

Intercorp Financial Services

First Quarter 2016

Earnings Presentation

Highlights 1Q16

IFRS

Intercorp Financial Services

- 1Q16 net profit was S/ 60.7 million, a 72.5% decrease QoQ and 76.9% YoY
- The bottom-line result was mainly affected by higher requirements of technical reserves due to a lower discount rate, and by a negative impact on the investment portfolio at Interseguro. Moreover, foreign exchange volatility had also a negative impact in results
- Excluding extraordinary items, IFS 1Q16 net profit decreased 24.6% QoQ and 15.1% YoY
- Interbank and Inteligo continued to deliver strong core results

Interbank

- 1Q16 net profit was S/ 201.8 million, an 8.2% decrease QoQ and 1.7% YoY, mainly due to lower net gains on foreign exchange transactions which decreased more than 40% QoQ and YoY. Excluding such effect, net income would have grown 12.5% YoY
- Performing loans and deposits grew 10.6% and 14.3% YoY, respectively, while retail deposits increased 15.8% YoY
- Efficiency ratio improved 110 bps YoY, to 41.2%, with expenses decreasing 9.0% QoQ due to strong cost control measures
- 1Q16 annualized ROAE was 21.9%

Interseguro

- 1Q16 result was S/ -135.5 million, compared to profits of S/ 3.6 million in 4Q15 and S/ 33.6 million in 1Q15. The bottom-line result was mainly affected by a negative discount rate impact on technical reserves of S/ 87.9 million and by a negative impact on investments of S/ 35.5 million
- Net premiums in 1Q16 remained stable QoQ and decreased 13.3% YoY. The YoY decrease was due to a market contraction in annuities in 4Q15 due to the announcement of new regulation that will allow the withdrawal of AFP's funds
- Interseguro's investment portfolio grew 4.4% QoQ and 10.7% YoY

Inteligo

- 1Q16 net profit was S/ 30.4 million, a significant recovery QoQ but a 15.9% decrease YoY. The quarterly performance was attributed to lower other expenses and higher fee income and other income
- Fee income grew 4.1% QoQ while other income reverted positively to S/ 1.9 million in 1Q16
- AuM + deposits increased 1.4% QoQ and 17.5% YoY
- 1Q16 annualized ROAE was 20.5%

Excluding extraordinary items, IFS 1Q16 net profit decreased 24.6% QoQ and 15.1% YoY

IFRS

Intercorp Financial Services' Profit by segment					
S/ million	1Q15	4Q15	1Q16	%chg QoQ	%chg YoY
Interbank	205.2	219.9	201.8	-8.2%	-1.7%
Interseguro	33.8	3.5	-136.9	n.m.	n.m.
<i>Negative impact from investments</i>	-4.5	-1.8	-35.5	n.m.	n.m.
<i>Discount rate impacts</i>	28.0	-22.6	-87.9	n.m.	n.m.
Inteligo	36.1	2.6	30.4	n.m.	-15.9%
<i>Negative impact from investments</i>	-3.1	-30.3	-0.4	n.m.	n.m.
Corporate and eliminations	-12.2	-5.1	-34.6	n.m.	183.1%
<i>FX losses</i>	-2.4	-	-23.5	n.m.	n.m.
IFS profit for the period	262.9	220.9	60.7	-72.5%	-76.9%
<i>Total extraordinary items ⁽¹⁾</i>	18.0	-54.6	-147.2	n.m.	n.m.
IFS profit for the period (excl. extraordinary items)	244.9	275.5	207.9	-24.6%	-15.1%

(1) Extraordinary items include: Negative impacts from investments at Interseguro and Inteligo, discount rate impacts at Interseguro and FX losses

IFS key indicators 1Q16

IFRS

Intercorp Financial Services' key indicators

S/ million

		1Q15	4Q15	1Q16	%chg QoQ	%chg YoY
Results	Net interest and similar income	545.8	652.1	643.9	-1.3%	18.0%
	Fee income from financial services, net	194.8	214.7	206.6	-3.8%	6.0%
	Profit for the period	262.9	220.9	60.7	-72.5%	-76.9%
	<i>Profit excl. discount rate impacts on technical reserves</i>	234.9	243.5	148.5	-39.0%	-36.8%
Profitability	NIM ⁽¹⁾	5.6%	5.7%	5.5%	-20 bps	-10 bps
	ROAE	23.9%	20.5%	5.3%	n.m.	n.m.
	<i>ROAE excl. discount rate impacts on technical reserves</i>	21.5%	22.9%	12.7%	n.m.	n.m.
	ROAA	2.5%	1.8%	0.5%	-130 bps	-200 bps
	EPS	2.39	2.02	0.56		
Asset quality	PDL ratio	2.1%	2.2%	2.3%	10 bps	20 bps
	PLL / Avg. loans	2.5%	2.8%	3.0%	20 bps	50 bps
	Coverage ratio	171.7%	176.8%	173.3%		
Insurance	Net Premiums ⁽²⁾	204.3	177.1	177.1	0.0%	-13.3%
	Adjustment of technical reserves	-156.5	-151.0	-228.0	51.0%	45.7%
	Net claims and benefits incurred	-59.9	-69.9	-76.6	9.5%	27.9%
	Discount rate impact on technical reserves	28.0	-22.6	-87.9	n.m.	n.m.
Other ratios	Efficiency ratio ⁽³⁾	38.8%	39.3%	45.2%	590 bps	640 bps
	<i>Efficiency ratio excl. discount rate impacts on technical reserves</i>	39.9%	38.5%	40.9%	240 bps	100 bps
	BIS ratio (Interbank)	16.7%	15.5%	16.4%	90 bps	-30 bps
	Gross loans / Deposits (Interbank)	102.5%	97.0%	99.9%		

(1) NIM is defined as (Net interest and similar income / Average interest-earning assets). Interest earning assets consider total loans, total investment available for sale and total cash and due from banks funds

(2) Net of premiums ceded to reinsurers

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

Interbank

Interbank's profits decreased 8.2% QoQ and 1.7% YoY mainly due to lower gains on foreign exchange transactions

IFRS

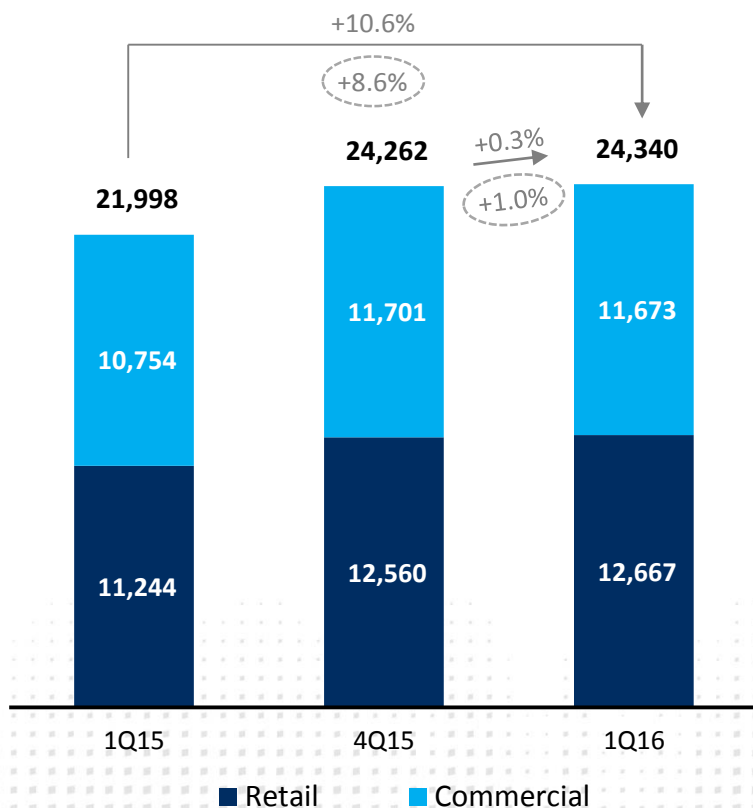
Banking Segment's P&L Statement					
S/ million	1Q15	4Q15	1Q16	%chg QoQ	%chg YoY
Interest and similar income	668.6	802.5	792.4	-1.3%	18.5%
Interest and similar expenses	-191.5	-242.7	-243.0	0.1%	26.9%
Net interest and similar income	477.1	559.8	549.4	-1.9%	15.1%
Provision for loan losses, net of recoveries	-148.8	-182.5	-199.6	9.4%	34.1%
Net interest and similar income after provision for loan losses	328.3	377.4	349.8	-7.3%	6.5%
Fee income from financial services, net	173.2	201.6	189.2	-6.2%	9.2%
Other income	125.1	128.8	85.3	-33.7%	-31.8%
Other expenses	-340.3	-388.8	-353.7	-9.0%	3.9%
Income before translation result and income tax	286.2	319.0	270.6	-15.2%	-5.5%
Translation result	-12.4	-20.5	7.5	n.m.	n.m.
Income tax	-68.6	-78.6	-76.4	-2.9%	11.2%
Profit for the period	205.2	219.9	201.8	-8.2%	-1.7%
ROAE	25.5%	24.2%	21.9%		
Efficiency ratio	42.3%	40.8%	41.2%		
NIM⁽¹⁾	5.9%	5.8%	5.5%		
NIM on loans	9.6%	10.2%	9.9%		

(1) NIM is defined as (Net interest and similar income / Average interest-earning assets). Interest earning assets consider total loans, total investment available for sale and total cash and due from banks funds

Performing loans grew 0.3% QoQ and 10.6% YoY

Performing loans

S/ million



% %chg excluding exchange rate effect

Breakdown of loans

S/ million

	1Q15	4Q15	1Q16	%chg QoQ	%chg YoY
Consumer loans:					
Credit cards	3,347.2	3,703.1	3,671.8	-0.8%	9.7%
Other consumer	3,741.7	4,229.9	4,292.4	1.5%	14.7%
Total consumer loans	7,089.0	7,933.0	7,964.2	0.4%	12.3%
Mortgages	4,154.5	4,627.1	4,702.6	1.6%	13.2%
Total retail loans	11,243.5	12,560.1	12,666.8	0.8%	12.7%
Total commercial	10,754.4	11,701.4	11,672.9	-0.2%	8.5%
Total loans	21,997.9	24,261.5	24,339.6	0.3%	10.6%

Market share in loans ⁽¹⁾

S/ million

	1Q15	4Q15	1Q16	bps QoQ	bps YoY
Consumer loans:					
Credit cards	24.9%	23.4%	23.3%	-10	-160
Other consumer	18.9%	20.0%	20.0%	0	110
Total consumer loans	21.4%	21.5%	21.5%	0	10
Mortgages	12.5%	12.9%	13.0%	10	50
Total retail loans	17.0%	17.3%	17.3%	0	30
Total commercial	8.1%	7.9%	7.9%	0	-20
Total loans	11.1%	11.1%	11.1%	0	0

⁽¹⁾ Based on Local GAAP figures

Interbank's deposits decreased 2.4% QoQ but grew 14.3% YoY

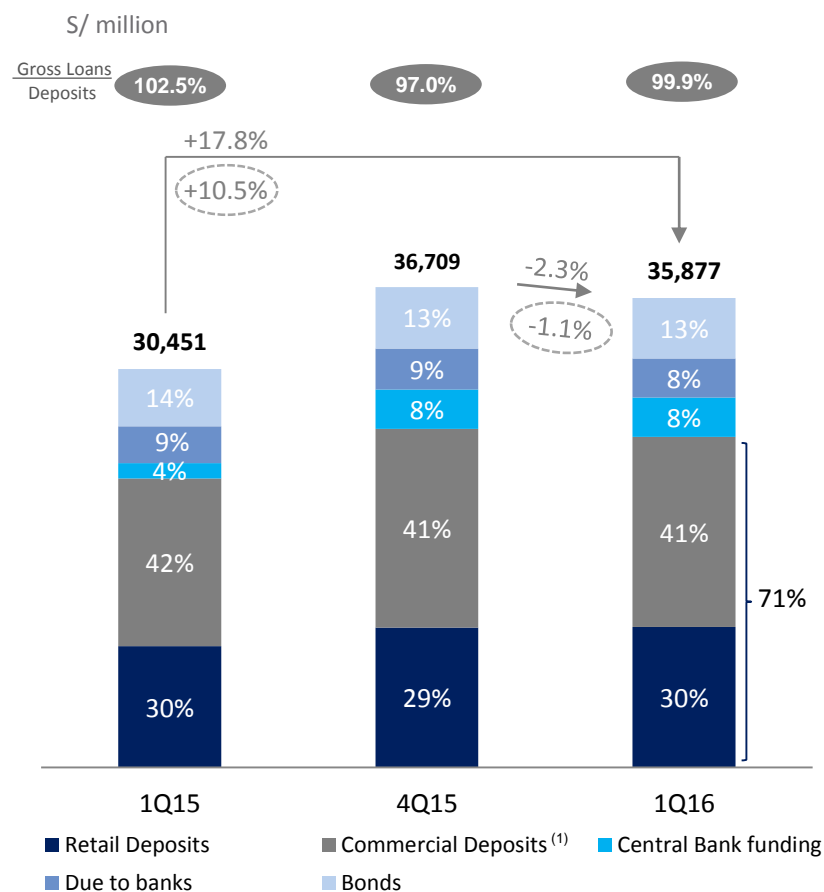
Funding structure

S/ million	1Q15	4Q15	1Q16	%chg QoQ	%chg YoY
Deposits*	22,099.6	25,880.9	25,268.7	-2.4%	14.3%
Retail	9,271.6	10,685.9	10,733.4	0.4%	15.8%
Commercial ⁽¹⁾	12,828.1	15,195.0	14,535.3	-4.3%	13.3%
Due to banks	3,974.0	6,138.5	5,990.8	-2.4%	50.8%
Central Bank	1,172.3	3,005.9	3,009.7	0.1%	156.7%
Other	2,801.7	3,132.6	2,981.1	-4.8%	6.4%
Bonds	4,377.4	4,689.9	4,617.2	-1.6%	5.5%
Total	30,451.0	36,709.4	35,876.7	-2.3%	17.8%
AUM (Interfondos)	2,673.4	2,929.2	2,937.9	0.3%	9.9%
Average cost of funding	-2.6%	-2.7%	-2.7%	0 bps	-10 bps

Market share in deposits⁽²⁾

S/ million	1Q15	4Q15	1Q16	bps QoQ	bps YoY
Retail Deposits	12.1%	12.2%	12.6%	40	50
Commercial Deposits	11.3%	12.0%	11.2%	-80	-10
Total Deposits	11.6%	12.1%	11.8%	-30	20

Funding breakdown

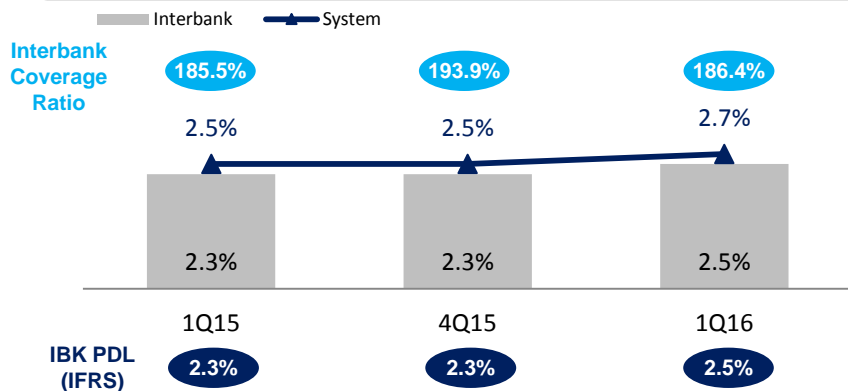


⁽¹⁾ Includes Institutional and others
⁽²⁾ Based on Local GAAP figures

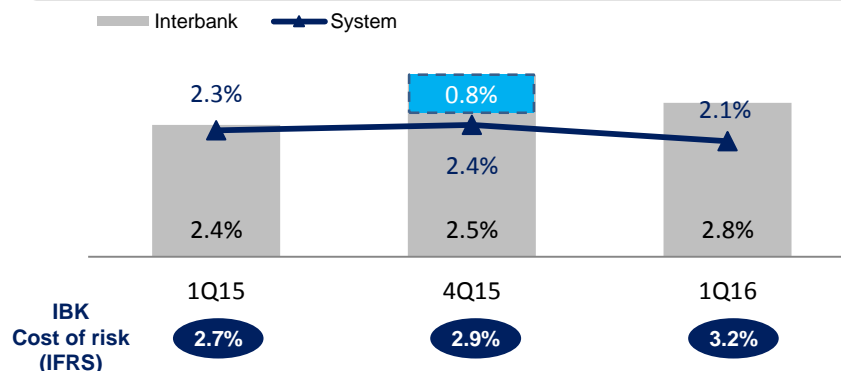
Total PDL ratio remained below system's average in 1Q16

Local GAAP & IFRS figures

PDL vs. System

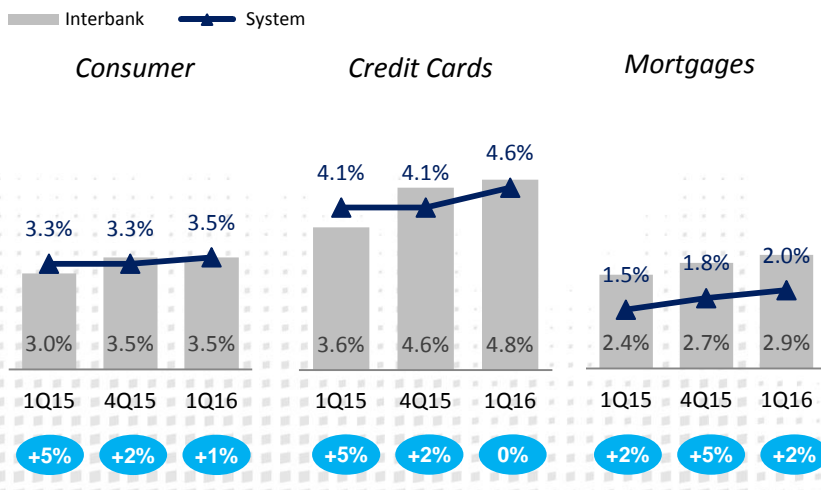


Loan provision expense vs. System

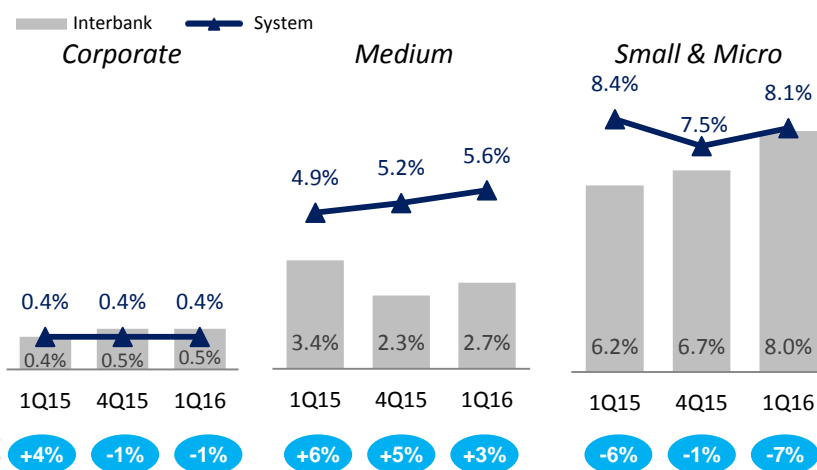


Includes S/ 46.8 million of voluntary provisions registered in 4Q15

PDL retail banking vs. System

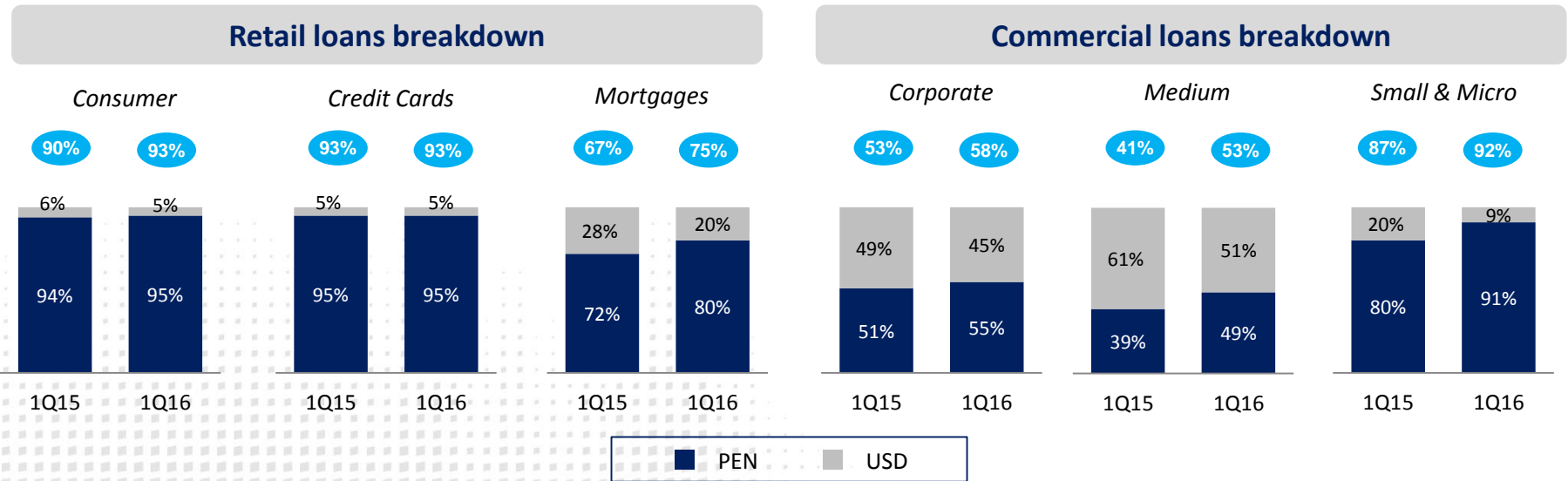
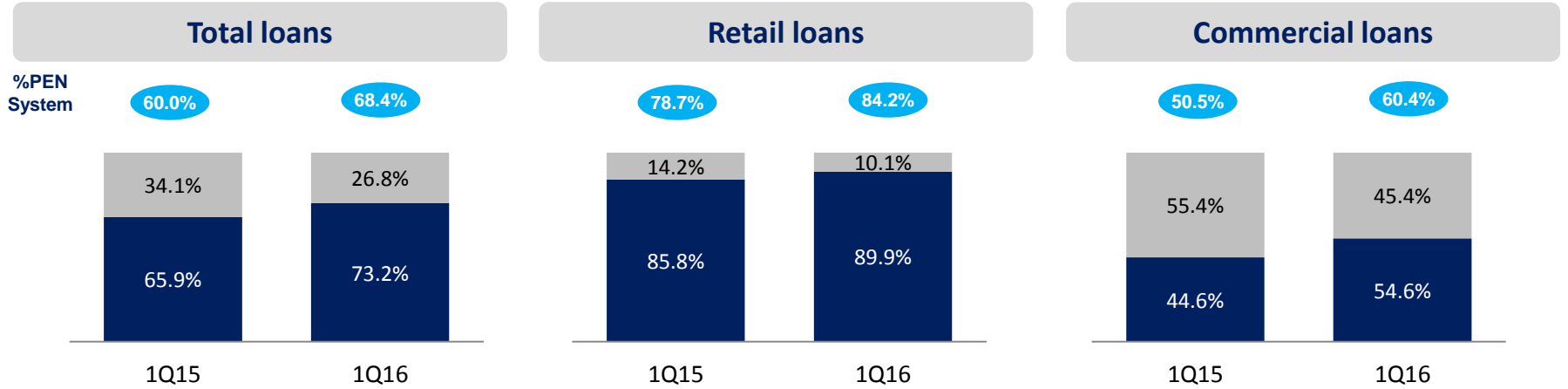


PDL commercial banking vs. System



Strong de-dollarization trend in the last year

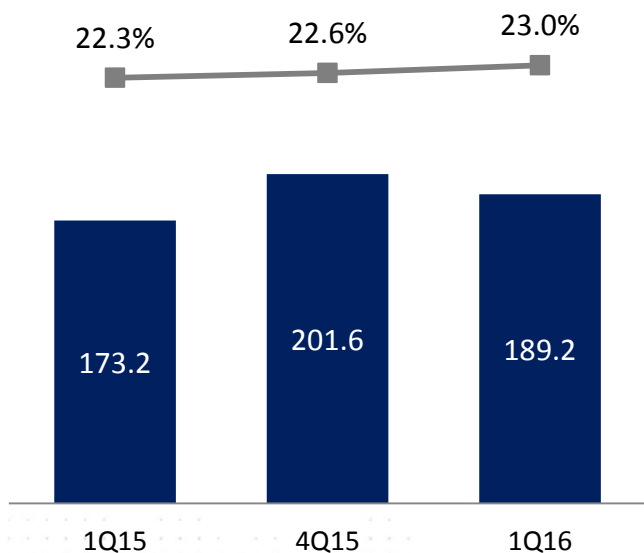
Local GAAP figures



Fee income increased 9.2% YoY and efficiency ratio improved by 110 bps YoY

Fee income

S/ million

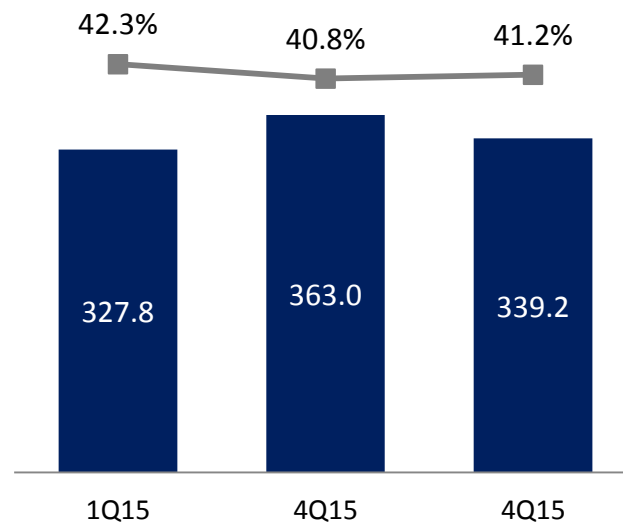


■ Net Fee income

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

Operating expenses

S/ million

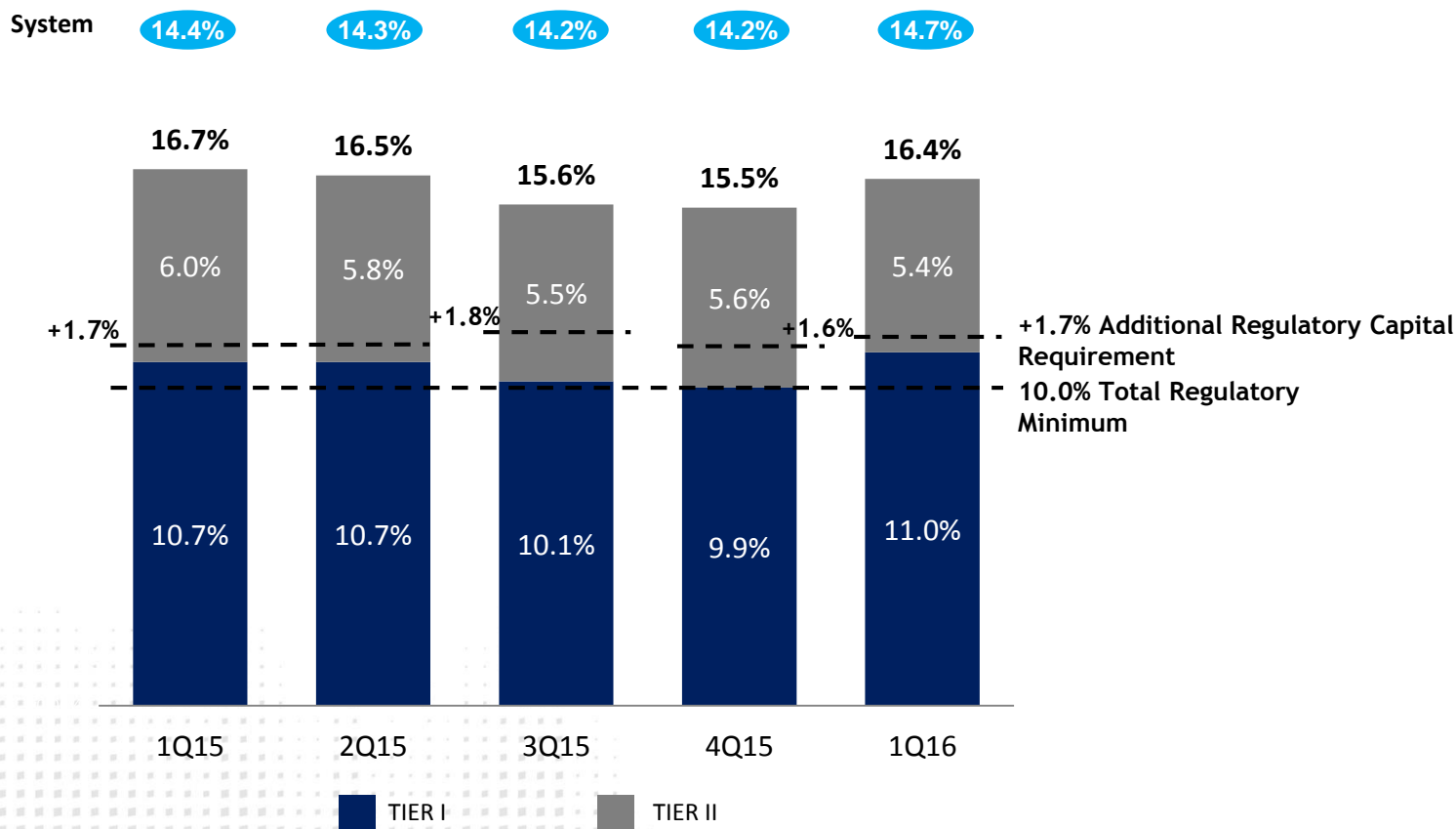


■ Salaries, administrative and D&A expenses

■ Efficiency ratio ⁽¹⁾

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

Interbank's BIS ratio remained above regulatory requirements and the system average



Interseguro

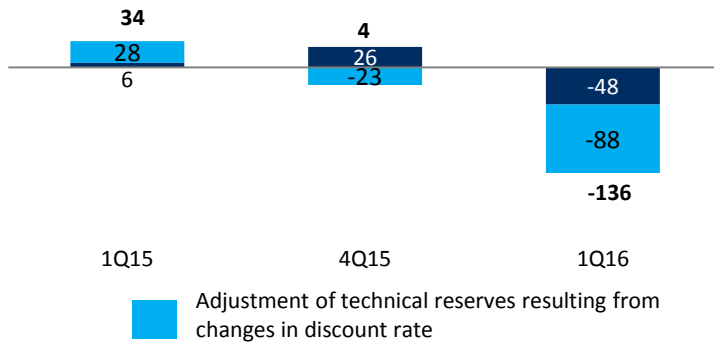
Interseguro's results in 1Q16 were negatively impacted by a higher adjustment of technical reserves and lower results from investments

Insurance Segment's P&L Statement					
S/ million	1Q15	4Q15	1Q16	%chg QoQ	%chg YoY
Net Interest and similar income	53.3	65.3	69.7	6.7%	30.7%
Fee income from financial services, net	-0.7	-0.5	-0.7	39.4%	-5.7%
Other income	41.0	20.6	-14.6	n.m.	n.m.
Total premiums earned less claims and benefits	-12.0	-43.8	-127.5	n.m.	n.m.
Other expenses	-47.4	-46.7	-67.7	45.0%	42.7%
Income before translation result and income tax	34.2	-5.0	-140.6	n.m.	n.m.
Translation result	-0.7	8.5	3.2	-62.4%	n.m.
Income tax	0.2	0.0	0.6	n.m.	147.3%
Profit for the period	33.8	3.5	-136.9	n.m.	n.m.
Attributable to non-controlling interest ⁽¹⁾	-0.2	0.1	1.4	n.m.	n.m.
Profit attributable to shareholders	33.6	3.6	-135.5	n.m.	n.m.
Discount rate impacts on technical reserves	28.0	-22.6	-87.9	n.m.	n.m.
Profit excluding discount rate impacts	5.6	26.2	-47.6	n.m.	n.m.
ROAE	23.3%	4.3%	n.m.		
Efficiency ratio	17.0%	21.3%	n.m.		

Interseguro's net profit IFRS vs. Local GAAP

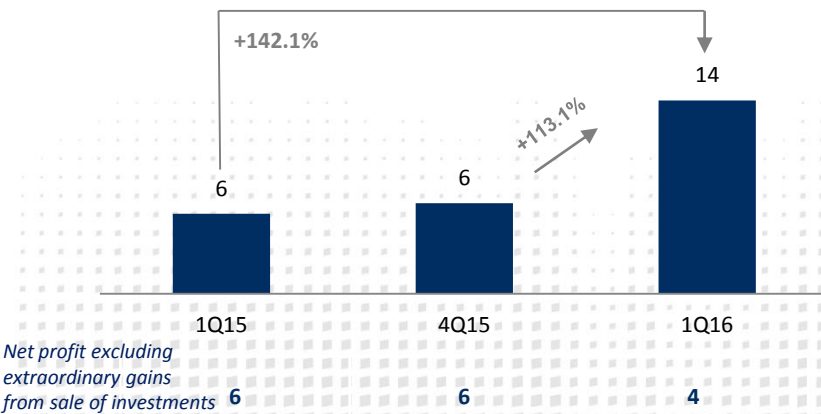
Net profit – IFRS

S/ million



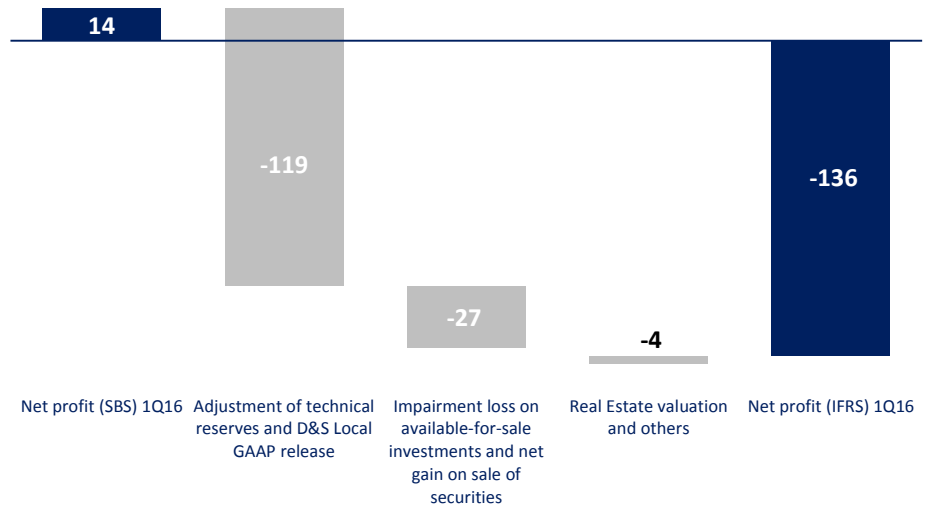
Net profit – Local GAAP

S/ million



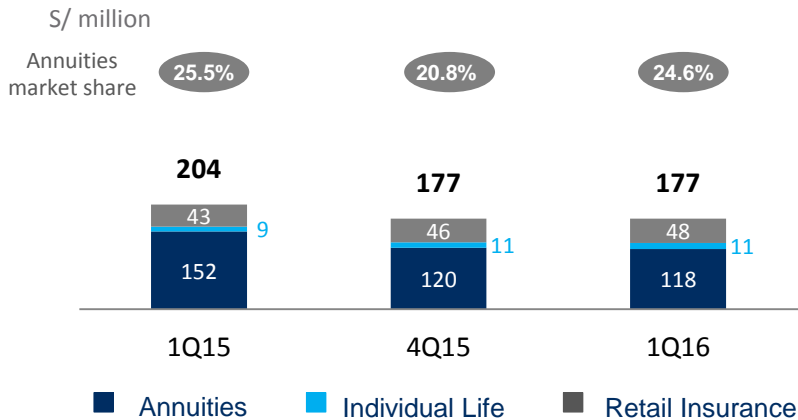
Net profit bridge from Local GAAP to IFRS (1Q16)

S/ million

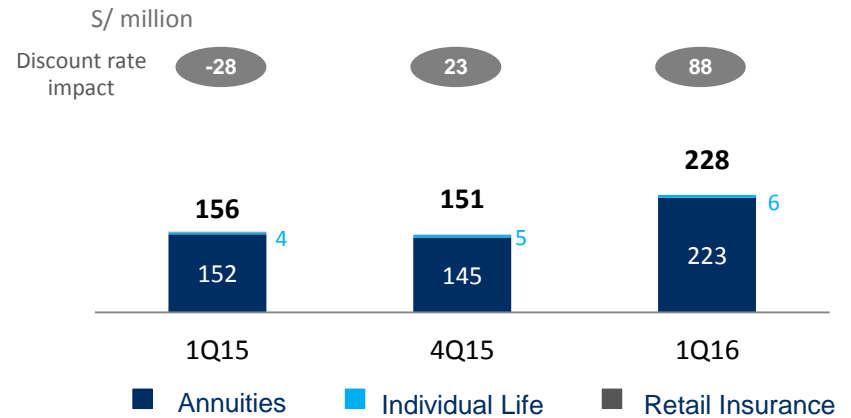


Total premiums earned less claims and benefits decreased QoQ and YoY

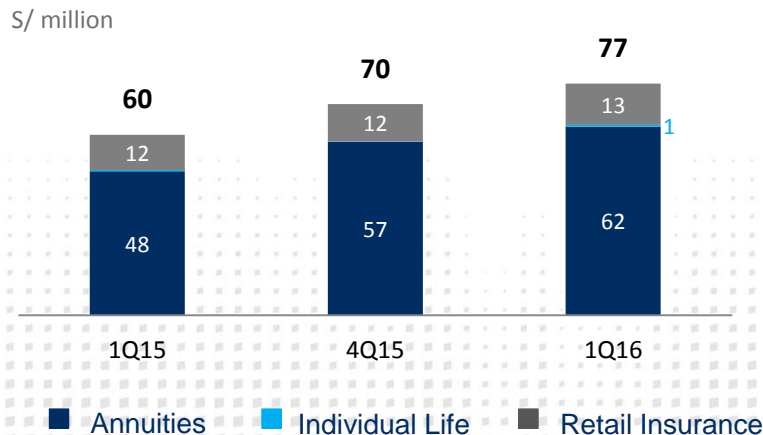
Net premiums



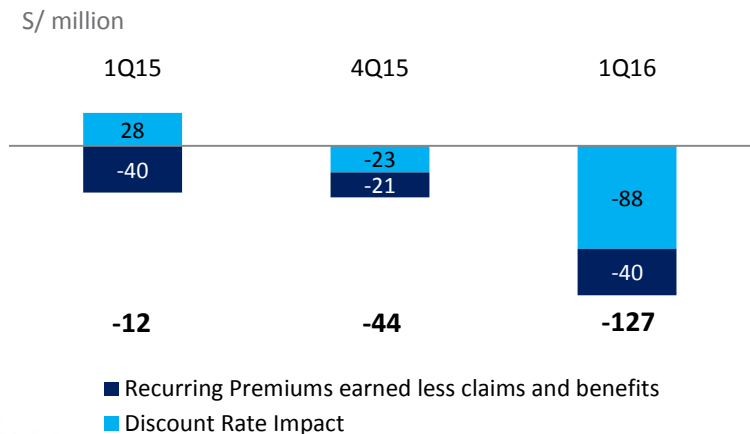
Adjustment of technical reserves



Net claims and benefits incurred



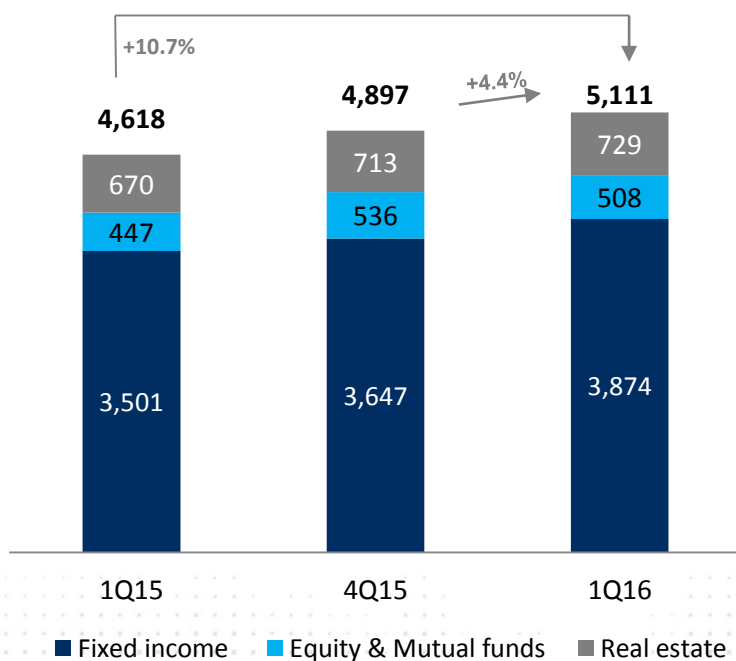
Total premiums earned less claims and benefits



Interseguro's investment portfolio grew 4.4% QoQ and 10.7% YoY

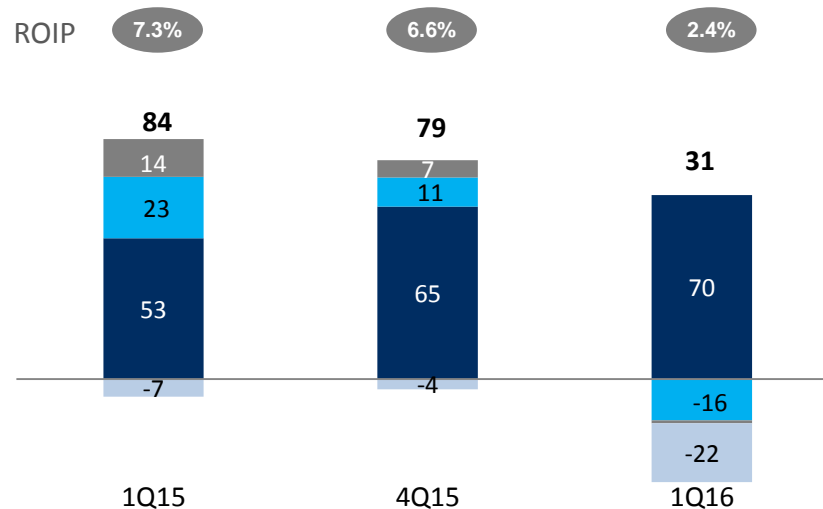
Investment portfolio

S/ million



Results from investments⁽¹⁾

S/ million



(1) Only includes transactions related to investments
 (2) Other expenses includes impairment loss on available-for-sale investments

Inteligo

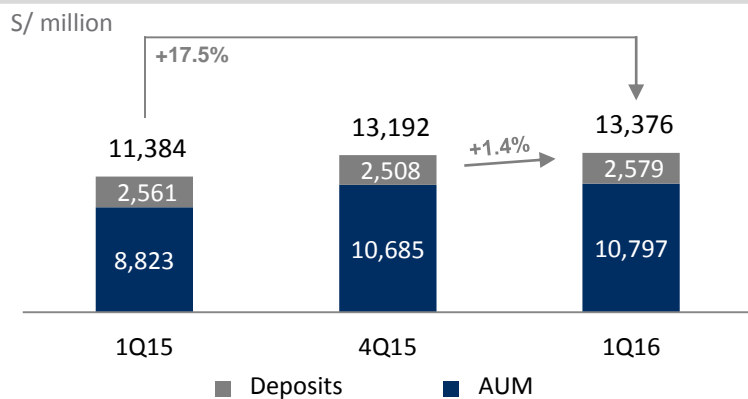
Inteligo's net profit increased more than tenfold QoQ

Wealth Management Segment's P&L Statement

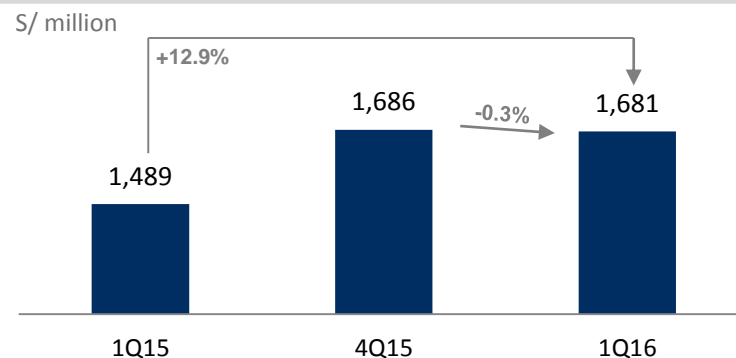
S/ million	1Q15	4Q15	1Q16	%chg QoQ	%chg YoY
Interest and similar income	27.7	40.6	37.8	-6.9%	36.3%
Interest and similar expenses	-13.4	-13.7	-13.2	-3.9%	-1.3%
Net interest and similar income	14.3	26.8	24.6	-8.5%	71.4%
Fee income from financial services, net	31.2	23.3	24.3	4.1%	-22.3%
Other income	8.5	-3.5	1.9	n.m.	-77.5%
Other expenses	-17.9	-44.0	-20.2	-54.2%	12.6%
Income before translation result and income tax	36.2	2.6	30.6	n.m.	-15.4%
Translation result	0.0	-0.3	-0.2	-42.1%	n.m.
Income tax	0.0	0.4	0.0	n.m.	n.m.
Profit for the period	36.1	2.6	30.4	n.m.	-15.9%
ROAE	29.1%	1.9%	20.5%		
Efficiency ratio	33.1%	44.4%	39.7%		

Inteligo's key indicators

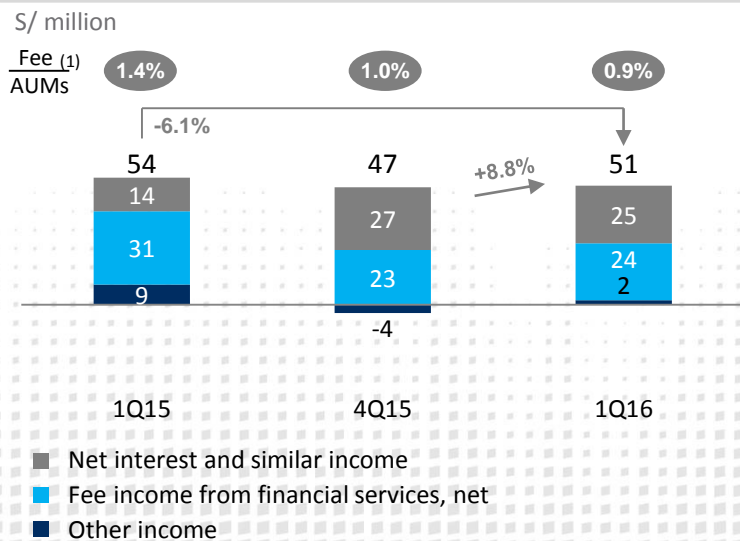
AUM + Deposits



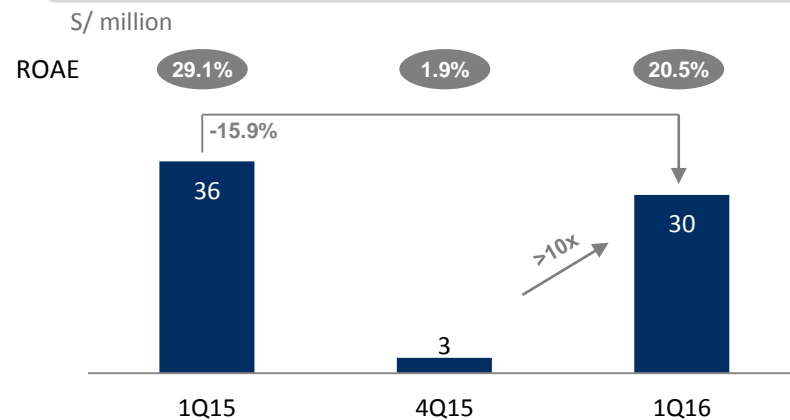
Loans



Revenues



Net profit



Summary

1Q16 Takeaways

✓ **Interbank**

- ✓ 10.6% YoY growth in performing loans and 12.3% growth in consumer loans
- ✓ 14.3% YoY growth in total deposits, resulting in 11.8% market share
- ✓ Dollar exposure within the loan book reduced by 730 bps YoY

✓ **Interseguro**

- ✓ Premiums remained stable QoQ and decreased 13.3% YoY due to a market contraction by year-end 2015
- ✓ Investment portfolio grew 4.4% QoQ and 10.7% YoY

✓ **Inteligo**

- ✓ AuM + deposits increased 1.4% QoQ and 17.5% YoY
- ✓ Loans remained stable QoQ and grew 12.9% YoY
- ✓ Net profit increased more than tenfold QoQ

✓ **IFS**

- ✓ Bottom-line result was mainly affected by a higher adjustment of technical reserves and by a negative impact on the investment portfolio at Interseguro

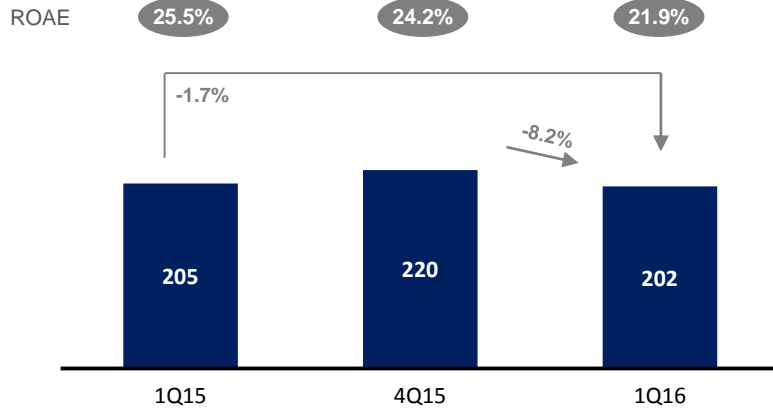
Appendix

IFS 1Q16 net profit decreased 72.5% QoQ and 76.9% YoY

IFRS

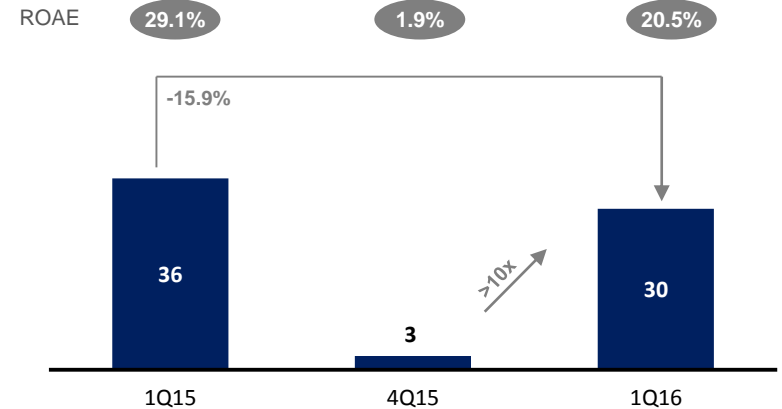
Interbank

Net profit in S/ million



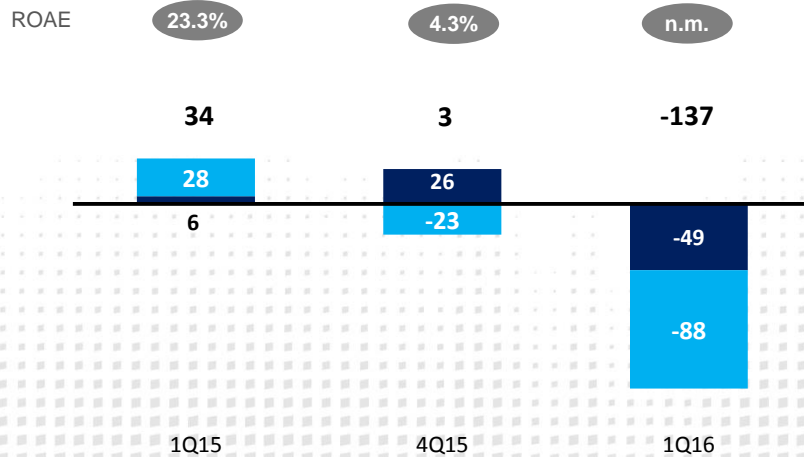
Inteligo

Net profit in S/ million



Interseguro

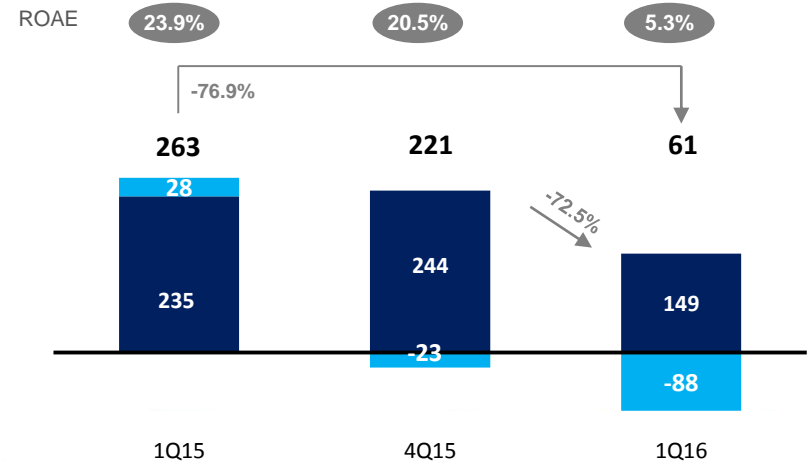
Net profit in S/ million



■ Discount Rate Impact

IFS

Net profit in S/ million



■ Discount Rate Impact

IFS 1Q16 P&L

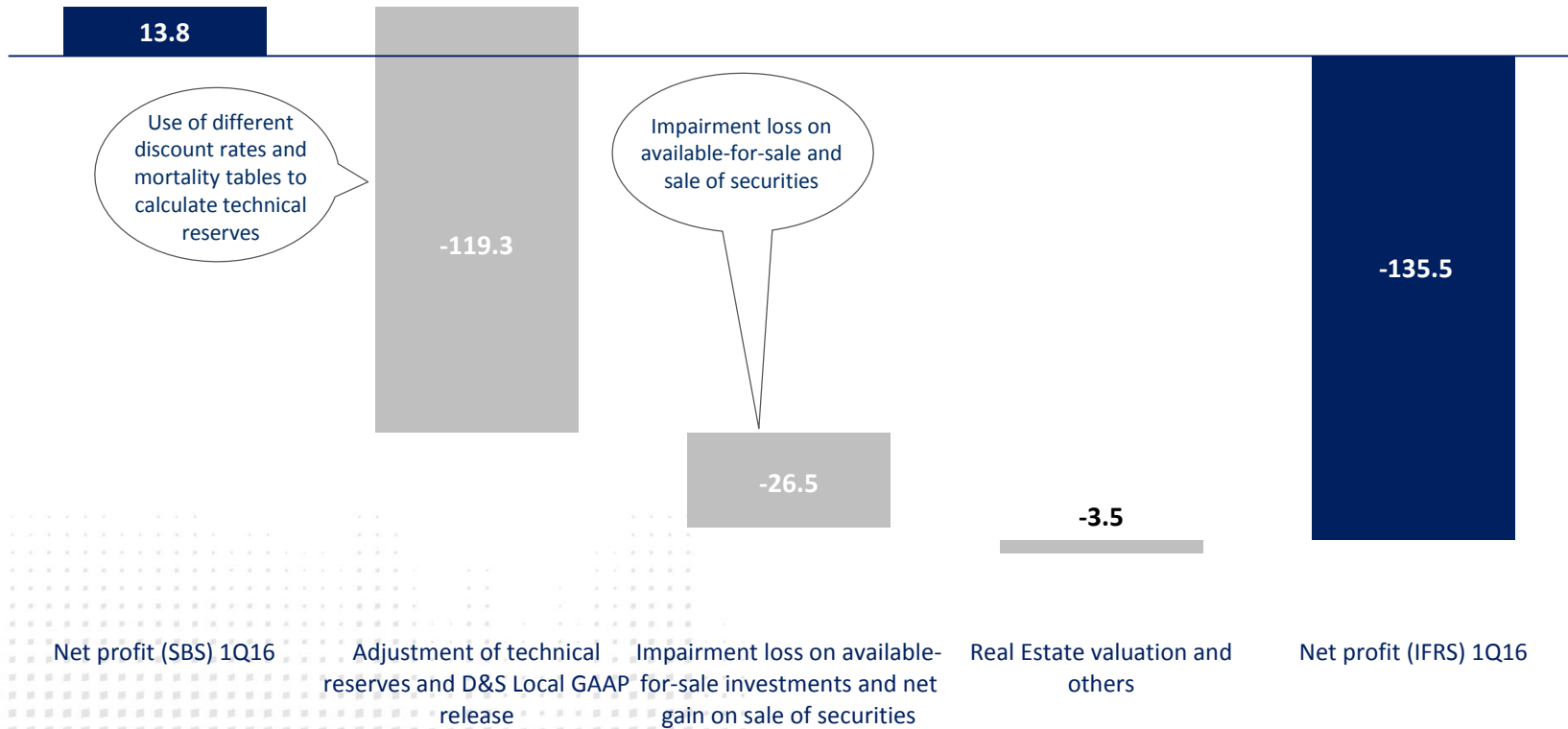
IFRS

Intercorp Financial Services' P&L statement					
S/ million	1Q15	4Q15	1Q16	%chg QoQ	%chg YoY
Interest and similar income	753.5	912.0	903.7	-0.9%	19.9%
Interest and similar expense	-207.7	-259.9	-259.7	-0.1%	25.0%
Net interest and similar income	545.8	652.1	643.9	-1.3%	18.0%
Provision for loan losses, net of recoveries	-148.8	-182.5	-199.6	9.4%	34.1%
Net interest and similar income after provision for loan losses	397.0	469.6	444.3	-5.4%	11.9%
Fee income from financial services, net	194.8	214.7	206.6	-3.8%	6.0%
Other income	171.7	145.8	48.9	-66.4%	-71.5%
Total premiums earned less claims and benefits	-12.0	-43.8	-127.5	n.m.	n.m.
Net Premiums	204.3	177.1	177.1	0.0%	-13.3%
Adjustment of technical reserves	-156.5	-151.0	-228.0	51.0%	45.7%
Net claims and benefits incurred	-59.9	-69.9	-76.6	9.5%	27.9%
Other expenses	-399.9	-470.9	-437.9	-7.0%	9.5%
Income before translation result and income tax	351.6	315.4	134.4	-57.4%	-61.8%
Translation result	-10.6	-8.8	9.6	n.m.	n.m.
Income tax	-78.1	-85.7	-83.3	-2.8%	6.7%
Profit for the period	262.9	220.9	60.7	-72.5%	-76.9%
Attributable to equity holders of the group	261.2	219.5	60.6	-72.4%	-76.8%
EPS	2.39	2.02	0.56		
ROAE	23.9%	20.5%	5.3%		
ROAA	2.5%	1.8%	0.5%		

Interseguro's 1Q16 net profit bridge to IFRS

Local GAAP vs. IFRS

S/ million



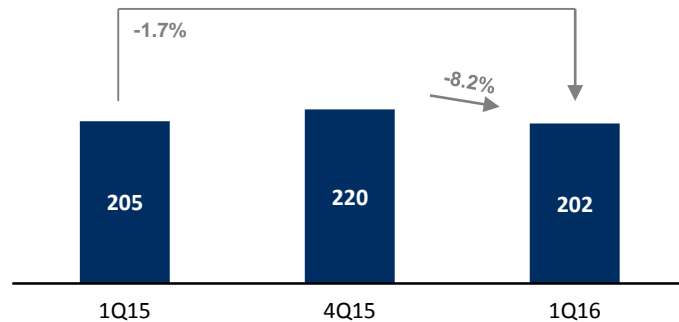
■ Reductions ■ Gains

Source: Company information. Excludes reclassifications.

Interbank's net profit IFRS vs. Local GAAP

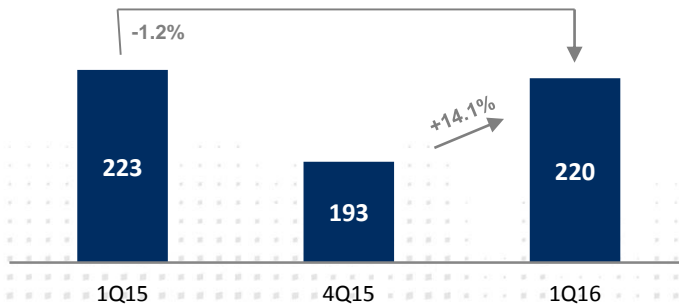
Net profit – IFRS

S/ million



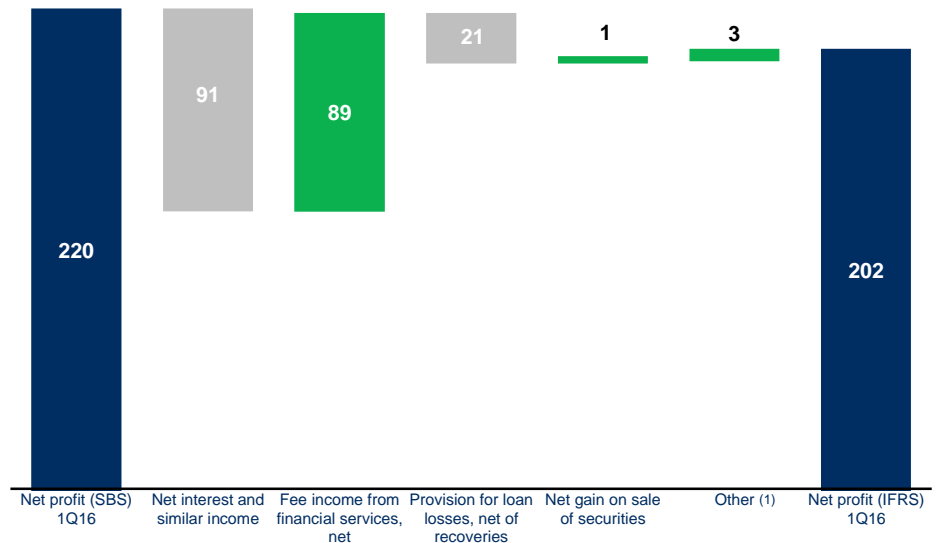
Net profit – Local GAAP

S/ million



Net profit bridge from Local GAAP to IFRS (1Q16)

S/ million



(1) Includes taxes (S/ +6.2 million), administrative expenses (S/ +4.2 million), subsidiaries contribution and consolidation expenses (S/ -2.7 million) and others (S/ -4.6 million)