

Intercorp Financial Services

First Quarter 2017

Earnings Presentation

Highlights 1Q17

IFRS

Interbank

Loan portfolio growth higher than the industry, 1Q17 results impacted by higher cost of risk and lower FX activity

- 1Q17 net profit was S/ 194.5 million, a decrease of 3.6% YoY and 13.0% QoQ, mainly due to higher provision expenses
- Performing loans grew 4.4% YoY, gaining 20 bps market share QoQ and reaching 11.3% in 1Q17; while retail deposits increased 7.5% YoY, with a stable 12.7% market share in 1Q17
- NIM was 5.6% in 1Q17, 10 bps above the 5.5% reported in 1Q16 but 10 bps below the 5.7% registered in 4Q16.
- Cost of risk was 3.4% in 1Q17, a 20 bps increase YoY and 40 bps QoQ; while the PDL ratio remained below the system's average at 2.7%
- 1Q17 annualized ROAE was 18.3%

Interseguro

Results impacted by annuity market dynamics and accounting discount rate impact

- 1Q17 profit excluding discount rate impact on technical reserves was S/ 3.8 million, compared to S/ -47.6 million in 1Q16 and S/ 29.1 million in 4Q16
- Net premiums in 1Q17 decreased 23.9% YoY and 9.5% QoQ affected by new regulation in April 2016, allowing retirees to cash out a significant portion of their pension funds. Interseguro's market share in annuities was 20.6% in 1Q17
- Interseguro's investment portfolio grew 9.8% YoY and 4.0% QoQ

Inteligo

Strong quarter in activity, revenues, efficiency and profitability

- 1Q17 net profit was S/ 48.8 million, a 60.6% growth YoY and a 26.9% increase QoQ
- The quarterly performance was mainly attributed to higher net interest and similar income, and lower other expenses
- AuM + deposits increased 0.9% QoQ and 11.2% YoY in dollar terms
- 1Q17 annualized ROAE was 28.2%

Intercorp Financial Services

- 1Q17 net profit was S/ 158.0 million, a 160.3% growth YoY but a 59.1% reduction QoQ
- Profits in 1Q17 were negatively impacted by a lower discount rate on technical reserves for annuities at Interseguro
- Excluding discount rate impact on technical reserves, IFS 1Q17 profits grew 60.0% YoY but decreased 16.3% QoQ. The YoY growth was mainly explained by a recovery in results from investments at Interseguro and a strong performance at Inteligo; in addition to higher net interest margin and fee income at Interbank
- Efficiency ratio improved 80 bps down to 39.5%, reflecting cost efficiency efforts at IFS

IFS key indicators 1Q17

IFRS

Intercorp Financial Services' key indicators

S/ million

| | | 1Q16 | 4Q16 | 1Q17 | %chg QoQ | %chg YoY |
|----------------------|---|--------|--------|--------|----------|----------|
| Results | Net interest and similar income | 643.9 | 675.7 | 669.3 | -0.9% | 3.9% |
| | Fee income from financial services, net | 206.6 | 221.4 | 220.7 | -0.3% | 6.8% |
| | Profit for the period | 60.7 | 386.3 | 158.0 | -59.1% | 160.3% |
| | <i>Profit excl. discount rate impact on technical reserves</i> | 148.5 | 283.8 | 237.7 | -16.3% | 60.0% |
| Profitability | NIM ⁽¹⁾ | 5.5% | 5.6% | 5.6% | 0 bps | 10 bps |
| | ROAE | 5.3% | 30.9% | 12.2% | n.m. | n.m. |
| | <i>ROAE excl. discount rate impact on technical reserves</i> | 12.7% | 22.7% | 18.4% | -430 bps | 570 bps |
| | ROAA | 0.5% | 3.0% | 1.3% | -170 bps | 80 bps |
| | EPS | 0.56 | 3.59 | 1.48 | | |
| Asset quality | PDL ratio | 2.3% | 2.5% | 2.6% | 10 bps | 30 bps |
| | PLL / Avg. loans | 3.0% | 2.8% | 3.2% | 40 bps | 20 bps |
| | Coverage ratio | 173.3% | 168.3% | 164.1% | | |
| Insurance | Net Premiums ⁽²⁾ | 177.1 | 148.9 | 134.7 | -9.5% | -23.9% |
| | Discount rate impact on technical reserves | -87.9 | 102.5 | -79.7 | n.m. | -9.3% |
| | Total premiums earned less claims and benefits excl. discount rate impact | -18.2 | -35.8 | -46.1 | 28.7% | 153.0% |
| | ROIP | 2.4% | 7.5% | 6.3% | -120 bps | 390 bps |
| Other ratios | Efficiency ratio ⁽³⁾ | 45.7% | 36.7% | 42.8% | 610 bps | -290 bps |
| | <i>Efficiency ratio excl. discount rate impact on technical reserves</i> | 41.4% | 40.3% | 39.5% | -80 bps | -190 bps |
| | BIS ratio (Interbank) | 16.4% | 15.9% | 17.1% | 120 bps | 70 bps |
| | Gross loans / Deposits (Interbank) | 99.9% | 97.5% | 105.9% | | |

(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

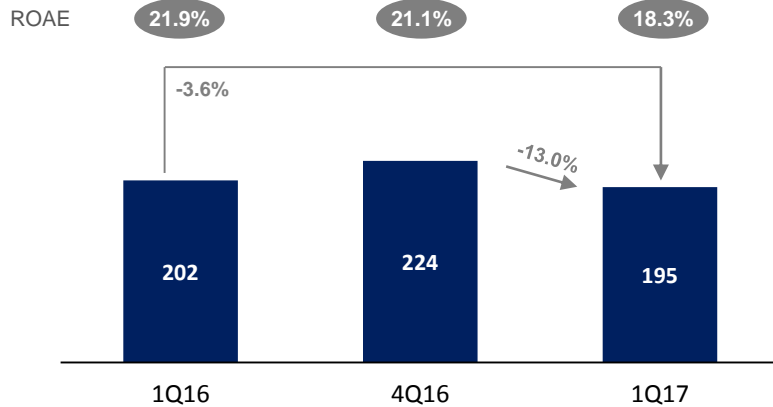
(3) Efficiency ratio is defined as (Salaries and employee benefits + Administrative expenses + Depreciation and amortization) / (Net interest and similar income + Fee income + Other income + Net premiums earned)

IFS 1Q17 net profit showed a significant increase YoY

IFRS

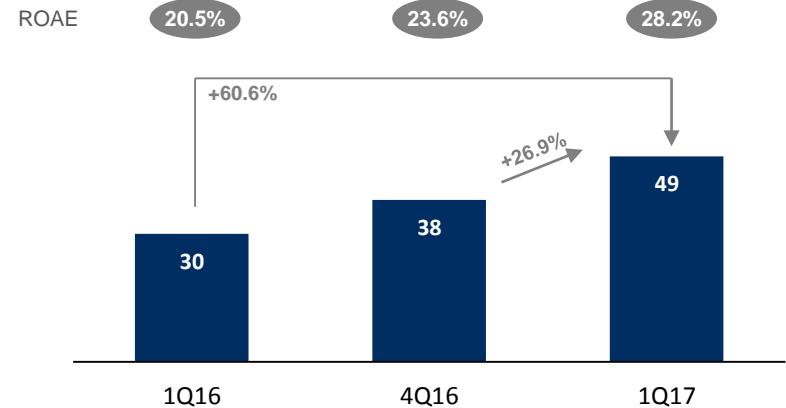
Interbank

Net profit in S/ million



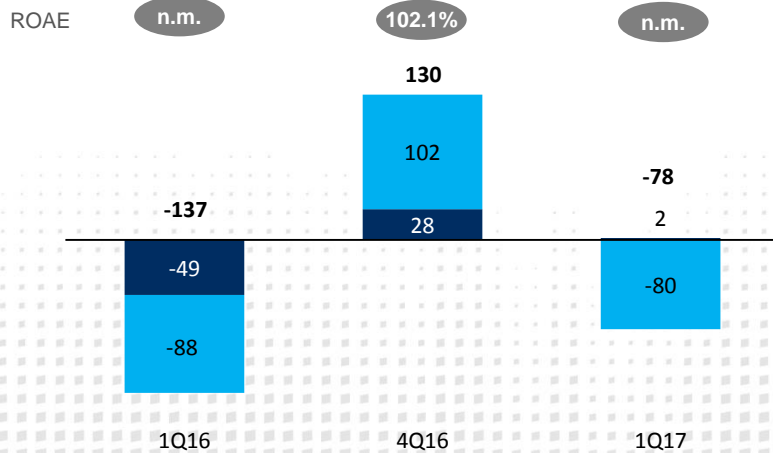
Inteligo

Net profit in S/ million



Interseguro

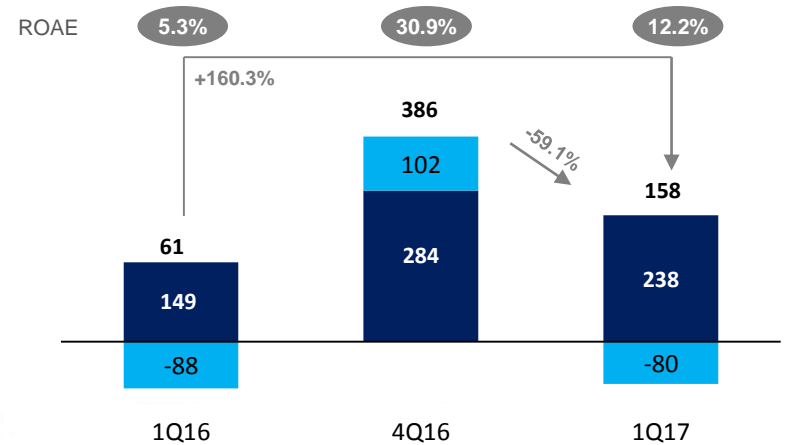
Net profit in S/ million



■ Discount Rate Impact

IFS

Net profit in S/ million



■ Discount Rate Impact

Interbank

Interbank's profits decreased 13.0% QoQ and 3.6% YoY mainly due to higher provisions for loan losses

IFRS

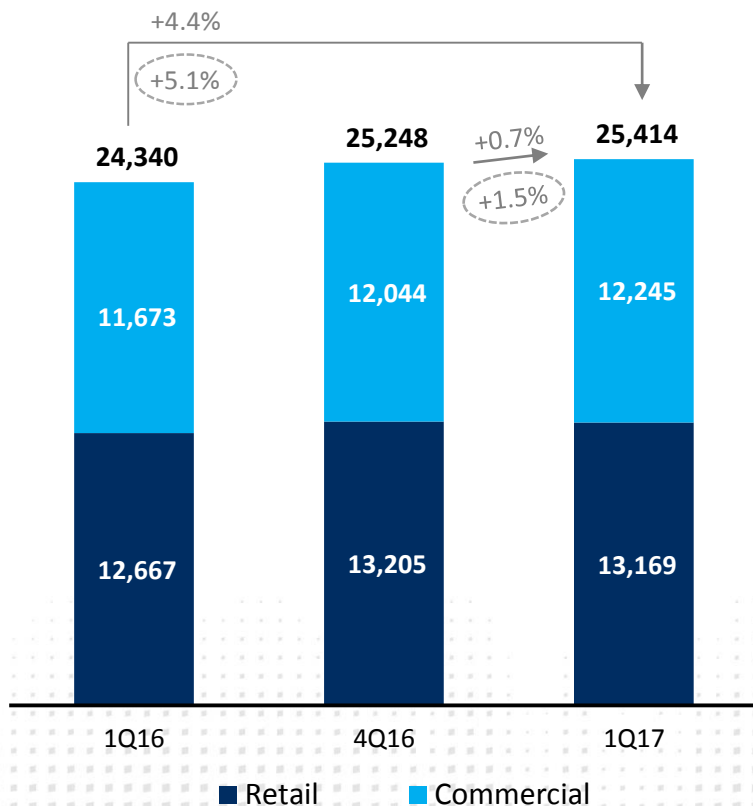
| Banking Segment's P&L Statement | | | | | |
|--|--------------|--------------|--------------|---------------|--------------|
| S/ million | 1Q16 | 4Q16 | 1Q17 | %chg QoQ | %chg YoY |
| Interest and similar income | 792.4 | 837.3 | 815.0 | -2.7% | 2.8% |
| Interest and similar expenses | -243.0 | -256.1 | -258.8 | 1.1% | 6.5% |
| Net interest and similar income | 549.4 | 581.2 | 556.2 | -4.3% | 1.2% |
| Provision for loan losses, net of recoveries | -199.6 | -194.0 | -225.4 | 16.2% | 12.9% |
| Net interest and similar income after provision for loan losses | 349.8 | 387.2 | 330.7 | -14.6% | -5.4% |
| Fee income from financial services, net | 189.2 | 205.2 | 203.3 | -0.9% | 7.5% |
| Other income | 85.3 | 88.1 | 93.4 | 6.0% | 9.4% |
| Other expenses | -353.7 | -384.1 | -379.0 | -1.3% | 7.2% |
| Income before translation result and income tax | 270.6 | 296.4 | 248.4 | -16.2% | -8.2% |
| Translation result | 7.5 | 3.0 | 14.6 | n.m. | n.m. |
| Income tax | -76.4 | -75.7 | -68.5 | -9.6% | -10.3% |
| Profit for the period | 201.8 | 223.7 | 194.5 | -13.0% | -3.6% |
| ROAE | 21.9% | 21.1% | 18.3% | | |
| Efficiency ratio | 41.7% | 42.6% | 43.3% | | |
| NIM⁽¹⁾ | 5.5% | 5.7% | 5.6% | | |
| NIM on loans | 9.9% | 10.0% | 9.4% | | |

(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 4.4% YoY, ahead of the system's growth

Performing loans

S/ million



%

%chg excluding exchange rate effect

Breakdown of loans

S/ million

| | 1Q16 | 4Q16 | 1Q17 | %chg QoQ | %chg YoY |
|-----------------------------|-----------------|-----------------|-----------------|--------------|-------------|
| Consumer loans: | | | | | |
| Credit cards | 3,671.8 | 3,853.5 | 3,709.7 | -3.7% | 1.0% |
| Other consumer | 4,292.4 | 4,479.9 | 4,531.7 | 1.2% | 5.6% |
| Total consumer loans | 7,964.2 | 8,333.4 | 8,241.4 | -1.1% | 3.5% |
| Mortgages | 4,702.6 | 4,871.1 | 4,927.9 | 1.2% | 4.8% |
| Total retail loans | 12,666.8 | 13,204.5 | 13,169.3 | -0.3% | 4.0% |
| Total commercial | 11,672.9 | 12,043.9 | 12,244.8 | 1.7% | 4.9% |
| Total loans | 24,339.6 | 25,248.4 | 25,414.2 | 0.7% | 4.4% |

Market share in loans ⁽¹⁾

S/ million

| | 1Q16 | 4Q16 | 1Q17 | bps QoQ | bps YoY |
|-----------------------------|--------------|--------------|--------------|------------|------------|
| Consumer loans: | | | | | |
| Credit cards | 23.3% | 23.0% | 22.8% | -20 | -50 |
| Other consumer | 20.0% | 19.7% | 19.6% | -10 | -40 |
| Total consumer loans | 21.5% | 21.2% | 21.0% | -20 | -50 |
| Mortgages | 13.0% | 13.1% | 13.2% | 10 | 20 |
| Total retail loans | 17.3% | 17.3% | 17.2% | -10 | -10 |
| Total commercial | 7.9% | 7.9% | 8.2% | 30 | 30 |
| Total loans | 11.1% | 11.1% | 11.3% | 20 | 20 |

⁽¹⁾ Based on Local GAAP figures

Retail deposits grew 7.5% YoY

Funding structure

| S/ million | 1Q16 | 4Q16 | 1Q17 | %chg QoQ | %chg YoY |
|---------------------------|-----------------|-----------------|-----------------|--------------|--------------|
| Deposits* | 25,268.7 | 26,898.6 | 24,956.6 | -7.2% | -1.2% |
| Retail | 10,733.4 | 11,747.4 | 11,542.7 | -1.7% | 7.5% |
| Commercial ⁽¹⁾ | 14,535.3 | 15,151.2 | 13,413.9 | -11.5% | -7.7% |
| Due to banks | 5,990.8 | 5,591.7 | 4,994.6 | -10.7% | -16.6% |
| Central Bank | 3,009.7 | 3,090.0 | 2,695.3 | -12.8% | -10.4% |
| Other | 2,981.1 | 2,501.8 | 2,299.3 | -8.1% | -22.9% |
| Bonds | 4,617.2 | 4,598.3 | 4,486.2 | -2.4% | -2.8% |
| Total | 35,876.7 | 37,088.7 | 34,437.5 | -7.1% | -4.0% |
| AUM (Interfondos) | 2,937.9 | 3,512.4 | 3,597.3 | 2.4% | 22.4% |
| Average cost of funding | -2.7% | -2.9% | -2.8% | 10 bps | -10 bps |

(* Excluding exchange rate effect: -6.0% QoQ and -0.3% YoY)

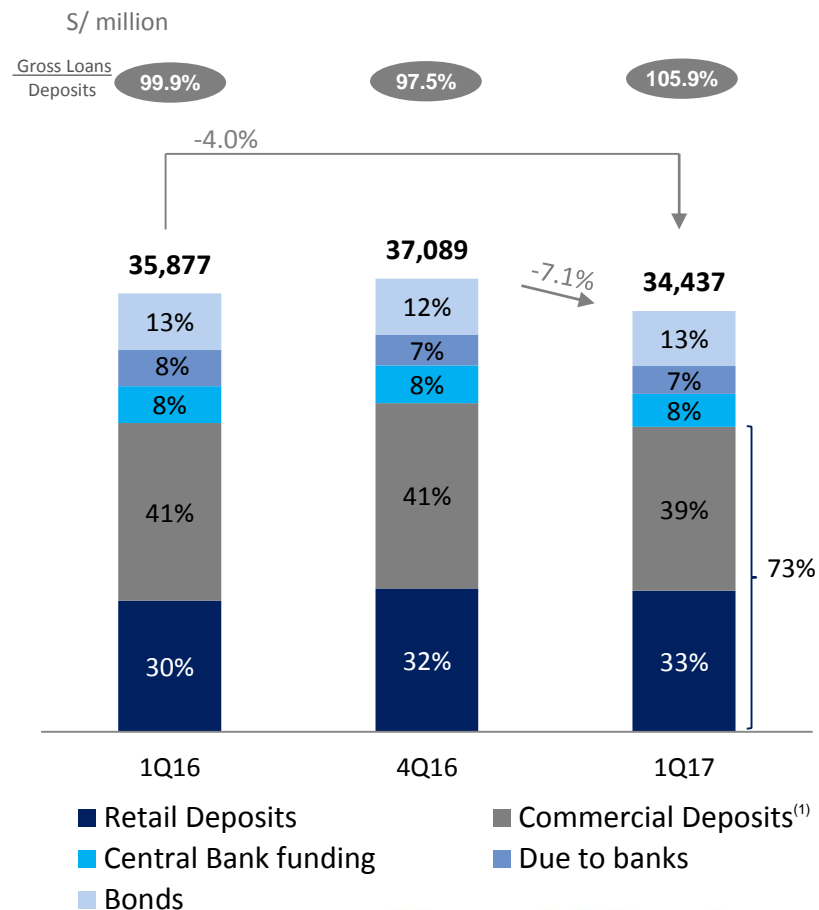
Market share in deposits ⁽²⁾

| S/ million | 1Q16 | 4Q16 | 1Q17 | bps QoQ | bps YoY |
|-----------------------|--------------|--------------|--------------|-------------|------------|
| Retail Deposits | 12.6% | 12.8% | 12.7% | -10 | 10 |
| Commercial Deposits | 11.2% | 12.4% | 10.5% | -190 | -70 |
| Total Deposits | 11.8% | 12.6% | 11.5% | -110 | -30 |

⁽¹⁾ Includes Institutional and others

⁽²⁾ Based on Local GAAP figures

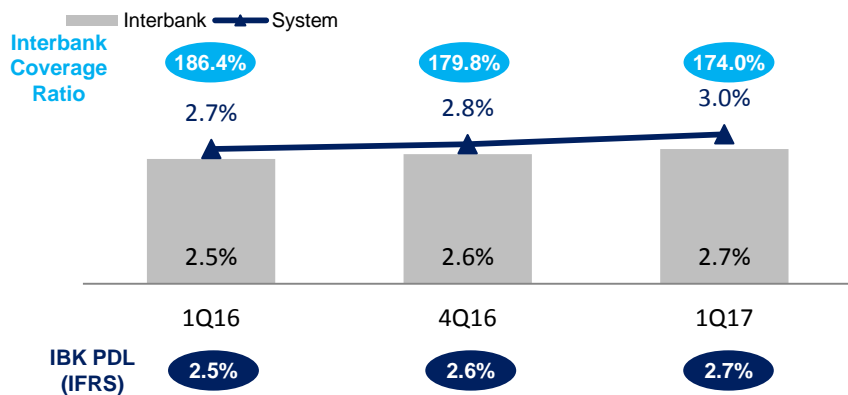
Funding breakdown



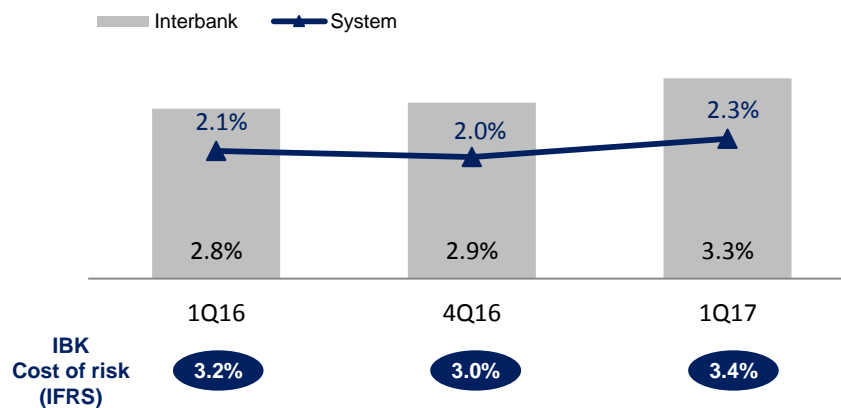
Total PDL ratio remained below the system's average in 1Q17

Local GAAP & IFRS figures

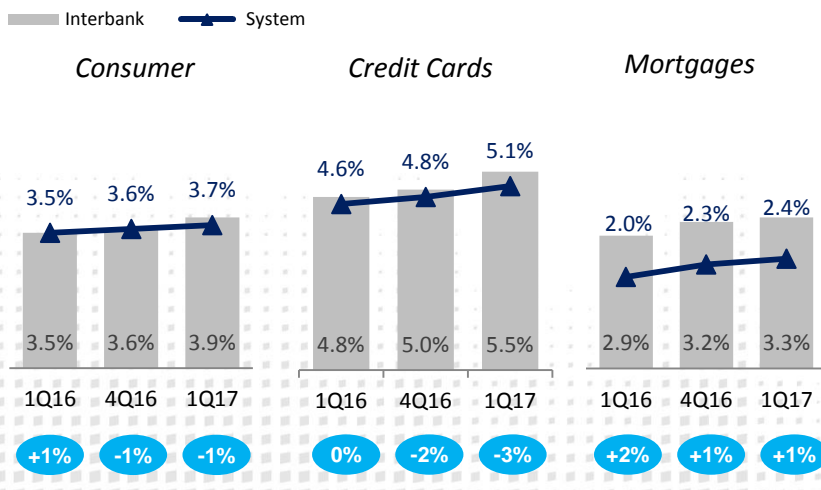
PDL vs. System



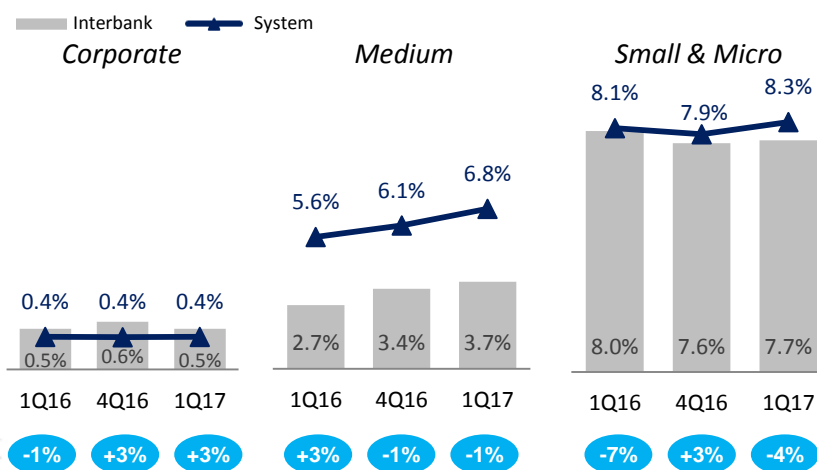
Loan provision expense vs. System



PDL retail banking vs. System

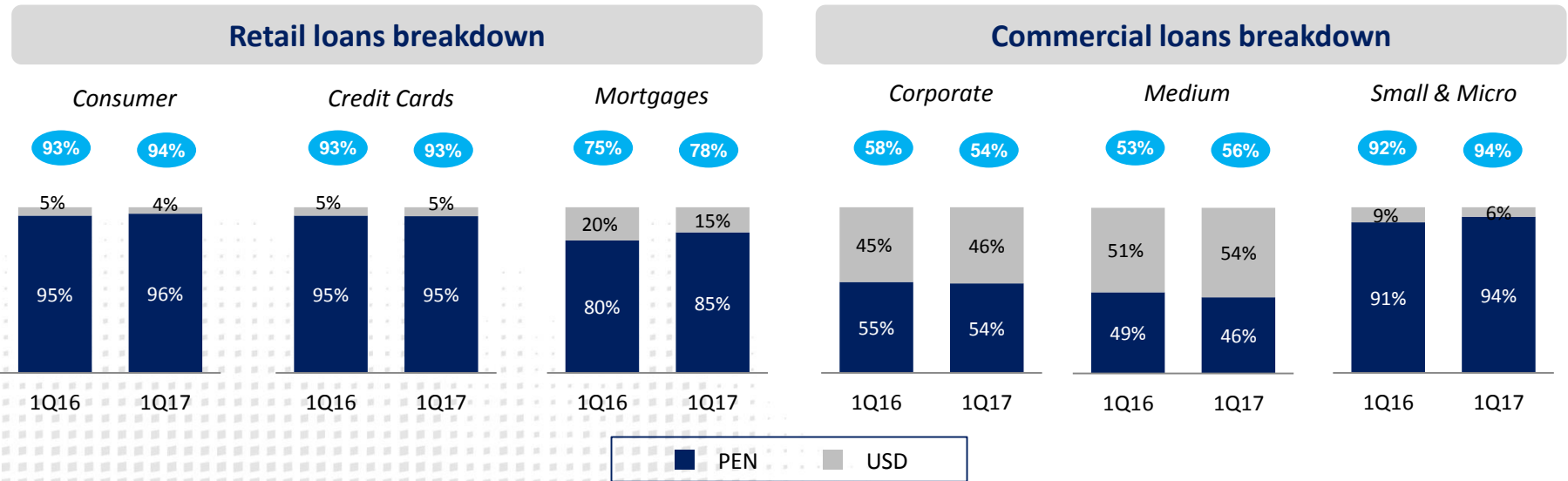
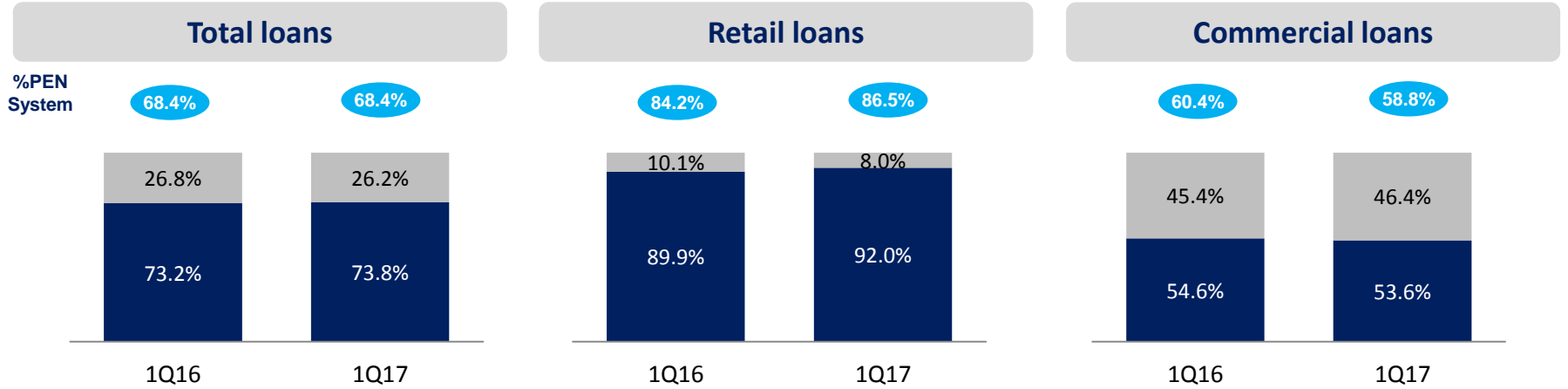


PDL commercial banking vs. System



De-dollarization continued in the retail portfolio

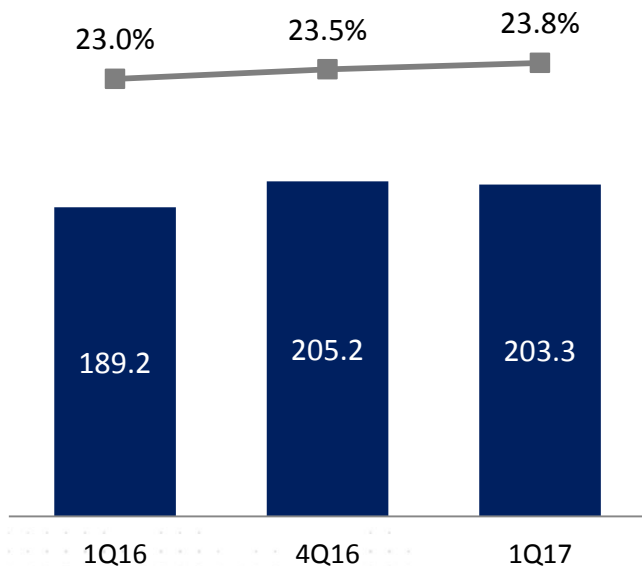
Local GAAP figures



Efficiency ratio slightly increased amid relatively stable fee income

Fee income

S/ million

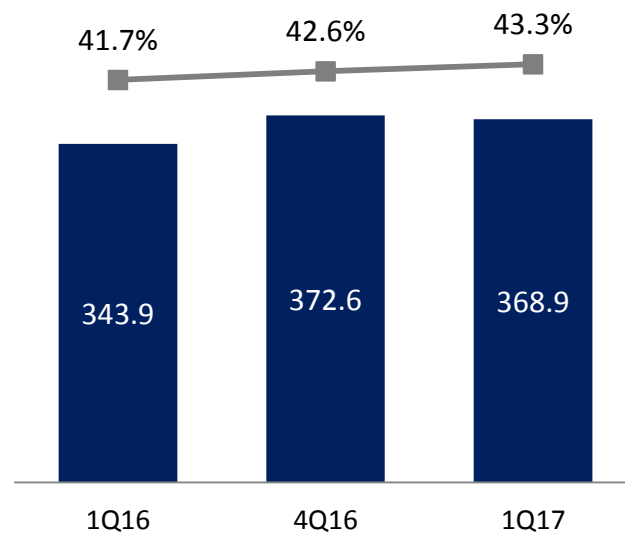


■ Net Fee income

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

Operating expenses

S/ million

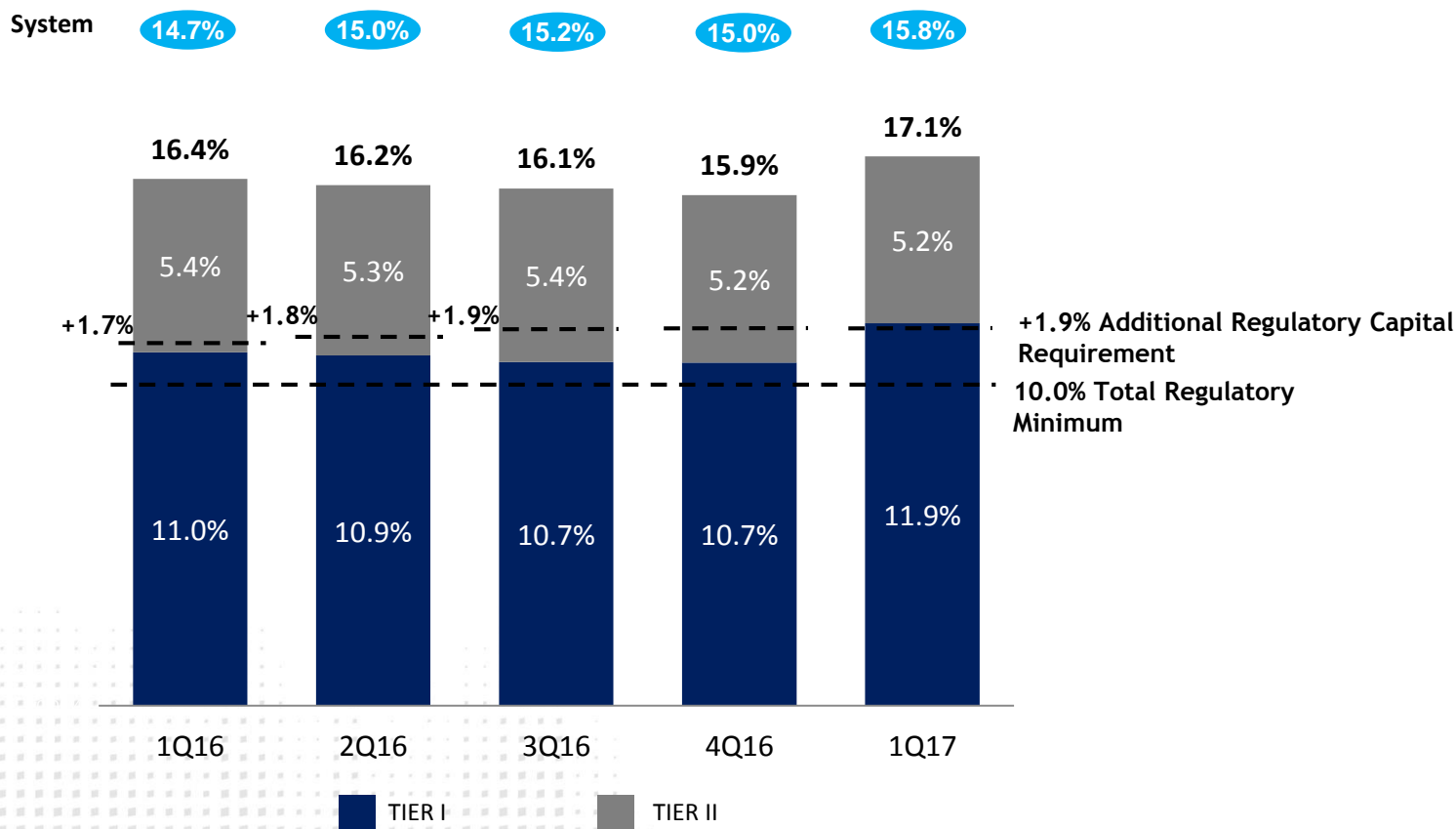


■ Salaries, administrative and D&A expenses

■ 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 1Q17 were negatively impacted by discount rate impacts on technical reserves

Insurance Segment's P&L Statement

| S/ million | 1Q16 | 4Q16 | 1Q17 | %chg QoQ | %chg YoY |
|---|---------------|---------------|--------------|---------------|---------------|
| Net Interest and similar income | 69.7 | 73.1 | 85.8 | 17.5% | 23.1% |
| Fee income from financial services, net | -0.7 | -0.9 | -1.2 | 33.9% | 87.4% |
| Other income | -14.6 | 0.5 | 11.8 | n.m. | n.m. |
| Total premiums earned less claims and benefits | -127.5 | 66.7 | -125.8 | n.m. | -1.3% |
| Other expenses | -67.7 | -17.6 | -57.8 | 229.1% | -14.6% |
| Income before translation result and income tax | -140.6 | 121.8 | -87.2 | n.m. | -38.0% |
| Translation result | 3.2 | 8.6 | 8.4 | -2.3% | 164.7% |
| Income tax | 0.6 | -0.2 | 0.9 | n.m. | 47.8% |
| Profit for the period | -136.9 | 130.2 | -78.0 | n.m. | -43.0% |
| Attributable to non-controlling interest ⁽¹⁾ | 1.4 | 1.4 | 2.0 | 45.8% | 46.9% |
| Profit attributable to shareholders | -135.5 | 131.6 | -75.9 | n.m. | -44.0% |
| Discount rate impact on technical reserves | -87.9 | 102.5 | -79.7 | n.m. | -9.3% |
| Profit excluding discount rate impact | -47.6 | 29.1 | 3.8 | -87.0% | n.m. |
| ROAE | n.m. | 102.1% | n.m. | | |
| ROAE excl. discount rate impact | n.m. | 16.3% | 1.2% | | |
| Efficiency ratio⁽²⁾ | n.m. | 11.3% | 42.7% | | |
| Efficiency ratio excl. discount rate impact | 25.7% | 20.5% | 17.3% | | |

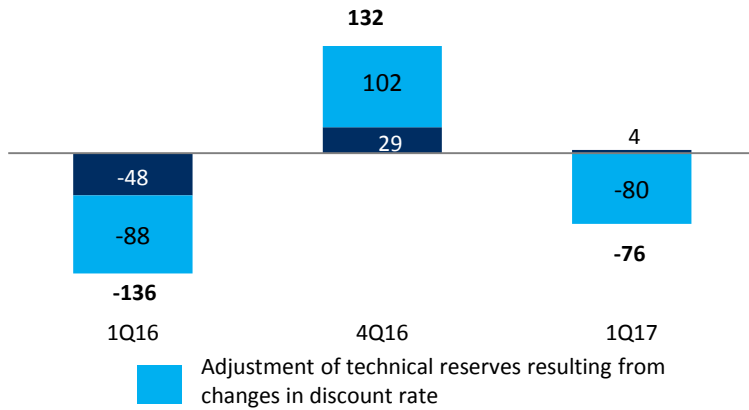
(1) Starting 4Q14, Interseguro began consolidating a real estate investment shared by Interseguro and Intercorp Real Estate Inc., a subsidiary of Intercorp Peru Ltd. Intercorp RE's part is then reported as attributable to non-controlling interest

(2) 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)

Interseguro's net profit IFRS vs. Local GAAP

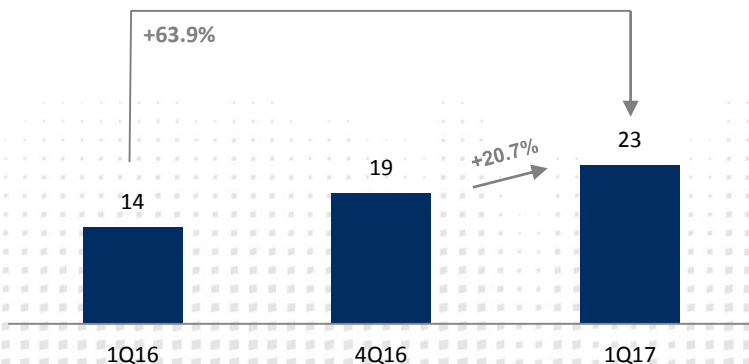
Net profit – IFRS*

S/ million



Net profit – Local GAAP

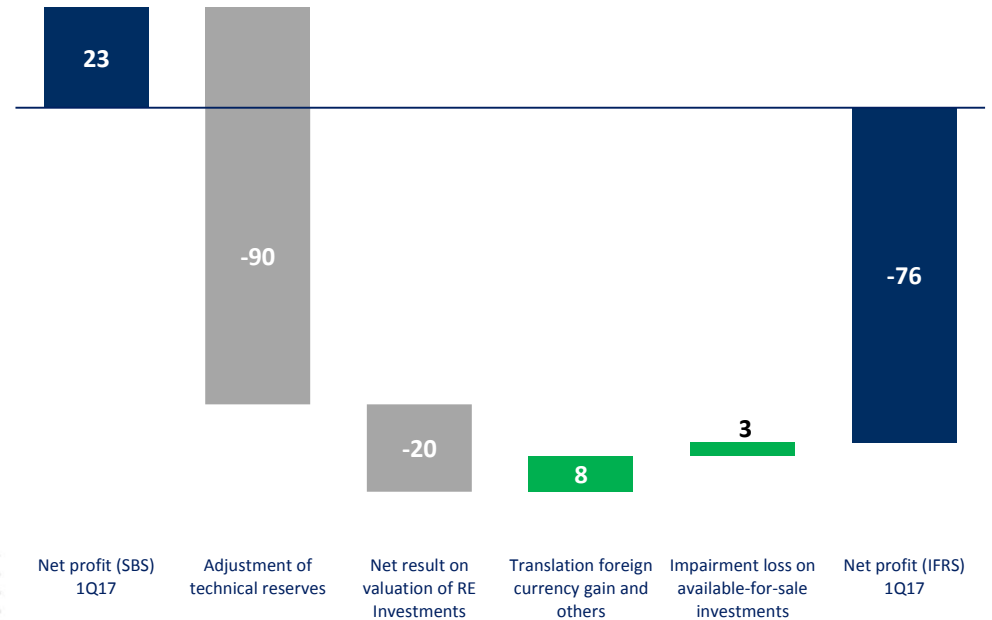
S/ million



*Attributable to shareholders

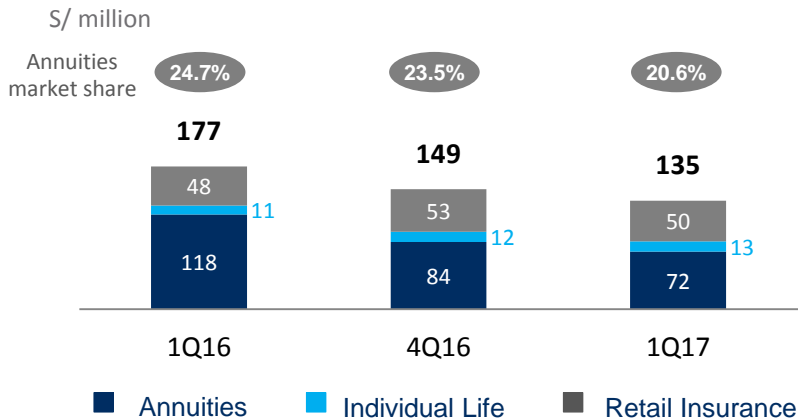
Net profit bridge from Local GAAP to IFRS (1Q17)

S/ million

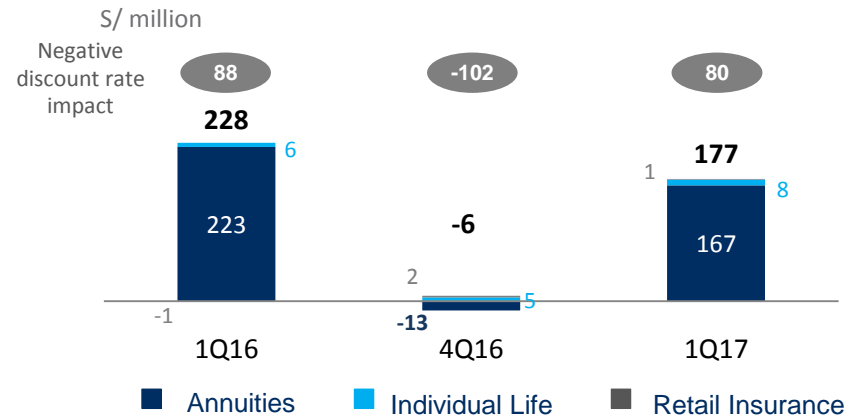


Total premiums earned less claims and benefits excluding the discount rate impact on technical reserves decreased QoQ and YoY

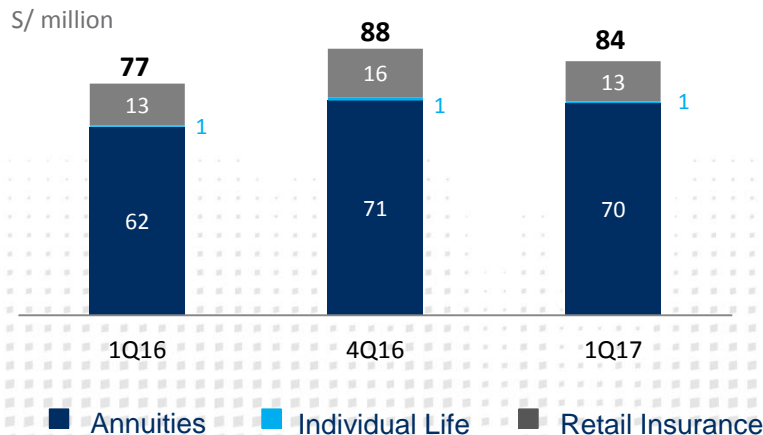
Net premiums



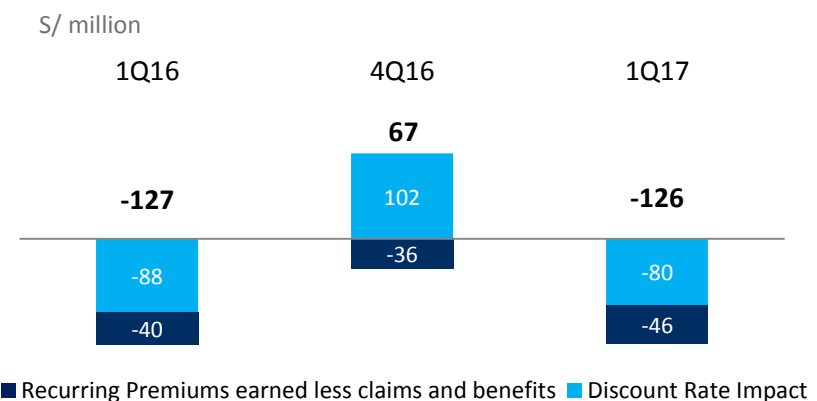
Adjustment of technical reserves



Net claims and benefits incurred



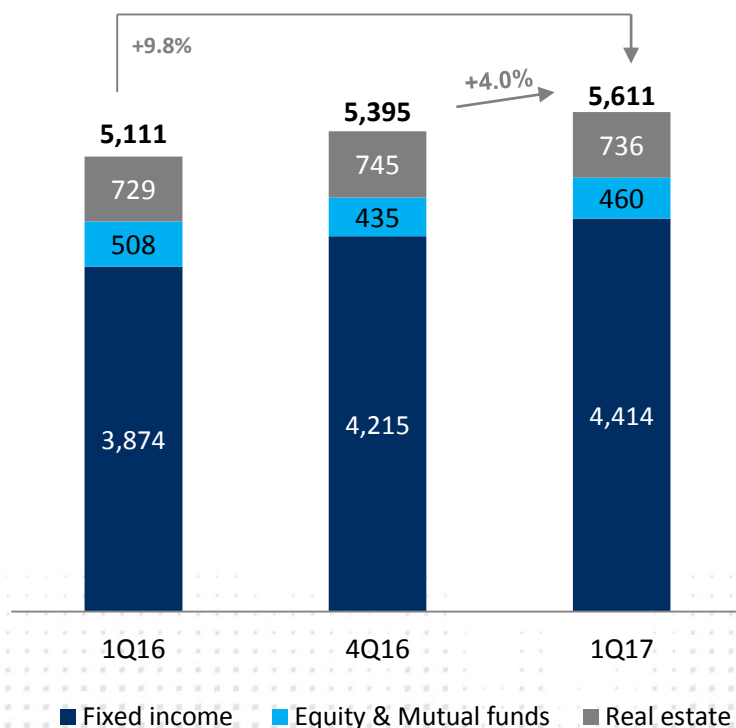
Total premiums earned less claims and benefits



Interseguro's investment portfolio grew 4.0% QoQ and 9.8% YoY

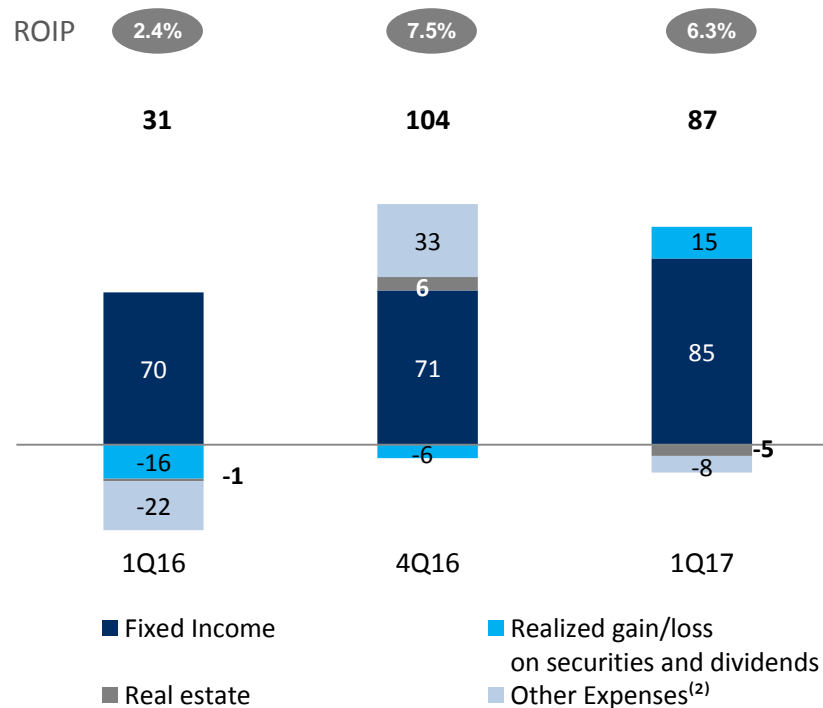
Investment portfolio

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

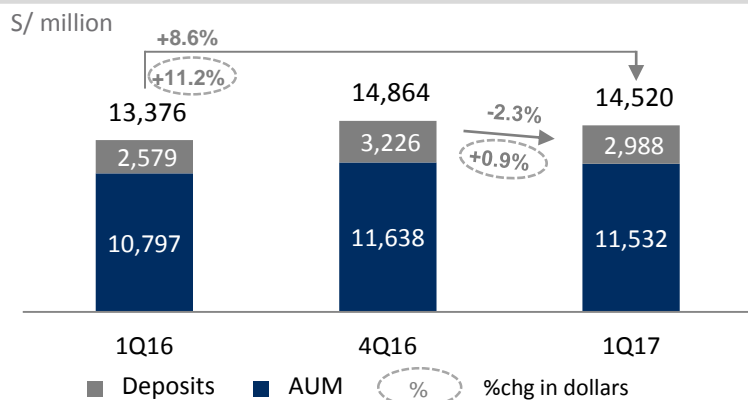
Inteligo's 1Q17 net profit increased 26.9% QoQ and 60.6% YoY

Wealth Management Segment's P&L Statement

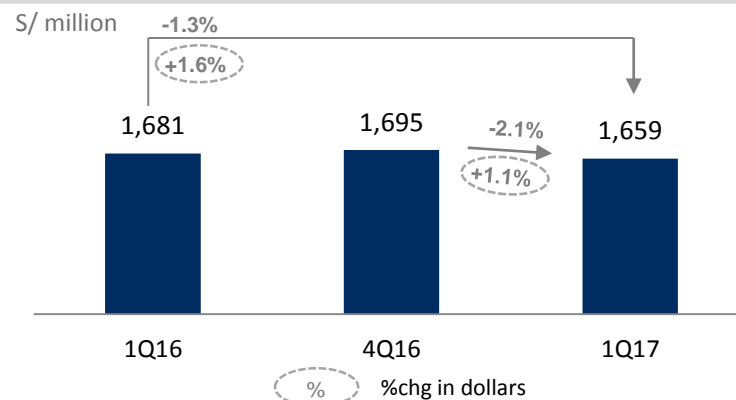
| S/ million | 1Q16 | 4Q16 | 1Q17 | %chg QoQ | %chg YoY |
|--|--------------|--------------|--------------|--------------|--------------|
| Interest and similar income | 37.8 | 38.5 | 39.7 | 3.0% | 5.1% |
| Interest and similar expenses | -13.2 | -17.1 | -13.9 | -18.7% | 5.3% |
| Net interest and similar income | 24.6 | 21.4 | 25.8 | 20.4% | 4.9% |
| Provision for loan losses, net of recoveries | 0.0 | 0.0 | 2.7 | n.m. | n.m. |
| Net interest and similar income after provision for loan losses | 24.6 | 21.4 | 28.5 | 33.1% | 16.0% |
| Fee income from financial services, net | 24.3 | 30.4 | 29.0 | -4.6% | 19.6% |
| Other income | 1.9 | 11.4 | 10.3 | -9.8% | n.m. |
| Other expenses | -20.2 | -24.8 | -19.1 | -22.9% | -5.1% |
| Income before translation result and income tax | 30.6 | 38.4 | 48.6 | 26.6% | 59.1% |
| Translation result | -0.2 | -0.2 | 0.0 | n.m. | n.m. |
| Income tax | 0.0 | 0.2 | 0.1 | n.m. | n.m. |
| Profit for the period | 30.4 | 38.5 | 48.8 | 26.9% | 60.6% |
| ROAE | 20.5% | 23.6% | 28.2% | | |
| Efficiency ratio | 39.7% | 39.2% | 29.2% | | |

Inteligo's key indicators

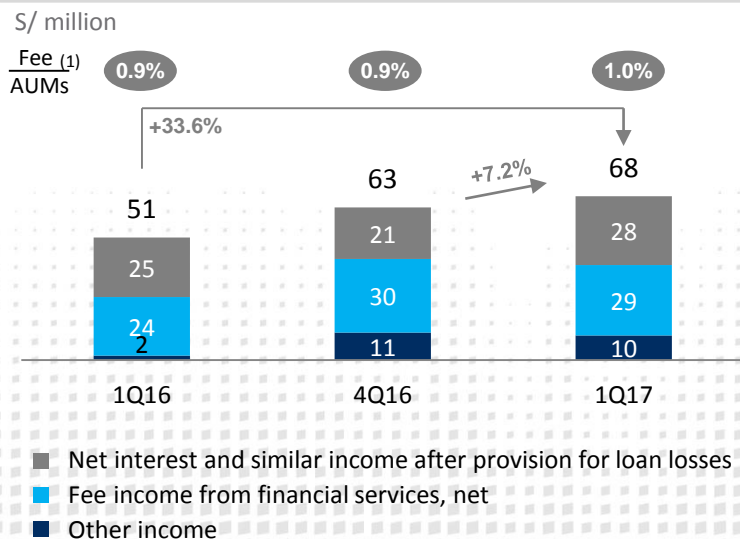
AUM + Deposits



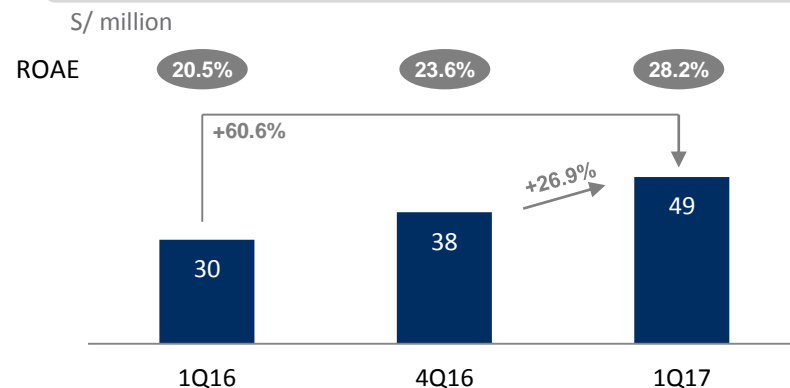
Loans



Revenues



Net profit



Summary

Takeaways

- ✓ **Interbank: loan portfolio growth higher than the industry, 1Q17 results impacted by higher cost of risk and lower FX activity**
 - 4.4% YoY growth in performing loans led to a 20 bps gain in market share, to 11.3%
 - 7.5% YoY growth in retail deposits, resulting in 12.7% market share in such segment
 - PDL ratio at 2.7%, 30 bps below the system's average of 3.0% as of March 2017, although cost of risk reached 3.4%
- ✓ **Interseguro: results impacted by annuity market dynamics and accounting discount rate impact**
 - Results excluding discount rate impacts on technical reserves have been on positive ground for the third consecutive quarter, despite the negative trend in premiums sold
 - Strong growth of the investment portfolio QoQ and YoY
- ✓ **Inteligo: strong quarter in activity, revenues, efficiency and profitability**
 - AuM + deposits increased 0.9% QoQ and 11.2% YoY in dollar terms
 - Revenues grew 7.2% QoQ and 33.6% YoY
 - Net profit increased 26.9% QoQ and 60.6% YoY
- ✓ **IFS**
 - Profits increased significantly YoY, driven by a recovery in results from investments at Interseguro and a strong performance at Inteligo; in addition to higher net interest margin and fee income at Interbank
 - QoQ decline in profits was mainly a result of changes in the discount rate used to calculate technical reserves for annuities at Interseguro, which had a positive impact in 4Q16 but a negative effect in 1Q17
 - Efficiency ratio improved 80 bps down to 39.5%, reflecting cost efficiency efforts at IFS

Appendix

IFS 1Q17 P&L

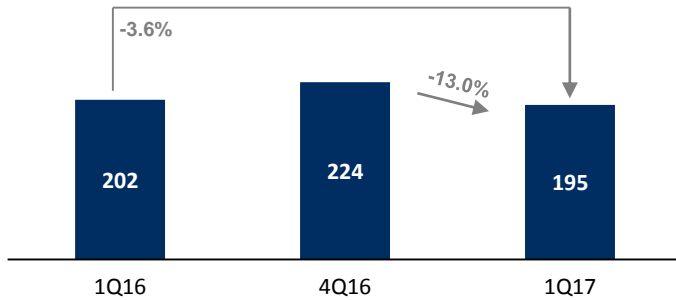
IFRS

| Intercorp Financial Services' P&L statement | | | | | |
|--|--------------|--------------|--------------|---------------|---------------|
| S/ million | 1Q16 | 4Q16 | 1Q17 | %chg QoQ | %chg YoY |
| Interest and similar income | 903.7 | 951.4 | 944.5 | -0.7% | 4.5% |
| Interest and similar expense | -259.7 | -275.7 | -275.2 | -0.2% | 6.0% |
| Net interest and similar income | 643.9 | 675.7 | 669.3 | -0.9% | 3.9% |
| Provision for loan losses, net of recoveries | -199.6 | -194.0 | -222.7 | 14.8% | 11.6% |
| Net interest and similar income after provision for loan losses | 444.3 | 481.7 | 446.5 | -7.3% | 0.5% |
| Fee income from financial services, net | 206.6 | 221.4 | 220.7 | -0.3% | 6.8% |
| Other income | 48.9 | 102.4 | 115.2 | 12.5% | 135.4% |
| Total premiums earned less claims and benefits | -127.5 | 66.7 | -125.8 | n.m. | -1.3% |
| Net Premiums | 177.1 | 148.9 | 134.7 | -9.5% | -23.9% |
| Adjustment of technical reserves | -228.0 | 5.7 | -176.6 | n.m. | -22.5% |
| Net claims and benefits incurred | -76.6 | -88.0 | -83.9 | -4.6% | 9.6% |
| Other expenses | -437.9 | -413.8 | -448.2 | 8.3% | 2.4% |
| Income before translation result and income tax | 134.4 | 458.3 | 208.4 | -54.5% | 55.0% |
| Translation result | 9.6 | 11.5 | 23.1 | 100.9% | 142.2% |
| Income tax | -83.3 | -83.5 | -73.6 | -11.9% | -11.7% |
| Profit for the period | 60.7 | 386.3 | 158.0 | -59.1% | 160.3% |
| Attributable to equity holders of the group | 60.6 | 386.2 | 158.6 | -58.9% | 161.6% |
| EPS | 0.56 | 3.59 | 1.48 | | |
| ROAE | 5.3% | 30.9% | 12.2% | | |
| ROAA | 0.5% | 3.0% | 1.3% | | |

Interbank's net profit IFRS vs. Local GAAP

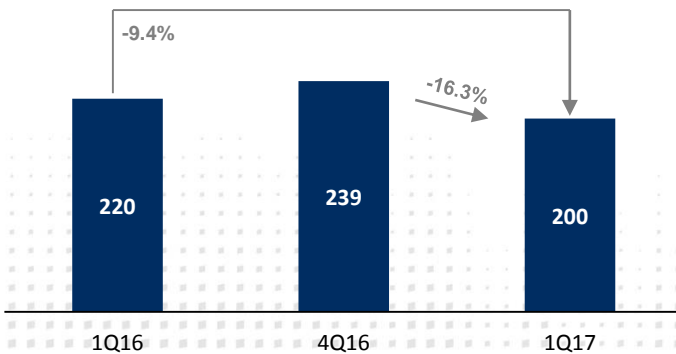
Net profit – IFRS

S/ million



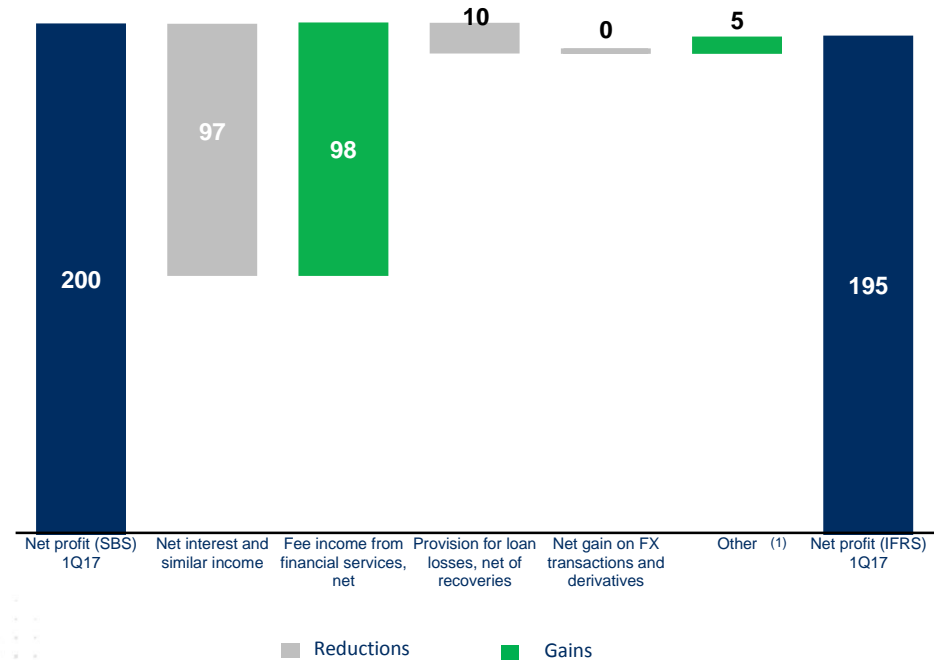
Net profit – Local GAAP

S/ million



Net profit bridge from Local GAAP to IFRS (1Q17)

S/ million

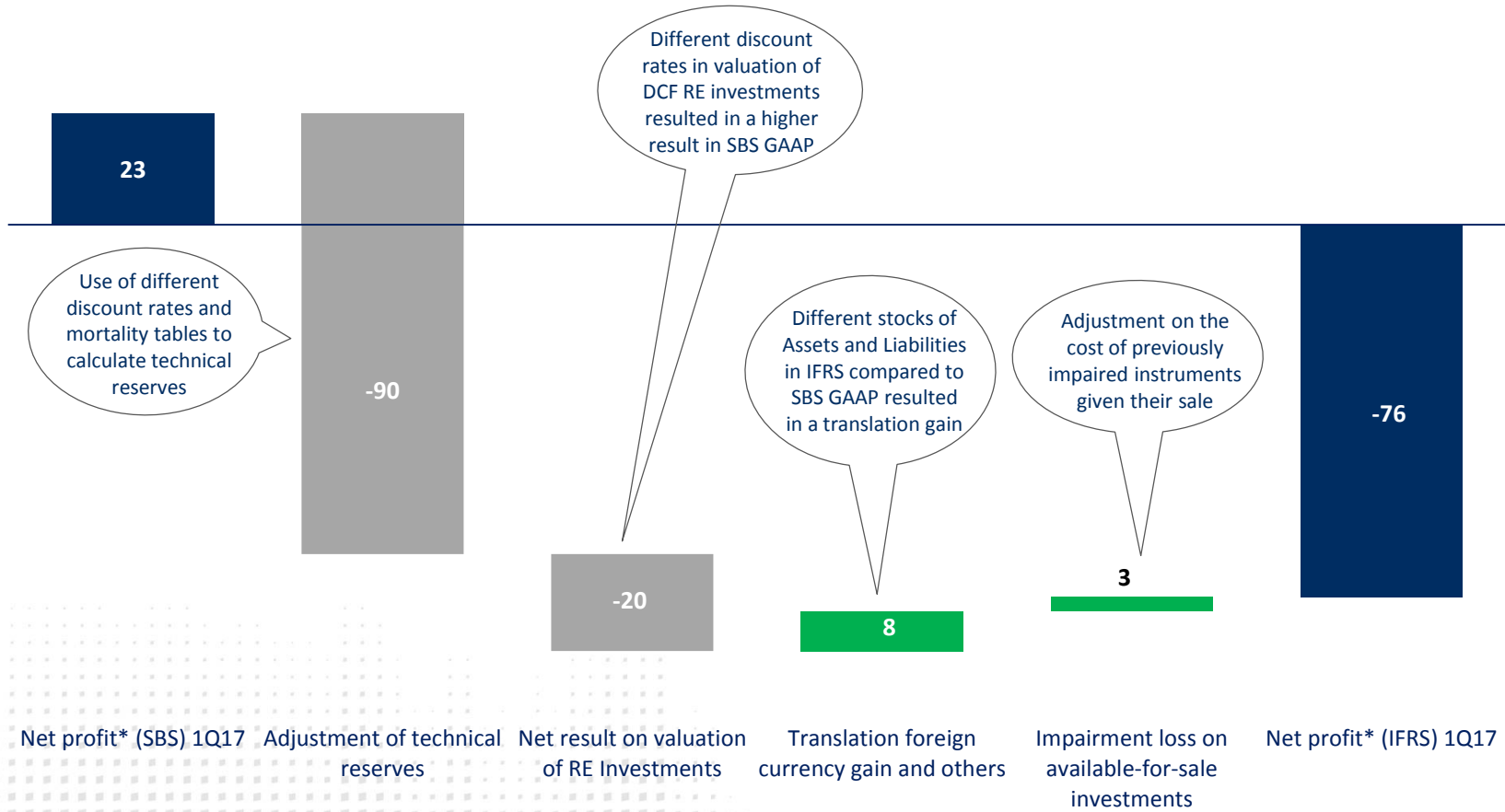


(1) Includes taxes (S/ +1.8 million), administrative expenses & depreciation (S/ +2.0 million), subsidiaries consolidation and others (S/ +0.8 million)

Interseguro's 1Q17 net profit bridge to IFRS

Local GAAP vs. IFRS

S/ million



■ Reductions ■ Gains

*Attributable to shareholders



Intercorp Financial Services