



Second Quarter 2011 Earnings Presentation

 **Intergroup**
Financial Services

Intergroup Financial Services

Highlights

Intergroup:

- Net earnings increased 11.8% YoY, driven by growing loan volume and fee income at Interbank and higher investment income at Interseguro
- Earnings fell 8.9% QoQ, as a result of lower investment income at Interseguro and higher provision and financial expenses at Interbank
- Administrative expenses remained stable QoQ and YoY despite an increasing volume of business, leading to improvements in efficiency

Interbank:

- Interbank's net earnings rose 22.2% YoY driven by growth rates of 8.5% in gross financial margin and 8.4% in fee income. Administrative expenses remained stable YoY
- Net earnings remained stable QoQ. Gross financial margin grew 6.9%, but was offset by a 28.6% increase in provisions
- Loans grew 4.3% QoQ and 22.4% YoY, as a result of continuing strong demand across most segments
- Recurring NIM decreased 30 bps QoQ mainly due to a decline in loan yields and an increase in deposit costs
- Asset quality remained stable YoY, with the past-due loan ratio at 1.6%. The ratio of provision expense to average loans decreased from 3.6% in 2Q10 to 3.1% in 2Q11

Interseguro:

- Earnings rose 29.9% YoY due to a 26.0% increase in investment income
- Net income decreased 33.9% QoQ from a record level in 1Q11, as a result of lower realized gains in the investment portfolio
- Annuity sales nearly doubled YoY, driven by Interseguro's leading position in the expanding early retirement segment

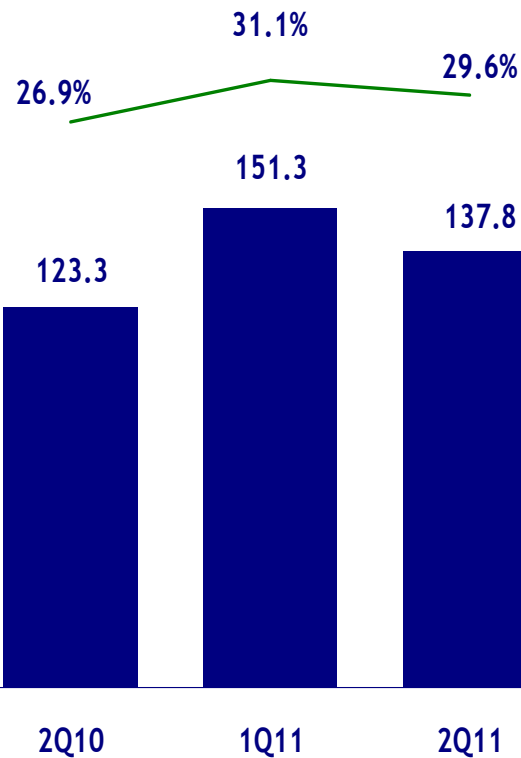
Intergroup's earnings increased 11.8% YoY and decreased 8.9% QoQ

Intergroup

Net income*

S/. million

ROE

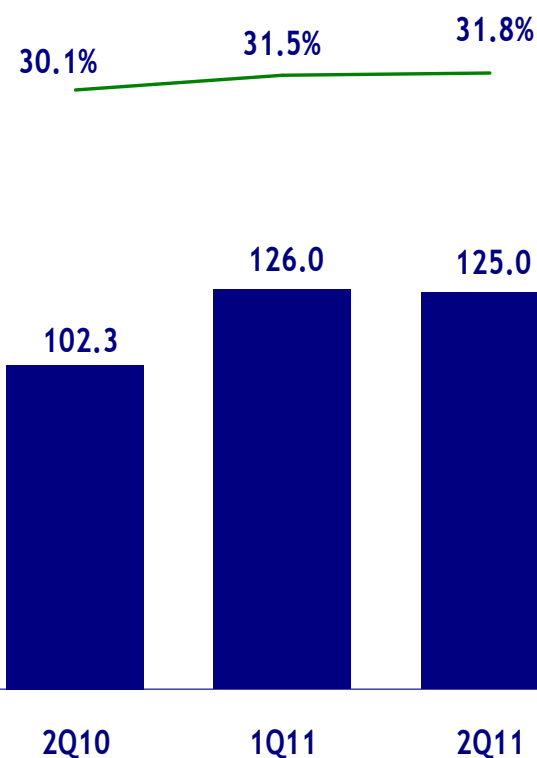


Interbank

Net income

S/. million

ROE

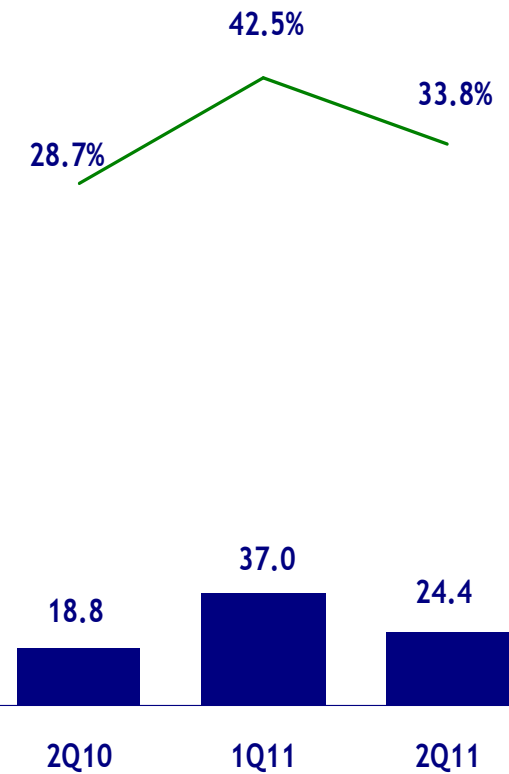


Interseguro

Net income

S/. million

ROE



*Attributable to IFS shareholders



Intergroup reported S/. 137.8 million in net earnings

Intergroup's Profit and Loss Statement Summary					
S/. million	2Q10	1Q11	2Q11	%chg QoQ	%chg YoY
Financial income	524.3	581.6	610.1	4.9%	16.4%
Financial expenses	-105.9	-138.5	-154.3	11.4%	45.7%
Gross financial margin	418.3	443.2	455.8	2.9%	8.9%
Provisions	-96.6	-78.6	-101.0	28.6%	4.5%
Net financial margin	321.7	364.6	354.8	-2.7%	10.3%
Fee income from financial services, net	104.5	114.1	113.4	-0.6%	8.5%
Result from insurance underwriting, net	-10.5	-15.8	-13.8	-12.7%	30.8%
Administrative expenses	-241.2	-240.0	-240.3	0.1%	-0.4%
Net operating margin	174.5	222.9	214.2	-3.9%	22.7%
Depreciation and amortization	-24.5	-23.0	-23.5	1.8%	-4.2%
Other income (expenses)	14.9	6.4	3.0	-53.7%	-80.0%
Income before tax and profit sharing	164.9	206.3	193.7	-6.1%	17.4%
Income tax and profit sharing	-40.9	-54.0	-54.9	1.6%	34.3%
Net income	124.0	152.2	138.7	-8.9%	11.9%
Attributable to IFS shareholders	123.3	151.3	137.8	-8.9%	11.8%
EPS	1.32	1.62	1.47		
ROE	26.9%	31.1%	29.6%		

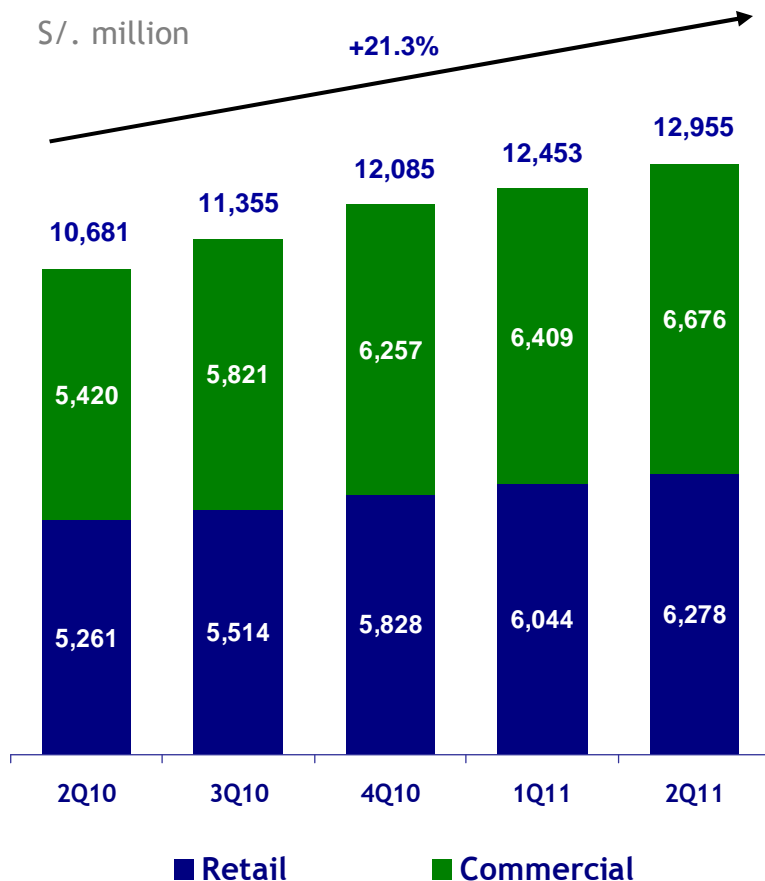
Interbank

Interbank's net income increased 22.2% YoY

Profit and Loss Statement Summary					
S/. million	2Q 10	1Q 11	2Q 11	% chg QoQ	% chg YoY
Financial income	467.0	498.4	537.0	7.7%	15.0%
Financial expenses	-99.8	-125.5	-138.4	10.3%	38.8%
Gross financial margin	367.2	372.9	398.6	6.9%	8.5%
Provisions	-96.6	-78.6	-101.0	28.6%	4.5%
Net financial margin	270.6	294.3	297.5	1.1%	10.0%
Fee income from financial services, net	106.9	117.0	115.9	-0.9%	8.4%
Administrative expenses	-219.3	-214.2	-220.3	2.8%	0.5%
Net operating margin	158.2	197.1	193.1	-2.0%	22.1%
Depreciation and amortization	-22.1	-22.3	-22.7	1.8%	2.7%
Other income (expenses)	6.1	3.1	7.4	140.8%	21.6%
Income before tax and profit sharing	142.2	177.9	177.9	0.0%	25.1%
Income tax and profit sharing	-39.9	-51.9	-52.9	1.8%	32.5%
Net income	102.3	126.0	125.0	-0.7%	22.2%
ROE	30.1%	31.5%	31.8%		

Loan growth remained strong at 21.3% YoY and 4.0% QoQ

Performing loans



Breakdown of loans

S/. million	2Q 10	1Q 11	2Q 11	% chg QoQ	% chg YoY
Consumer loans:					
Credit cards	1,550	1,809	1,891	4.6%	22.0%
Other consumer	2,204	2,308	2,350	1.8%	6.6%
Total consumer loans	3,753	4,116	4,241	3.0%	13.0%
Mortgages	1,507	1,928	2,037	5.7%	35.2%
Total retail loans	5,261	6,044	6,278	3.9%	19.3%
Total commercial	5,420	6,409	6,676	4.2%	23.2%
Total loans	10,681	12,453	12,955	4.0%	21.3%

Market share in loans

S/. million	2Q 10	1Q 11	2Q 11	% chg QoQ	% chg YoY
Consumer loans:					
Credit cards	20.5%	21.0%	20.4%	-0.6%	-0.1%
Other consumer	22.5%	21.1%	20.4%	-0.7%	-2.0%
Total consumer loans	22.7%	22.2%	21.5%	-0.7%	-1.3%
Mortgages	11.1%	11.8%	11.9%	0.0%	0.8%
Total retail loans	17.5%	17.3%	17.0%	-0.3%	-0.5%
Total commercial	8.1%	8.4%	8.3%	-0.1%	0.2%
Total loans	11.0%	11.2%	11.0%	-0.2%	0.0%

Does not include Crediscotia

Core deposits have grown significantly

Funding Structure

S/. million	2Q 10	1Q 11	2Q 11	% chg QoQ	% chg YoY
Deposits and obligations	12,554.3	12,534.4	12,911.1	3.0%	2.8%
Due to banks	2,059.2	2,664.7	2,661.9	-0.1%	29.3%
Bonds and obligations	1,073.6	2,205.1	2,112.8	-4.2%	96.8%
Interbank funds	90.4	75.4	64.7	-14.1%	-28.4%
Total	15,777.4	17,479.6	17,750.5	1.5%	12.5%
AUM (Interfondos)	2,343.9	2,488.7	2,079.8	-16.4%	-11.3%

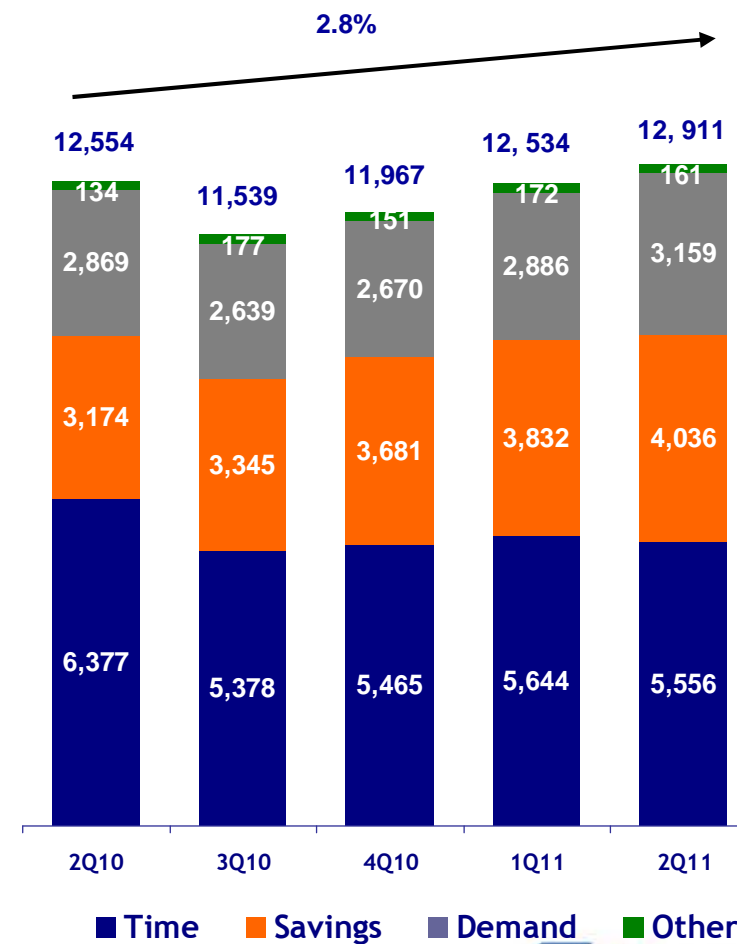
Market Share in Deposits

S/. million	2Q 10	1Q 11	2Q 11	% chg QoQ	% chg YoY
Retail Deposits	12.1%	12.0%	12.1%	0.1%	0.0%
Commercial Deposits ⁽¹⁾	9.8%	8.9%	9.2%	0.3%	-0.6%

Does not include Crediscotia

⁽¹⁾ Includes demand and savings deposits

Deposit Breakdown

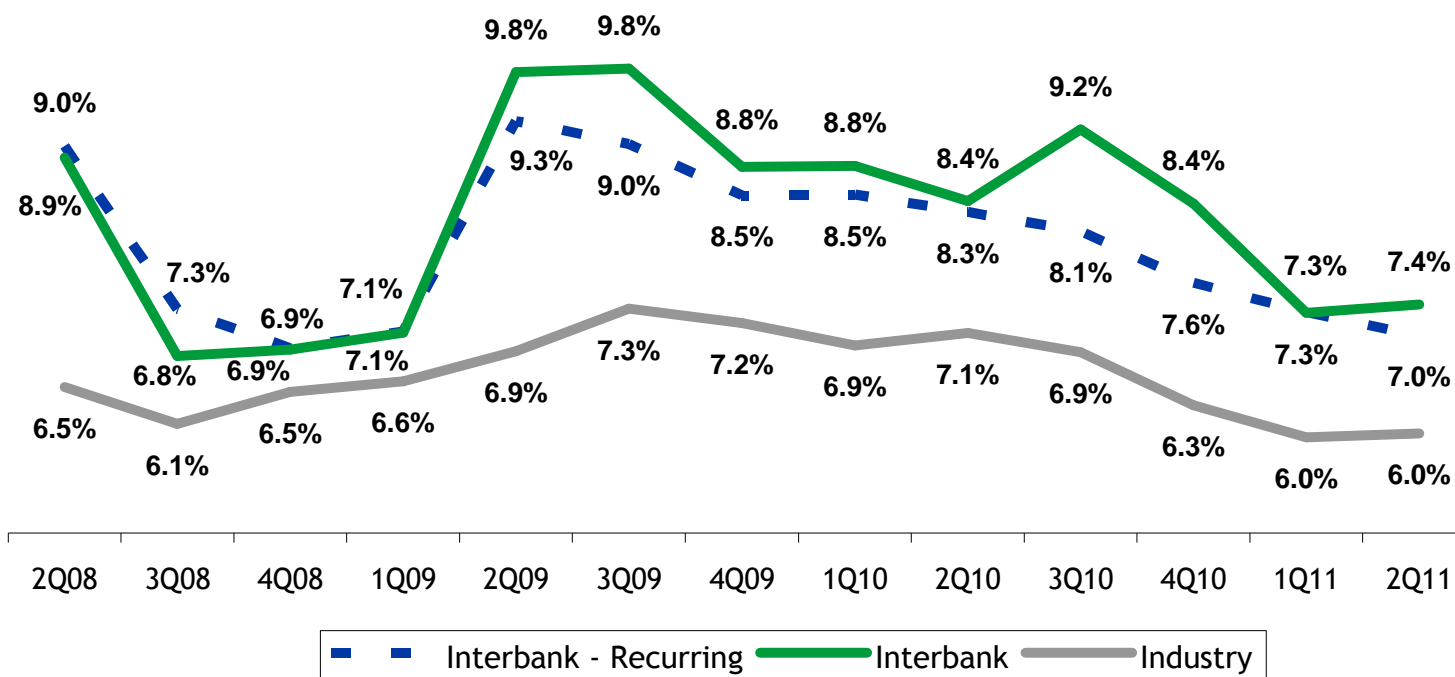


Gross financial margin increased 8.5% YoY and 6.9% QoQ

Interbank Gross Financial Margin					
S/. million	2Q 10	1Q 11	2Q 11	% chg QoQ	% chg YoY
Financial income:					
Loans	382.9	425.0	433.5	2.0%	13.2%
Investments	41.5	26.6	44.5	67.2%	7.2%
Interest on due from banks and interbanks funds	1.2	9.5	3.8	-60.3%	212.8%
Exchange and derivatives gains	34.9	35.7	53.7	50.4%	54.0%
Other	6.5	1.5	1.5	-1.3%	-77.5%
Total financial income	467.0	498.4	537.0	7.7%	15.0%
Financial expenses:					
Deposits	34.5	44.1	53.9	22.0%	56.3%
Others	65.3	81.3	84.6	4.0%	29.5%
Total financial expenses	99.8	125.5	138.4	10.3%	38.8%
Gross Financial Margin	367.2	372.9	398.6	6.9%	8.5%

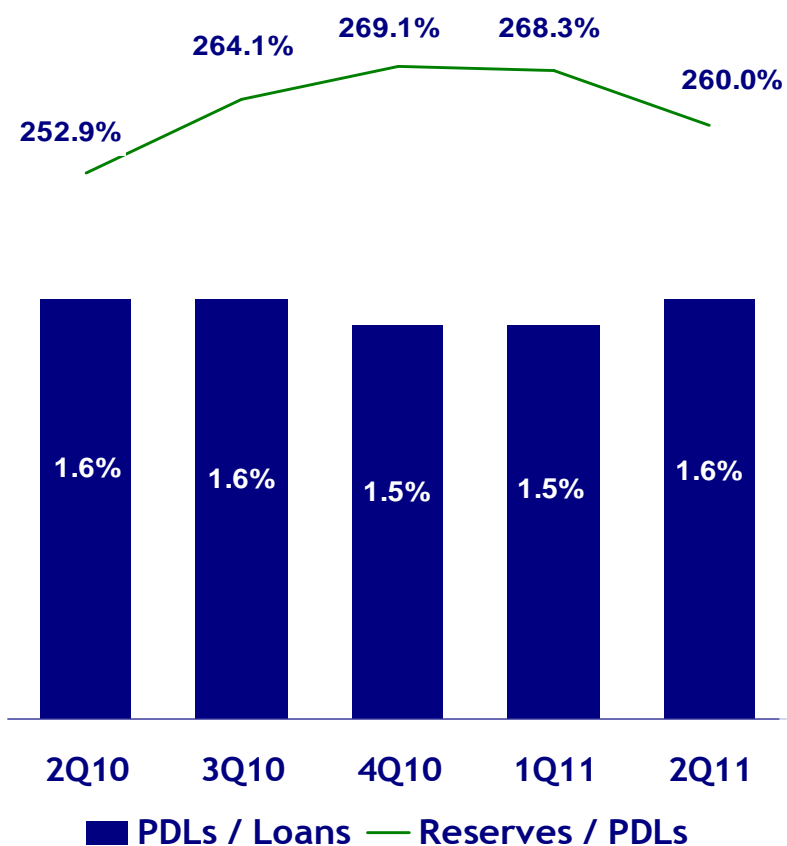
Recurring NIM contracted due to lower loan yields and higher deposit costs

Net Interest Margin (%)

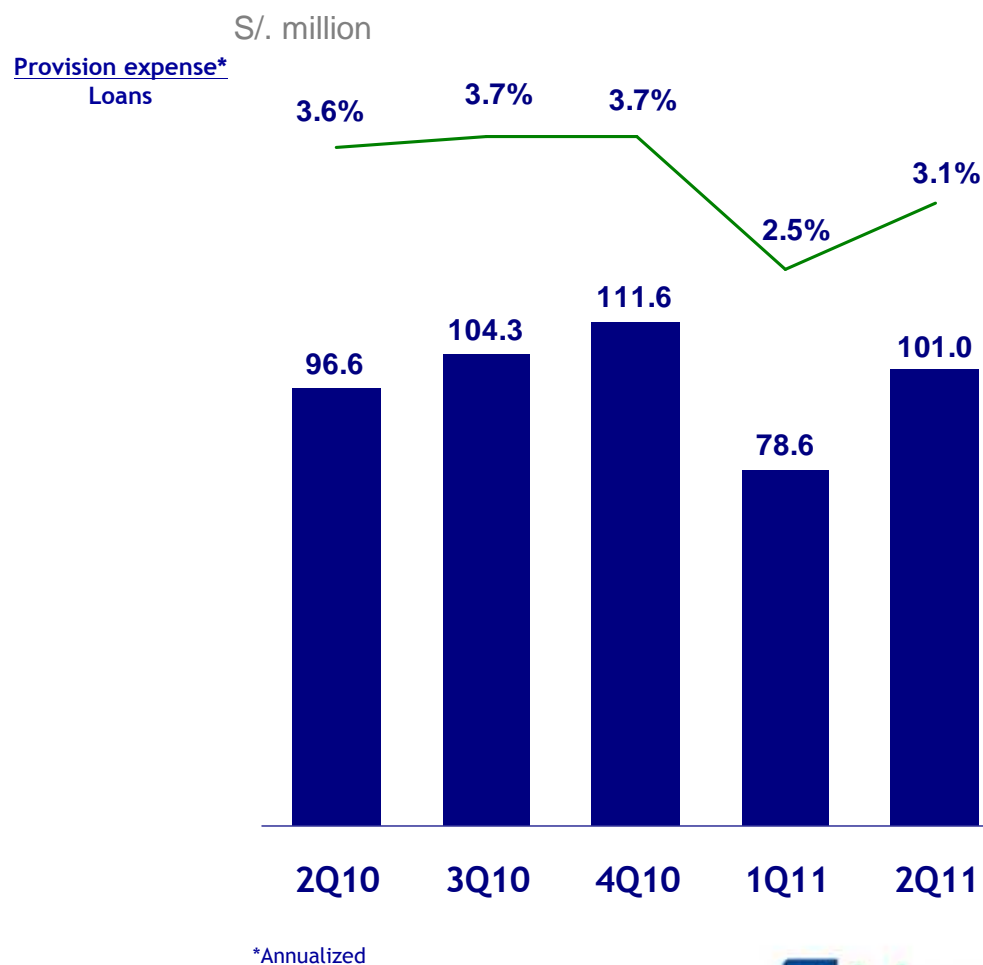


Provision expenses were 3.1% of average loans, below 3.6% in 2Q10

PDL & Coverage Ratios



Loan Provision Expense



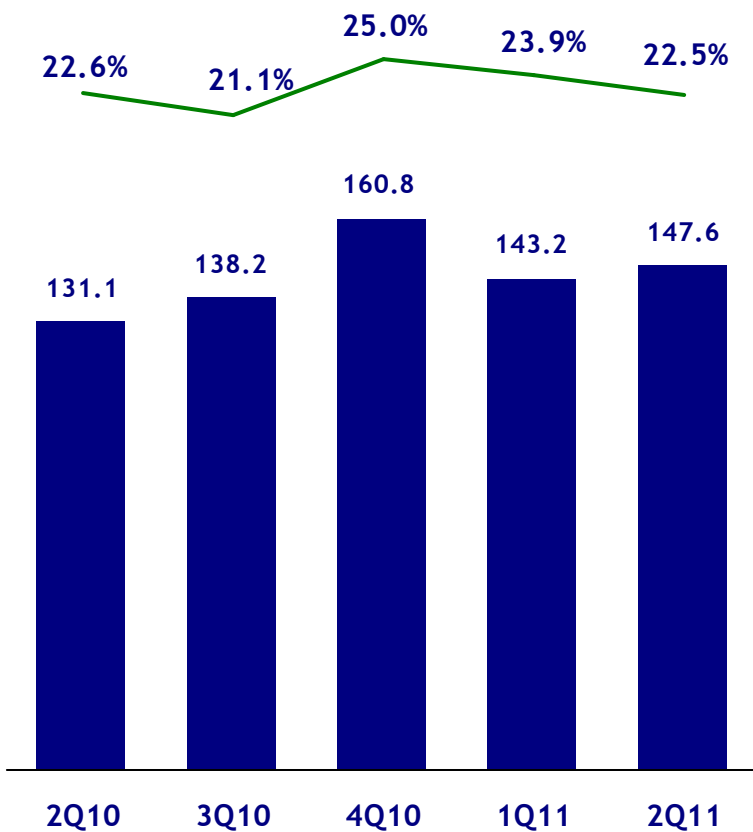
*Annualized

Fee income grew 16.5% YoY, while the efficiency ratio continues to improve

Fee income

S/. million

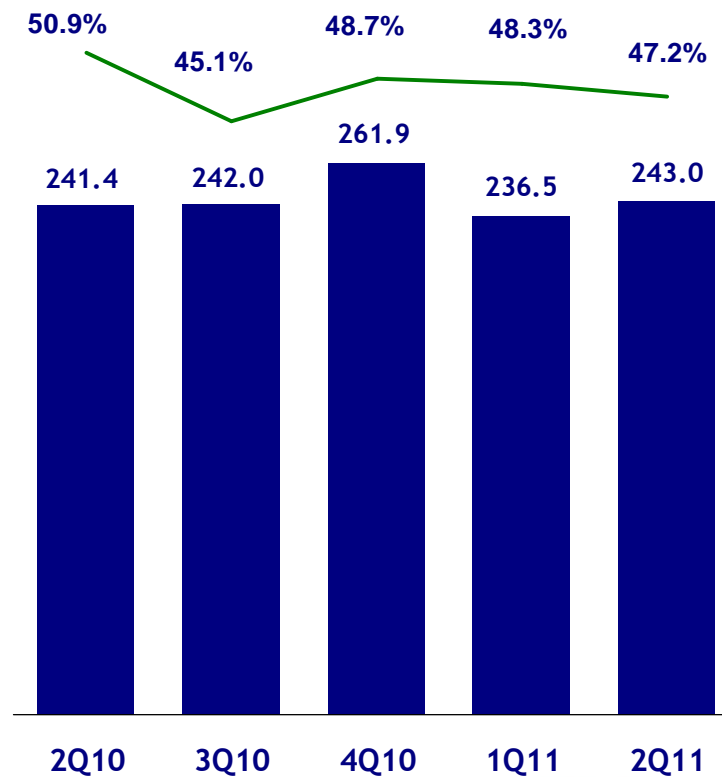
- Fee income
- Fee income / operating revenues



Operating expenses

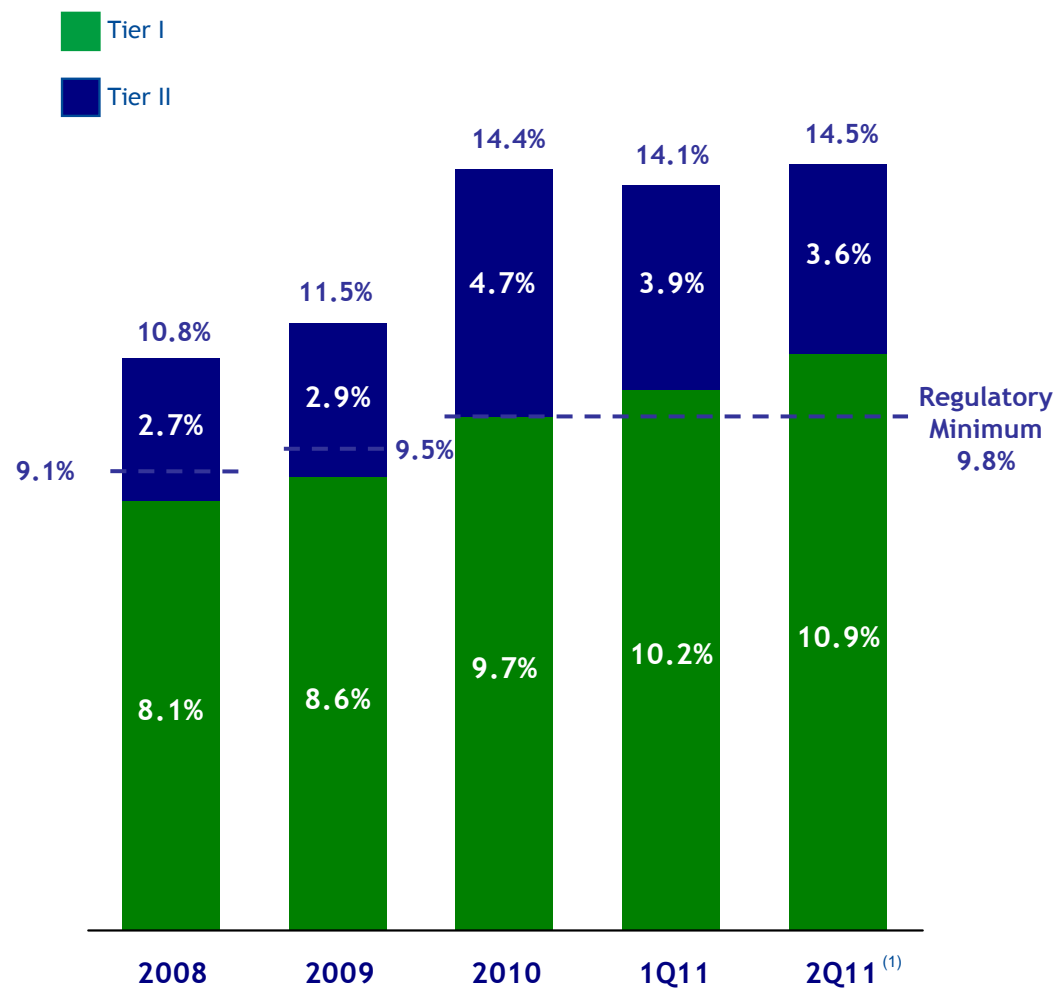
S/. million

Efficiency ratio*



*Cost / Income

Interbank's capitalization remained strong



(1) On April 2010 Interbank issued US\$200 million in non-cumulative junior subordinated notes which are considered as Tier I and II capital. Under Peruvian regulation junior subordinated notes that receive Tier 1 capital treatment are capped at 17.65% of capital and reserves. As of June 30, 2011 only 50% of the notes qualified as Tier 1 and the remaining 50% qualified as Tier II.

Interseguro

Interseguro's net income increased 29.9% YoY

Profit and Loss Statement Summary					
S/. million	2Q10	1Q11	2Q11	% chg QoQ	% chg YoY
Premiums	74.6	124.2	109.5	-11.8%	46.7%
Premiums ceded	-1.7	-1.9	-2.3	16.2%	33.5%
Fees	-2.4	-2.9	-3.2	7.2%	32.8%
Claims	-31.7	-32.4	-32.0	-1.1%	1.1%
Change in reserves	-50.9	-104.2	-89.4	-14.1%	75.8%
Diverse Income, net	-0.4	-0.8	1.1	-233.5%	-384.6%
Technical margin	-12.4	-18.1	-16.3	-9.8%	31.6%
Administrative expenses	-12.8	-12.3	-14.6	18.8%	14.6%
Investment income, net*	44.0	67.4	55.4	-17.8%	26.0%
Net income	18.8	37.0	24.4	-33.9%	29.9%
ROE	28.7%	42.5%	33.8%		

*Includes exchange rate difference

Premiums increased 46.7% YoY, but decreased 11.8% QoQ due to a market contraction

Premiums by Business Line					
S/. million	2Q10	1Q11	2Q11	% chg QoQ	% chg YoY
Individual Life	5.5	6.1	6.4	4.9%	16.3%
Annuities	51.8	97.1	82.7	-14.8%	59.7%
Group Life	10.5	12.5	12.3	-1.9%	16.4%
Disability and survivor benefits	0.1	0.1	0.1	-7.7%	45.3%
Mandatory traffic accident	4.9	6.0	5.3	-10.5%	8.7%
Non Life Insurance	1.8	2.4	2.6	10.1%	47.3%
TOTAL	74.6	124.2	109.5	-11.8%	46.7%

Investment income increased 26.0% YoY but decreased 17.8% QoQ

Investment Portfolio					
S/. million	2Q10	1Q11	2Q11	%chg QoQ	%chg YoY
Fixed Income	1,291.0	1,518.6	1,558.8	2.6%	20.7%
Equity and Mutual Funds	173.1	352.7	312.0	-11.6%	80.2%
Real estate	445.0	487.0	505.3	3.8%	13.5%
Others	4.4	4.5	4.7	3.7%	6.9%
TOTAL	1,913.6	2,362.8	2,380.8	0.8%	24.4%

Investment Income, Net					
S/. million	2Q10	1Q11	2Q11	%chg QoQ	%chg YoY
Income:					
Fixed Income	33.0	44.1	32.7	-25.9%	-0.9%
Interest	21.1	26.4	27.5	4.1%	30.5%
Realized Gains	11.9	17.7	5.2	-70.6%	-56.3%
Equity and Mutual Funds	7.0	15.1	18.1	19.7%	156.6%
Real estate	5.0	8.3	6.1	-26.2%	21.6%
Total Income	45.0	67.5	56.9	-15.7%	26.2%
Expenses	-1.2	-1.2	-1.4	11.0%	16.1%
Exchange difference and others	0.1	1.2	-0.1	n.m.	n.m.
Net income	44.0	67.4	55.4	-17.8%	26.0%



Intergroup

Financial Services