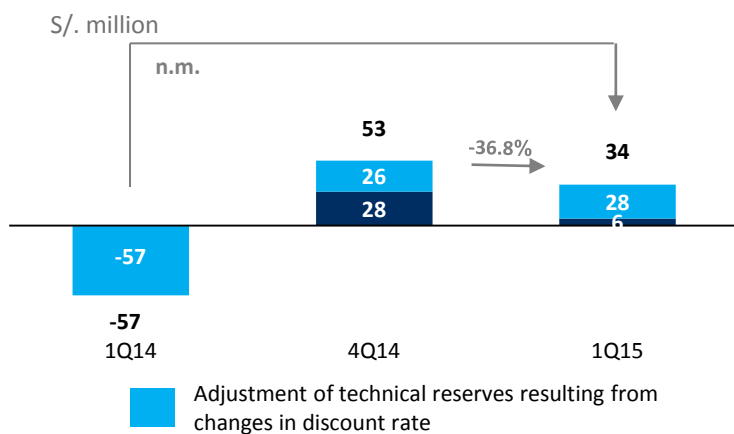
# Interseguro's profit attributable to shareholders increased YoY

Insurance Segment's P&L Statement					
S/. million	1Q14	4Q14	1Q15	%chg QoQ	%chg YoY
Net Interest and similar income	42.6	54.0	53.3	-1.2%	25.1%
Fee income from financial services, net	-0.6	-0.7	-0.7	-2.3%	20.7%
Other income	28.3	58.9	41.0	-30.3%	44.7%
Total premiums earned less claims and benefits	-88.3	7.4	-12.0	n.m	-86.4%
Other expenses	-38.9	-51.2	-47.4	-7.4%	21.8%
<b>Income before translation result and income tax</b>	<b>-56.8</b>	<b>68.3</b>	<b>34.2</b>	<b>-49.9%</b>	<b>n.m</b>
Translation result	-0.2	-3.5	-0.7	-81.2%	197.0%
Income tax	-	-3.3	0.2	n.m	n.m
<b>Profit for the period</b>	<b>-57.0</b>	<b>61.5</b>	<b>33.8</b>	<b>-45.0%</b>	<b>n.m</b>
Attributable to non-controlling interest <sup>(1)</sup>	-0.0	-8.4	-0.2	-97.4%	n.m
<b>Profit attributable to shareholders</b>	<b>-57.1</b>	<b>53.2</b>	<b>33.6</b>	<b>-36.8%</b>	<b>n.m</b>
Discount rate impacts on technical reserves	-56.6	25.5	28.0	9.4%	n.m
<b>Profit excluding discount rate impacts</b>	<b>-0.5</b>	<b>27.6</b>	<b>5.6</b>	<b>-79.5%</b>	<b>n.m</b>
<b>ROAE</b>	<b>-49.9%</b>	<b>36.9%</b>	<b>23.3%</b>		
<b>Efficiency ratio</b>	<b>70.3%</b>	<b>11.9%</b>	<b>16.9%</b>		

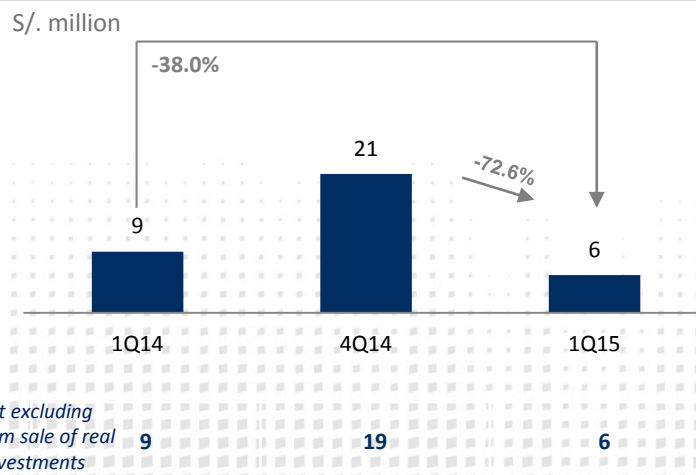


# Interseguro's net profit IFRS vs. Local GAAP

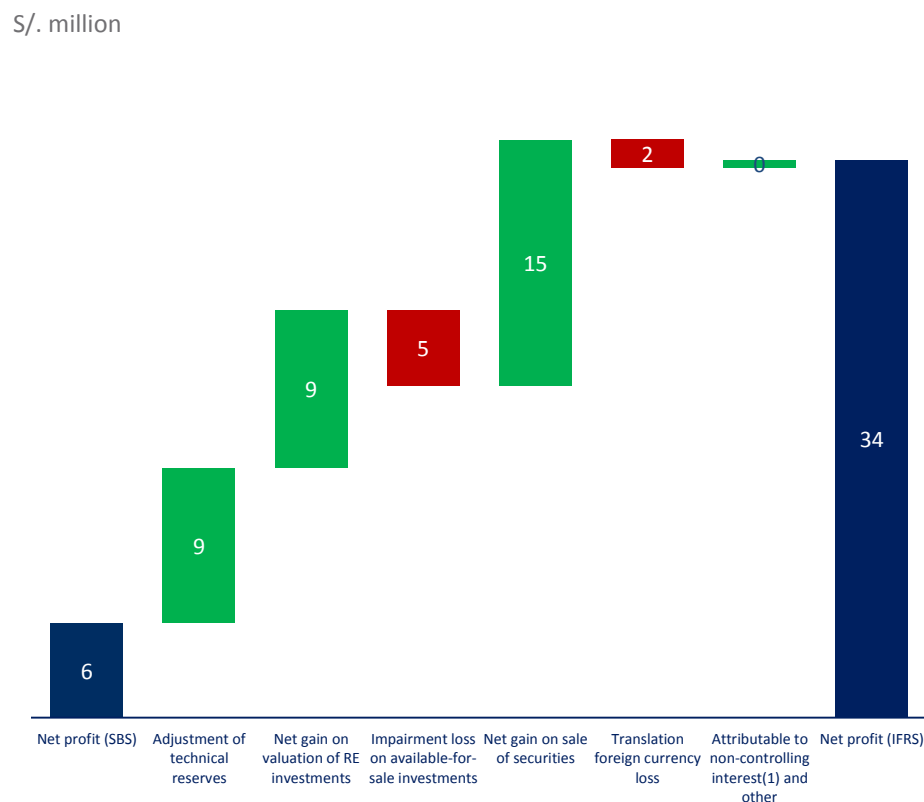
## Net profit – IFRS



## Net profit – Local GAAP

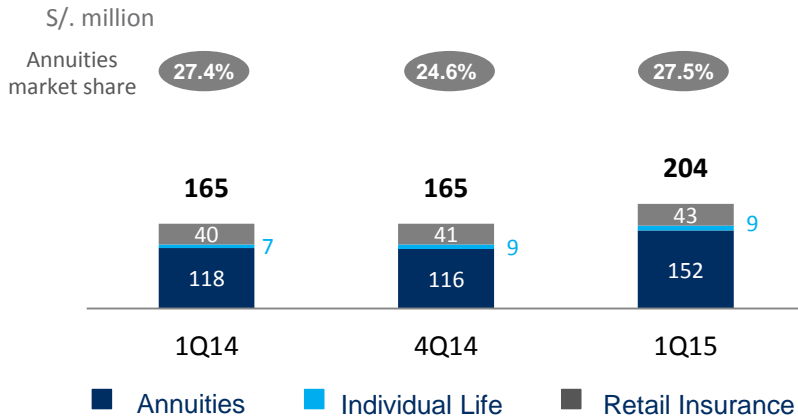


## Net profit bridge from Local GAAP to IFRS (1Q15)

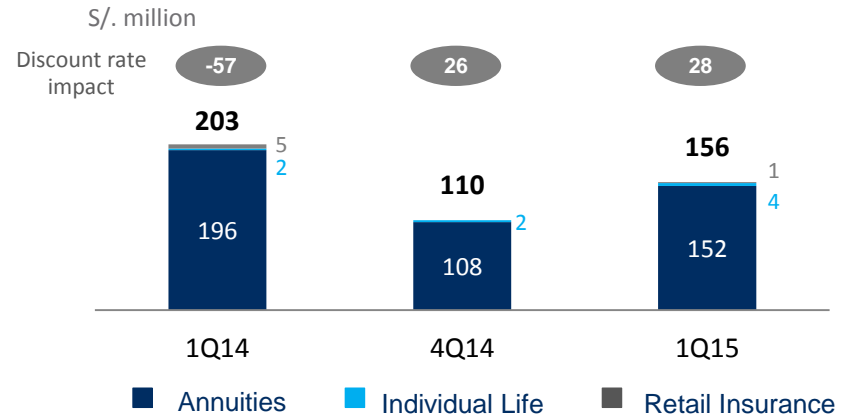


# Premiums increased by S/. 39.0 million QoQ and YoY mainly supported by higher sales in annuities

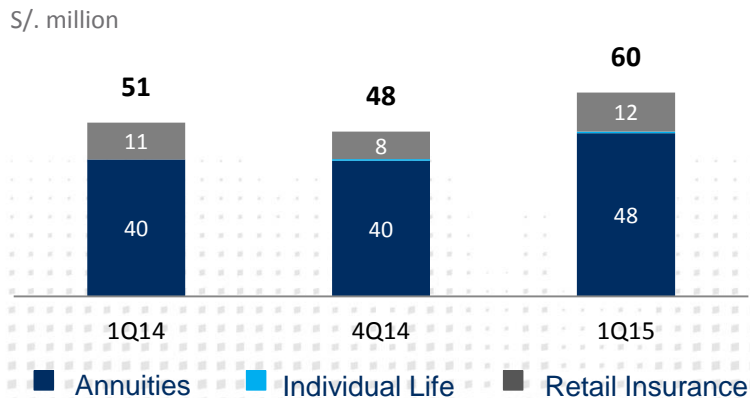
## Net premiums



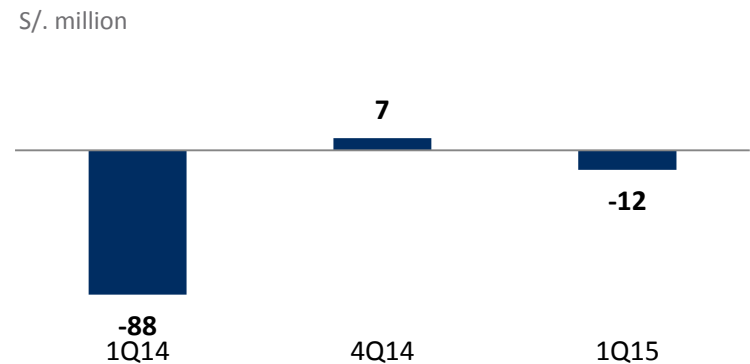
## Adjustment of technical reserves



## Net claims and benefits incurred



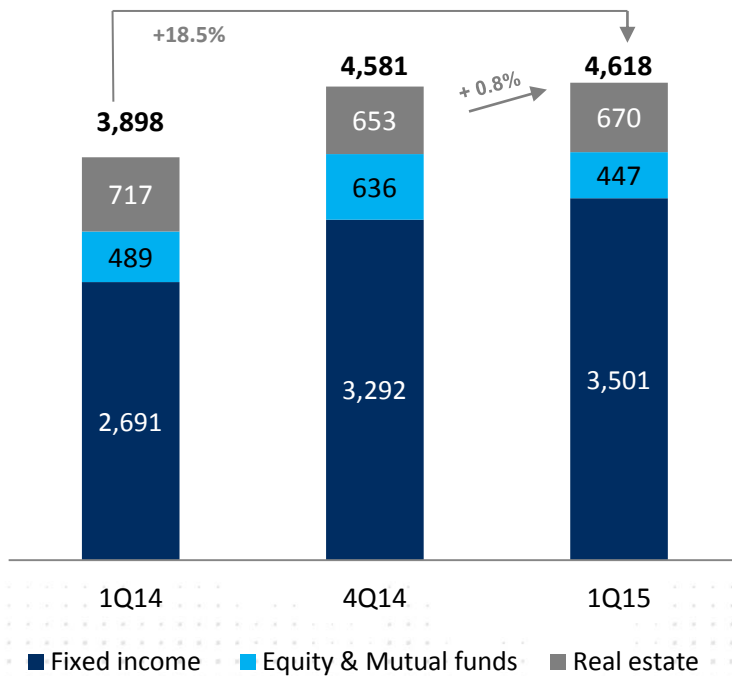
## Total premiums earned less claims and benefits



# Interseguro's investment portfolio grew 18.5% YoY

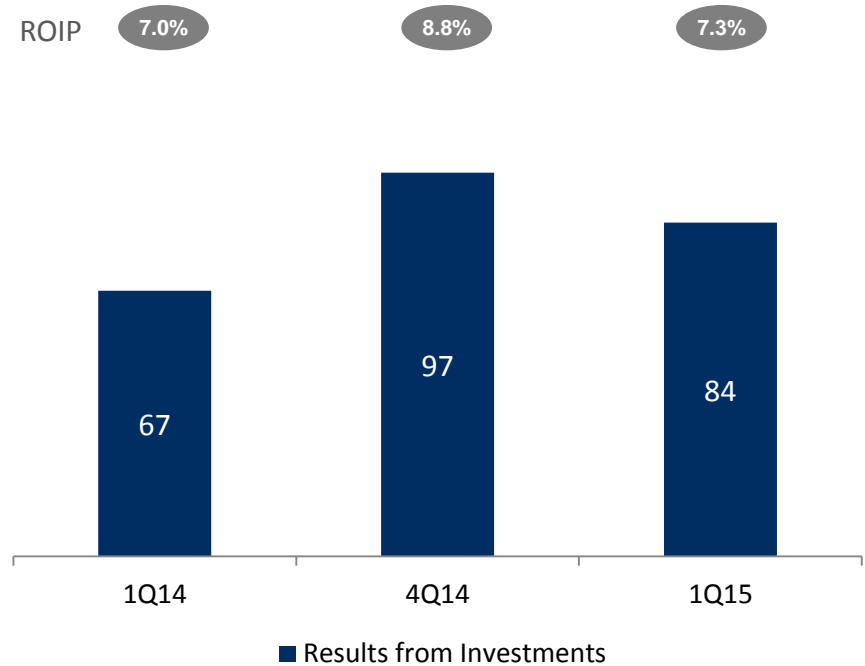
## Investment portfolio

S/. million



## Results from investments<sup>(1)</sup>

S/. million



(1) Only includes transactions related to investments

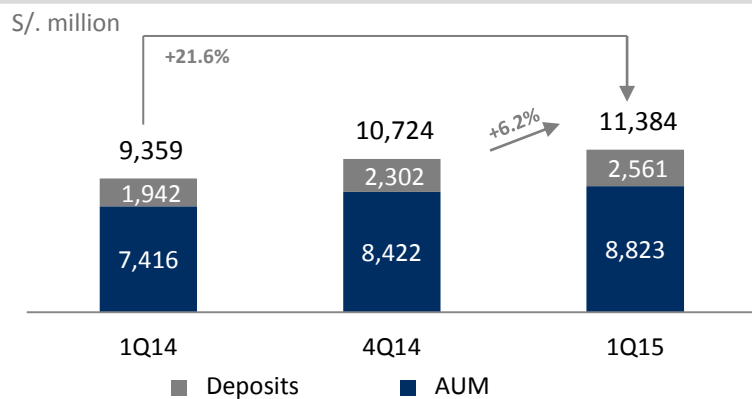
**Inteligo**

# Inteligo's net profit more than doubled QoQ

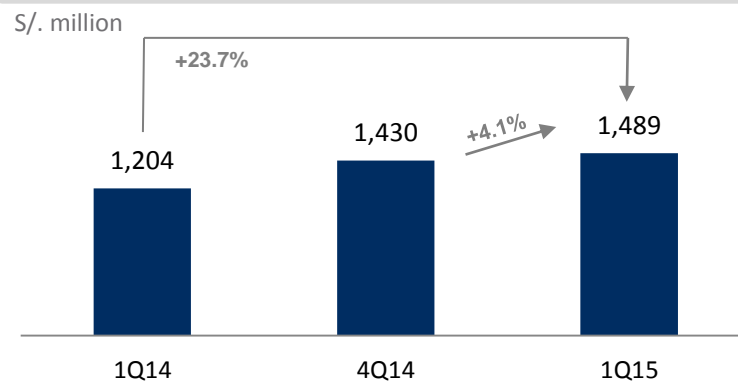
Wealth Management Segment's P&L Statement					
S/. million	1Q14	4Q14	1Q15	%chg QoQ	%chg YoY
Interest and similar income	23.0	29.3	27.7	-5.3%	20.6%
Interest and similar expenses	-12.5	-13.0	-13.4	3.2%	6.8%
<b>Net interest and similar income</b>	<b>10.4</b>	<b>16.3</b>	<b>14.3</b>	<b>-12.1%</b>	<b>37.3%</b>
Fee income from financial services, net	19.7	26.3	31.2	18.7%	58.7%
Other income	34.0	0.2	8.5	n.m.	-75.0%
Other expenses	-16.1	-26.3	-17.9	-31.9%	11.0%
<b>Income before translation result and income tax</b>	<b>48.0</b>	<b>16.5</b>	<b>36.2</b>	<b>119.2%</b>	<b>-24.6%</b>
Translation result	0.2	0.5	0.0	-107.0%	-116.0%
Income tax	0.0	-1.5	0.0	n.m.	n.m.
<b>Profit for the period</b>	<b>48.2</b>	<b>15.4</b>	<b>36.1</b>	<b>133.8%</b>	<b>-25.0%</b>
<b>ROAE</b>	<b>41.1%</b>	<b>13.2%</b>	<b>29.1%</b>		
<b>Efficiency ratio</b>	<b>25.2%</b>	<b>41.7%</b>	<b>33.1%</b>		

# Inteligo's key indicators

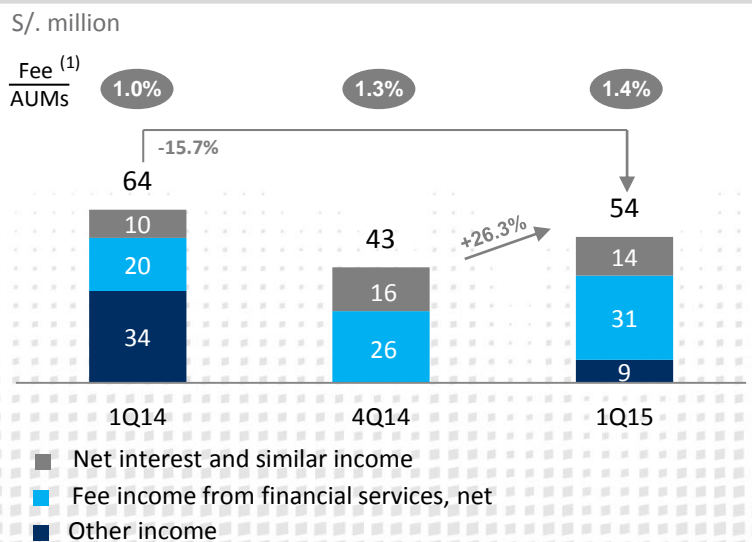
## AUMs + Deposits



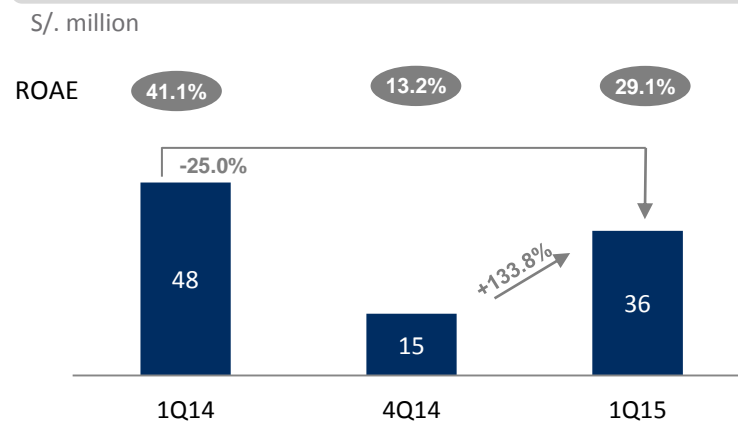
## Loans



## Revenues



## Net profit



(1) Corresponds to Inteligo Bank

## Summary

# In 1Q15 IFS continued to deliver strong operating performance in all 3 segments

## ✓ **Interbank**

- ✓ 21.5% YoY growth in consumer loans and 15.4% YoY growth in retail deposits
- ✓ 2.3% PDL ratio below the system's 2.5%
- ✓ 400 bps improvement in the efficiency ratio YoY, to 42.3%

## ✓ **Interseguro**

- ✓ 23.6% YoY growth in net premiums – market leader in annuities for six consecutive years as of 1Q15
- ✓ 18.5% YoY growth on investment portfolio

## ✓ **Inteligo**

- ✓ AuM + deposits increased 6.2% QoQ and 21.6% YoY
- ✓ Loans grew 4.1% QoQ and 23.7% YoY

## ✓ **High profitability**

- ✓ 95.1% YoY growth in net profit at IFS in 1Q15
- ✓ 1Q15 annualized ROAE of 23.9%



# Appendix

# IFS 1Q15 P&L

## IFRS

Intercorp Financial Services' P&L statement					
S/. million	1Q14	4Q14	1Q15	%chg QoQ	%chg YoY
Interest and similar income	660.9	759.1	753.5	-0.7%	14.0%
Interest and similar expense	-185.3	-202.7	-207.7	2.5%	12.1%
<b>Net interest and similar income</b>	<b>475.6</b>	<b>556.4</b>	<b>545.8</b>	<b>-1.9%</b>	<b>14.8%</b>
Provision for loan losses, net of recoveries	-103.8	-105.8	-148.8	40.6%	43.3%
<b>Net interest and similar income after provision for loan losses</b>	<b>371.7</b>	<b>450.5</b>	<b>397.0</b>	<b>-11.9%</b>	<b>6.8%</b>
Fee income from financial services, net	161.9	197.0	194.8	-1.1%	20.4%
Other income	127.8	140.7	171.7	22.0%	34.3%
Total premiums earned less claims and benefits	-88.3	7.4	-12.0	-261.8%	n.m.
Net Premiums	165.3	165.3	204.3	23.7%	23.6%
Adjustment of technical reserves	-202.7	-109.5	-156.5	42.9%	-22.8%
Net claims and benefits incurred	-50.9	-48.3	-59.9	23.9%	17.6%
Other expenses	-377.3	-407.7	-399.9	-1.9%	6.0%
<b>Income before translation result and income tax</b>	<b>195.8</b>	<b>387.9</b>	<b>351.6</b>	<b>-9.4%</b>	<b>79.5%</b>
Translation result	-0.4	-9.7	-10.6	n.m.	n.m.
Income tax	-60.7	-107.1	-78.1	-27.1%	28.7%
<b>Profit for the period</b>	<b>134.7</b>	<b>271.2</b>	<b>262.9</b>	<b>-3.1%</b>	<b>95.1%</b>
<b>Attributable to equity holders of the group</b>	<b>133.7</b>	<b>261.3</b>	<b>261.2</b>	<b>0.0%</b>	<b>95.4%</b>
<b>EPS</b>	<b>1.22</b>	<b>2.39</b>	<b>2.39</b>		
<b>ROAE</b>	<b>14.4%</b>	<b>26.0%</b>	<b>23.9%</b>		



**Intercorp** Financial Services