

Intercorp Financial Services

Second Quarter 2015

Earnings Presentation

Highlights 2Q15

IFRS

Intercorp Financial Services

- 2Q15 net profit was S/. 346.4 million, a 23.0% increase YoY and 31.8% QoQ. The YoY increase was driven by strong operating performance at the three companies, while the QoQ growth was mainly explained by a strong result at Inteligo and a release of technical reserves at Interseguro
- 2Q15 annualized ROAE was 32.0%

Interbank

- 2Q15 net profit was S/. 201.0 million, a 13.7% growth YoY and a 2.1% decrease QoQ. The yearly performance was attributed to increases of 19.9% in net interest and similar income, 62.2% in other income and 7.4% in fee income, factors which were partially offset by a 45.5% growth in provisions. The quarterly decrease was attributed to lower fees and other income, as there were one-off revenues in the 1Q15 which were not repeated in 2Q15
- Performing loans and deposits grew 10.3% and 3.9% YoY, respectively, while retail deposits increased 17.1% YoY
- NIM improved 72 bps YoY, to 6.83% in 2Q15, while the efficiency ratio improved 420 bps YoY, to 41.7%
- 2Q15 annualized ROAE was 24.6%

Interseguro

- 2Q15 net profit* was S/. 117.5 million, a 45.6% increase YoY and a more than three-fold growth QoQ. The bottom line result was supported by growth in net interest and similar income, and a positive discount rate impact on technical reserves
- Net premiums decreased 12.1% QoQ affected by a market contraction in annuities, yet Interseguro remained as market leader with 25.9% share
- 2Q15 annualized ROAE was 95.4%

Inteligo

- 2Q15 net profit was S/. 50.0 million, a 17.6% increase YoY and a 38.6% growth QoQ. The quarterly increase was mainly due to higher net interest and similar income, and higher other income
- AuM + deposits increased 5.2% QoQ and 24.3% YoY
- 2Q15 annualized ROAE was 38.2%

* Attributable to shareholders

IFS key indicators 2Q15

IFRS

Intercorp Financial Services' key indicators

S/. million

		2Q14	1Q15	2Q15	%chg QoQ	%chg YoY
Results	Net interest and similar income	492.1	545.8	599.1	9.8%	21.8%
	Fee income from financial services, net	176.6	194.8	194.0	-0.4%	9.8%
	Profit for the period	281.6	262.9	346.4	31.8%	23.0%
Profitability	NIM	5.79%	5.91%	6.37%	46 bps	58 bps
	ROAE	29.9%	23.9%	32.0%	810 bps	210 bps
	EPS	2.56	2.39	3.16		
Asset quality	PDL ratio	1.8%	2.1%	2.3%	20 bps	50 bps
	PLL / Avg. loans	2.1%	2.5%	2.8%	30 bps	70 bps
	Coverage ratio	188.8%	171.7%	168.8%		
Insurance	Net Premiums ⁽¹⁾	177.0	204.3	179.6	-12.1%	1.5%
	Adjustment of technical reserves	-128.8	-156.5	-56.5	-63.9%	-56.1%
	Net claims and benefits incurred	-35.0	-59.9	-60.3	0.7%	72.1%
	Discount rate impact on technical reserves	31.8	28.0	83.1	197.1%	161.3%
Other ratios	Efficiency ratio ⁽²⁾	40.4%	38.8%	35.3%	-350 bps	-510 bps
	BIS ratio (Interbank)	15.8%	16.7%	16.5%	-20 bps	70 bps

(1) Net of premiums ceded to reinsurers

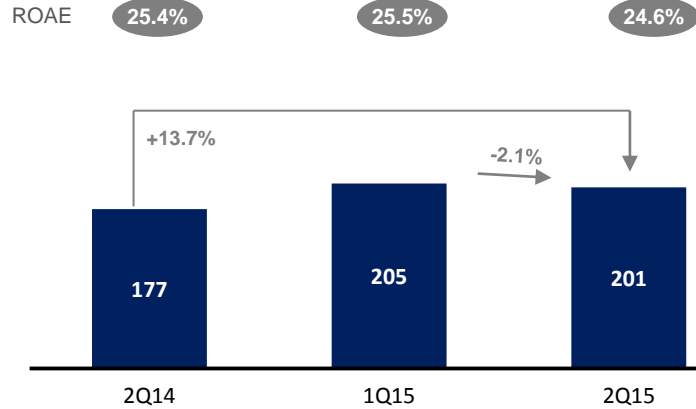
(2) Efficiency ratio is defined as (Salaries and employee benefits + Administrative expenses + Depreciation and amortization) / (Net interest + Other income + Net premiums earned)

IFS 2Q15 net profit increased 31.8% QoQ and 23.0% YoY

IFRS

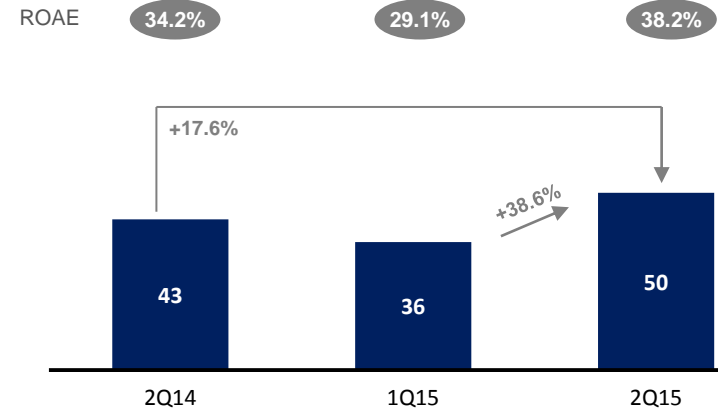
Interbank

Net profit in S/. million



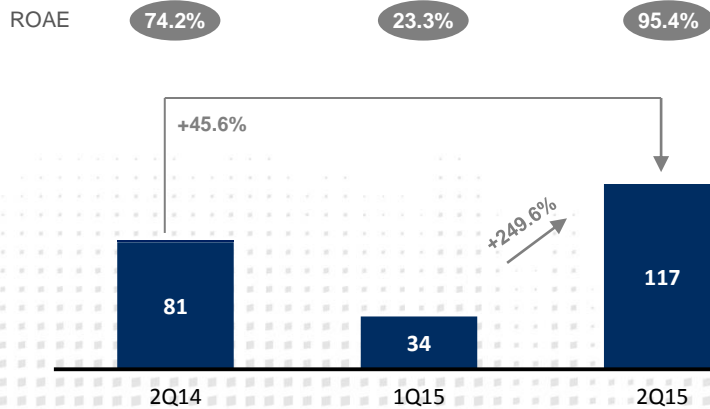
Inteligo

Net profit in S/. million



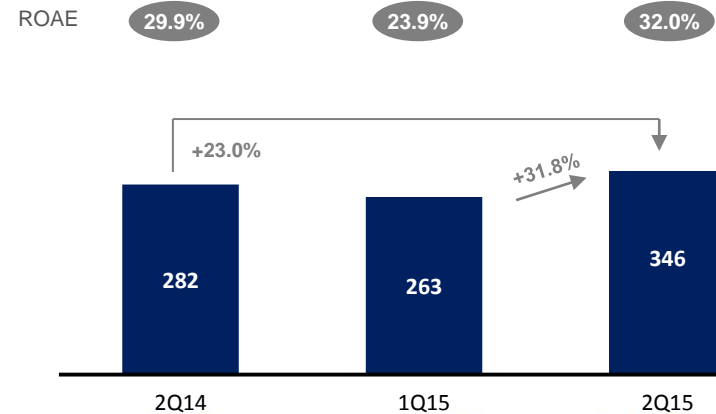
Interseguro

Net profit in S/. million



IFS

Net profit in S/. million



Interbank

Interbank's net profit grew 13.7% YoY

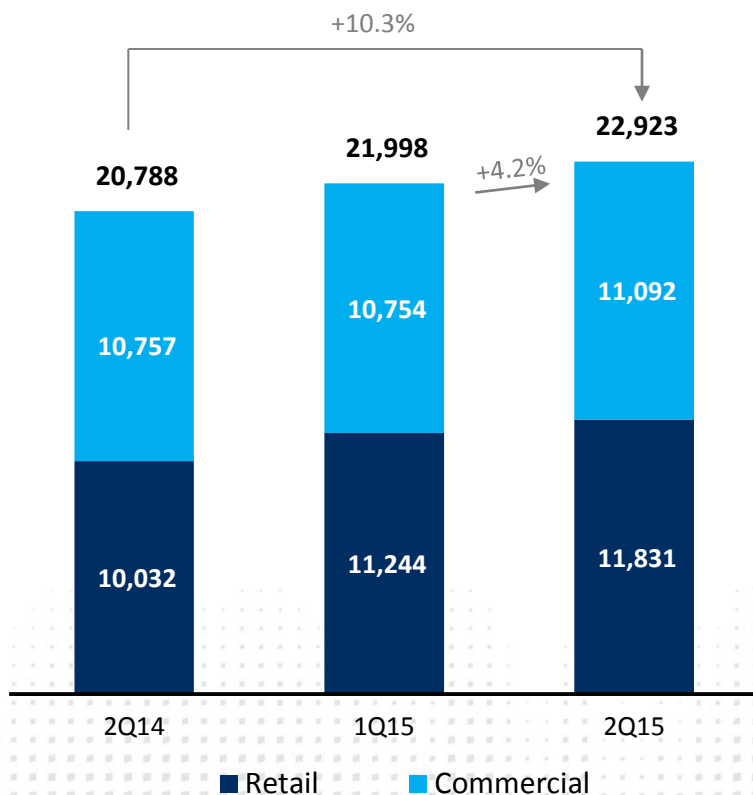
IFRS

Banking Segment's P&L Statement					
S/. million	2Q14	1Q15	2Q15	%chg QoQ	%chg YoY
Interest and similar income	627.1	668.6	732.8	9.6%	16.9%
Interest and similar expenses	-186.0	-191.5	-203.8	6.4%	9.6%
Net interest and similar income	441.0	477.1	529.0	10.9%	19.9%
Provision for loan losses, net of recoveries	-118.4	-148.8	-172.2	15.7%	45.5%
Net interest and similar income after provision for loan losses	322.7	328.3	356.7	8.7%	10.6%
Fee income from financial services, net	159.6	173.2	171.4	-1.0%	7.4%
Other income	68.9	125.1	111.9	-10.6%	62.2%
Other expenses	-307.7	-340.3	-355.8	4.6%	15.6%
Income before translation result and income tax	243.5	286.2	284.2	-0.7%	16.7%
Translation result	-0.5	-12.4	-10.0	-19.4%	n.m.
Income tax	-66.3	-68.6	-73.2	6.7%	10.4%
Profit for the period	176.7	205.2	201.0	-2.1%	13.7%
ROAE	25.4%	25.5%	24.6%		
Efficiency ratio	45.9%	42.3%	41.7%		
NIM	6.11%	6.27%	6.83%		
NIM on loans	8.62%	8.99%	9.12%		

Performing loans grew 4.2% QoQ and 10.3% YoY

Performing loans

S/. million



Breakdown of loans

S/. million

	2Q14	1Q15	2Q15	%chg QoQ	%chg YoY
Consumer loans:					
Credit cards	2,837.5	3,347.2	3,632.7	8.5%	28.0%
Other consumer	3,338.9	3,741.7	3,924.4	4.9%	17.5%
Total consumer loans	6,176.4	7,089.0	7,557.2	6.6%	22.4%
Mortgages	3,855.6	4,154.5	4,274.1	2.9%	10.9%
Total retail loans	10,031.9	11,243.5	11,831.3	5.2%	17.9%
Total commercial	10,756.5	10,754.4	11,092.0	3.1%	3.1%
Total loans	20,788.5	21,997.9	22,923.3	4.2%	10.3%

Market share in loans ⁽¹⁾

S/. million

	2Q14	1Q15	2Q15	bps QoQ	bps YoY
Consumer loans:					
Credit cards	23.9%	24.9%	24.9%	0	100
Other consumer	18.7%	18.9%	19.2%	30	50
Total consumer loans	20.8%	21.4%	21.6%	20	80
Mortgages	12.9%	12.5%	12.6%	10	-30
Total retail loans	16.9%	17.0%	17.2%	20	30
Total commercial	9.1%	8.1%	8.1%	0	-100
Total loans	11.8%	11.1%	11.2%	10	-60

⁽¹⁾ Based on Local GAAP Figures

Interbank's deposits grew 3.9% YoY driven by strong retail deposit growth of 17.1%

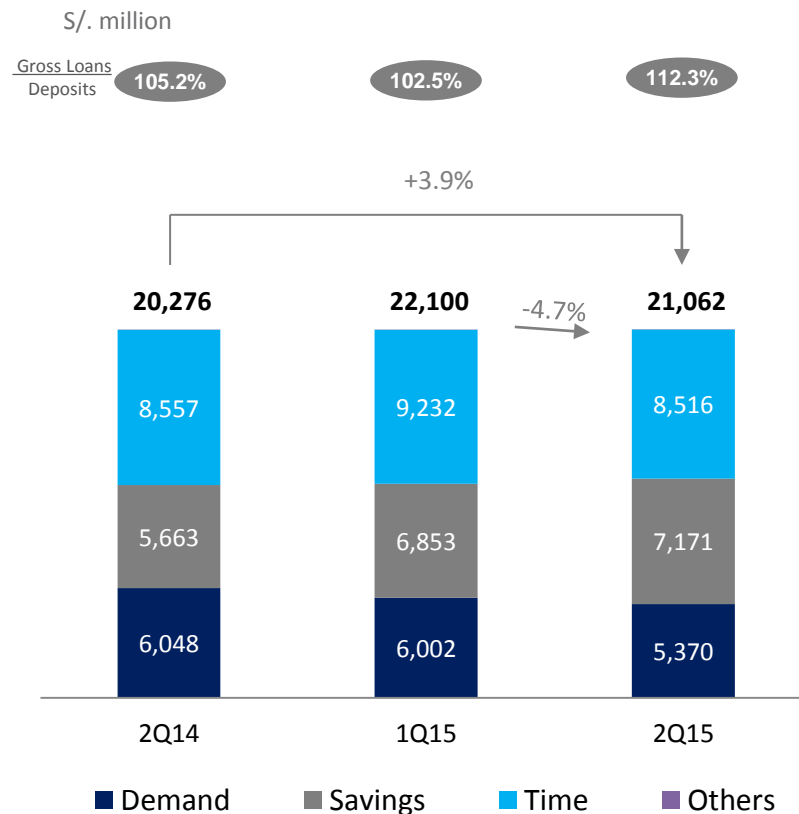
Funding structure

S/. million	2Q14	1Q15	2Q15	%chg QoQ	%chg YoY
Deposits	20,275.7	22,099.6	21,061.9	-4.7%	3.9%
Retail	8,217.3	9,271.6	9,625.6	3.8%	17.1%
Commercial ⁽¹⁾	12,058.5	12,828.1	11,436.3	-10.8%	-5.2%
Due to banks	2,876.1	3,974.0	5,649.6	42.2%	96.4%
Bonds	3,963.7	4,377.4	4,400.3	0.5%	11.0%
Total	27,115.6	30,451.0	31,111.8	2.2%	14.7%
AUM (Interfondos)	2,496.6	2,673.4	2,696.5	0.9%	8.0%
Average cost of funding	-3.2%	-3.1%	-3.1%	0 bps	10 bps

Market share in deposits⁽²⁾

S/. million	2Q14	1Q15	2Q15	bps QoQ	bps YoY
Retail Deposits	12.0%	12.1%	12.3%	20	30
Commercial Deposits ⁽³⁾	10.8%	11.3%	9.9%	-140	-90
Total Deposits	11.3%	11.6%	10.9%	-70	-40

Deposit breakdown



⁽¹⁾ Includes Institutional and others

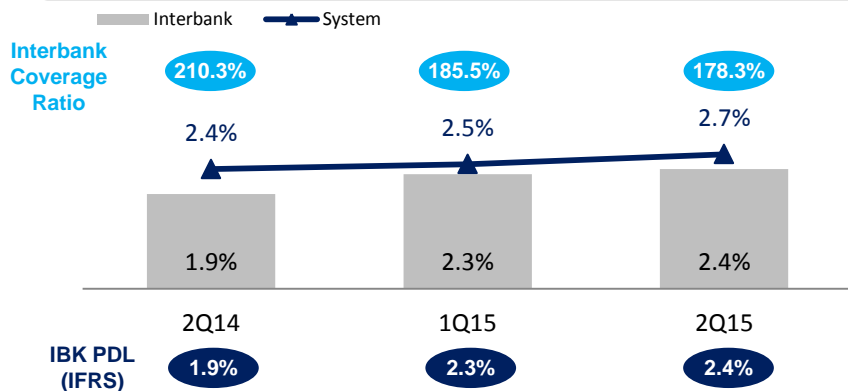
⁽²⁾ Based on Local GAAP Figures

⁽³⁾ Includes demand and savings deposits

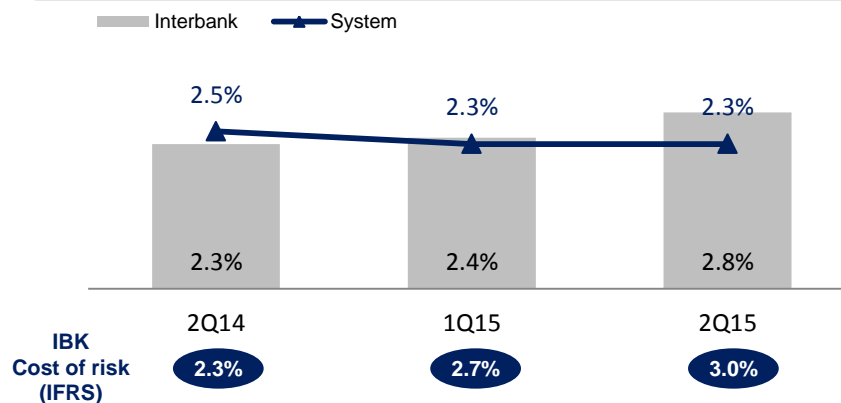
Asset quality remains strong, better than the system in most products

Local GAAP & IFRS figures

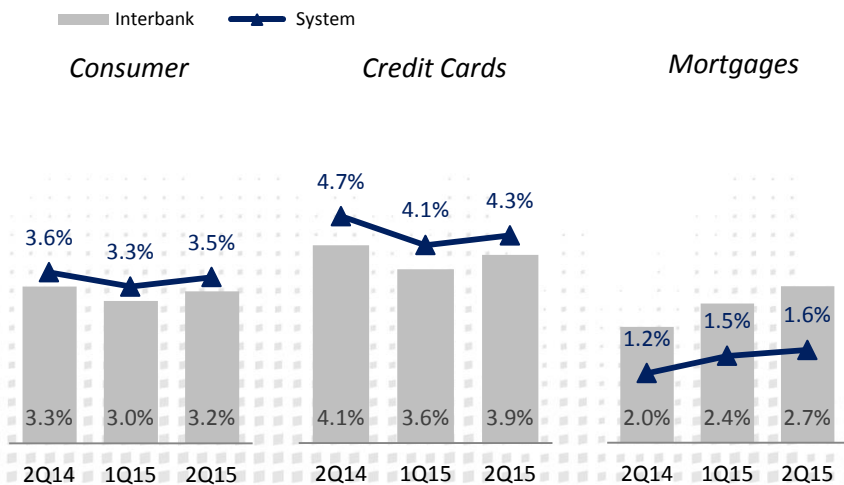
PDL vs. System



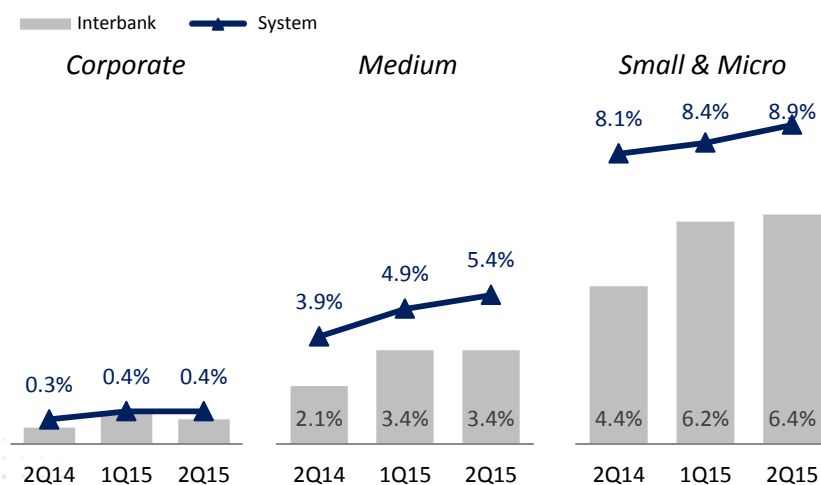
Loan provision expense vs. System



PDL retail banking vs. System

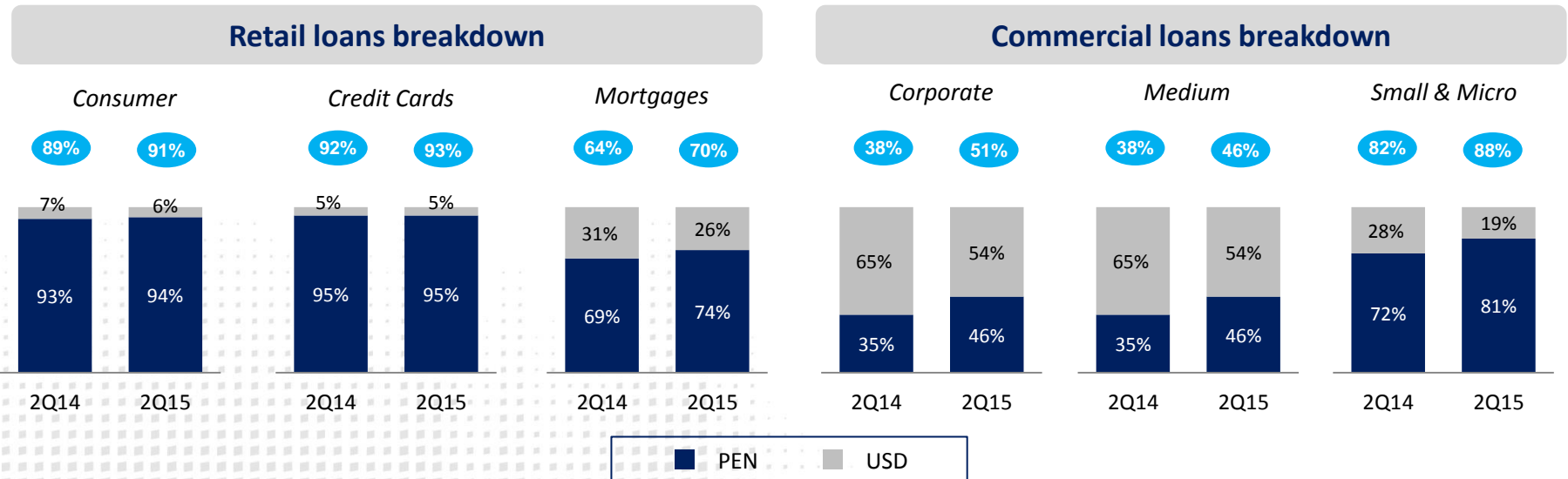
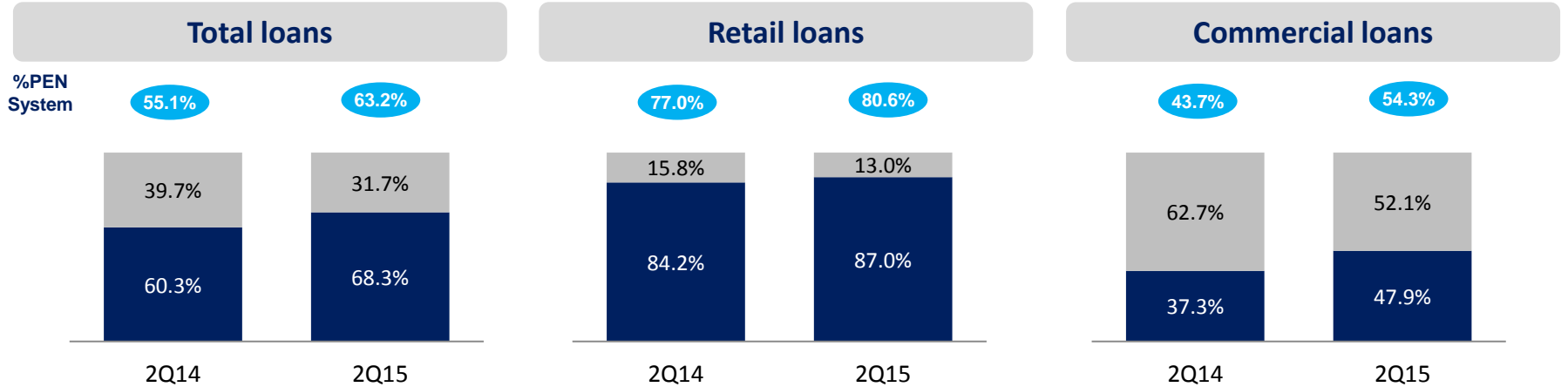


PDL commercial banking vs. System



Strong de-dollarization trend in the last year

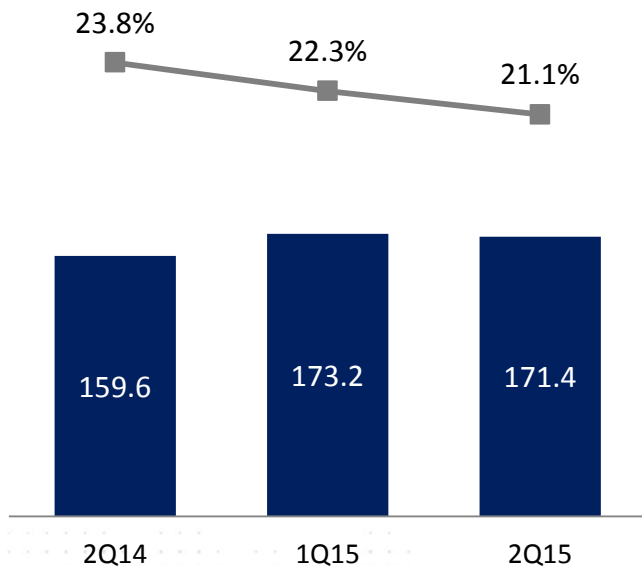
Local GAAP figures



Fee income increased 7.4% YoY and efficiency ratio improved considerably

Fee income

S/. million

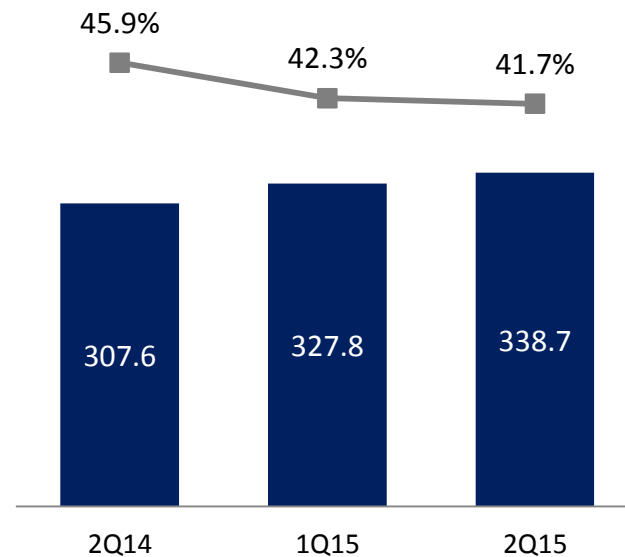


■ Net Fee income

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

Operating expenses

S/. million



■ Salaries, administrative and D&A expenses

—■ Efficiency ratio ⁽¹⁾

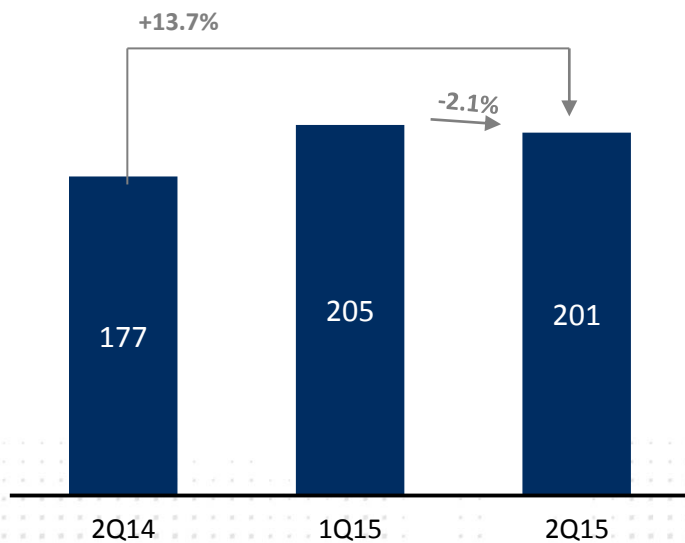
(1) Efficiency ratio is defined as (Salaries and employee benefits + Administrative expenses + Depreciation and amortization) / (Net interest income + Fee income + Other income)

Strong quarter at Interbank with solid ROAE levels

IFRS

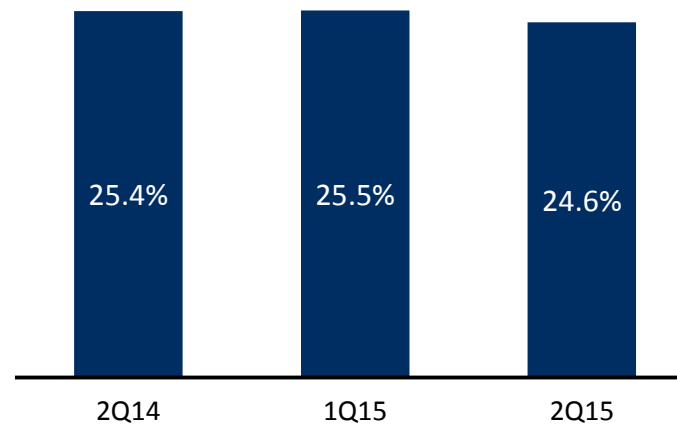
Net profit

S/. million

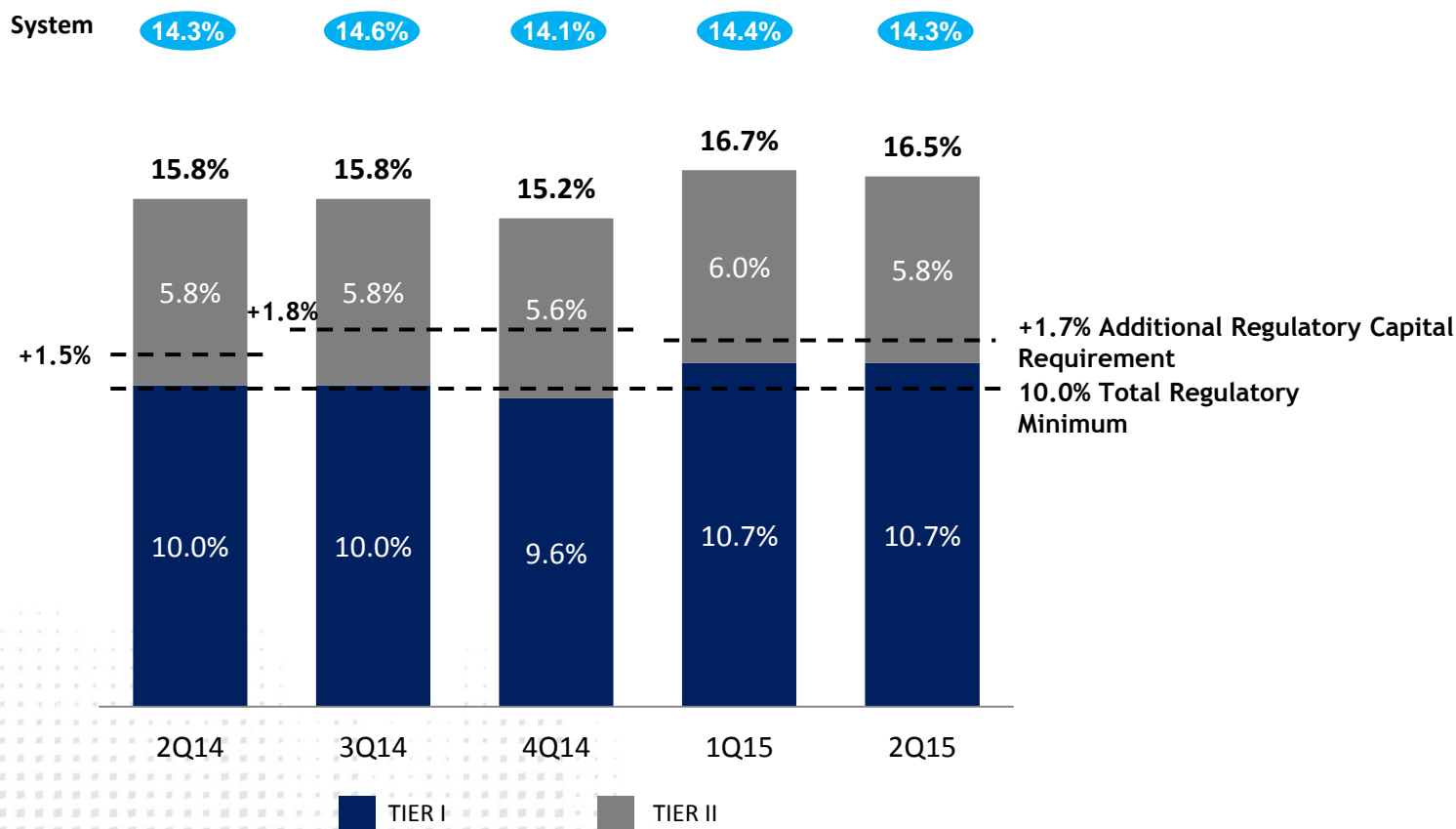


ROAE

Annualized



Interbank's BIS ratio remained well above regulatory requirements



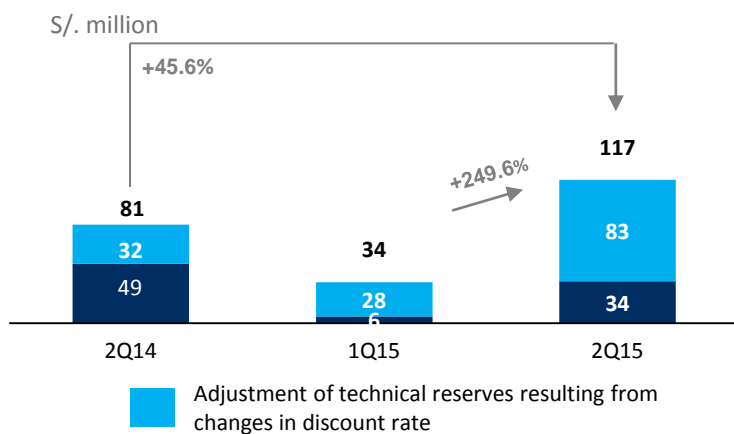
Interseguro

Interseguro's profit attributable to shareholders more than tripled QoQ and increased 45.6% YoY

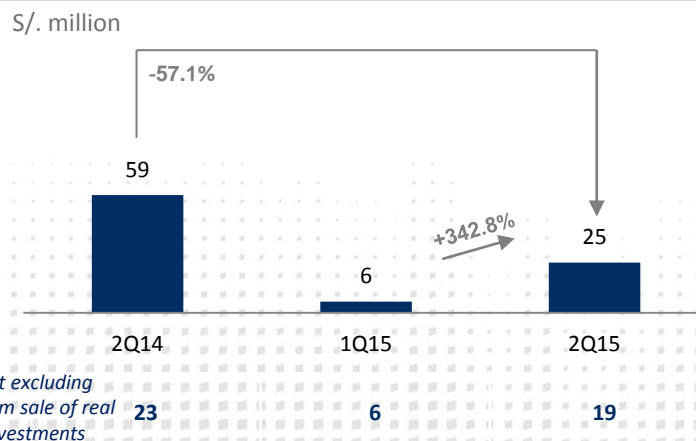
Insurance Segment's P&L Statement					
S/. million	2Q14	1Q15	2Q15	%chg QoQ	%chg YoY
Net Interest and similar income	51.1	53.3	64.9	21.7%	26.9%
Fee income from financial services, net	-0.4	-0.7	-1.1	53.6%	144.1%
Other income	63.8	41.0	44.4	8.2%	-30.5%
Total premiums earned less claims and benefits	13.2	-12.0	62.9	n.m.	n.m.
Other expenses	-48.0	-47.4	-53.4	12.6%	11.2%
Income before translation result and income tax	79.8	34.2	117.7	243.8%	47.6%
Translation result	0.9	-0.7	-0.6	-15.5%	n.m.
Income tax	-0.0	0.2	0.1	-74.3%	n.m.
Profit for the period	80.7	33.8	117.2	246.6%	45.3%
Attributable to non-controlling interest ⁽¹⁾	0.0	-0.2	0.3	n.m.	n.m.
Profit attributable to shareholders	80.7	33.6	117.5	249.6%	45.6%
Discount rate impacts on technical reserves	31.8	28.0	83.1	197.1%	161.3%
Profit excluding discount rate impacts	48.9	5.6	34.4	n.m.	-29.6%
ROAE	74.2%	23.3%	95.4%		
Efficiency ratio	15.0%	16.9%	10.4%		

Interseguro's net profit IFRS vs. Local GAAP

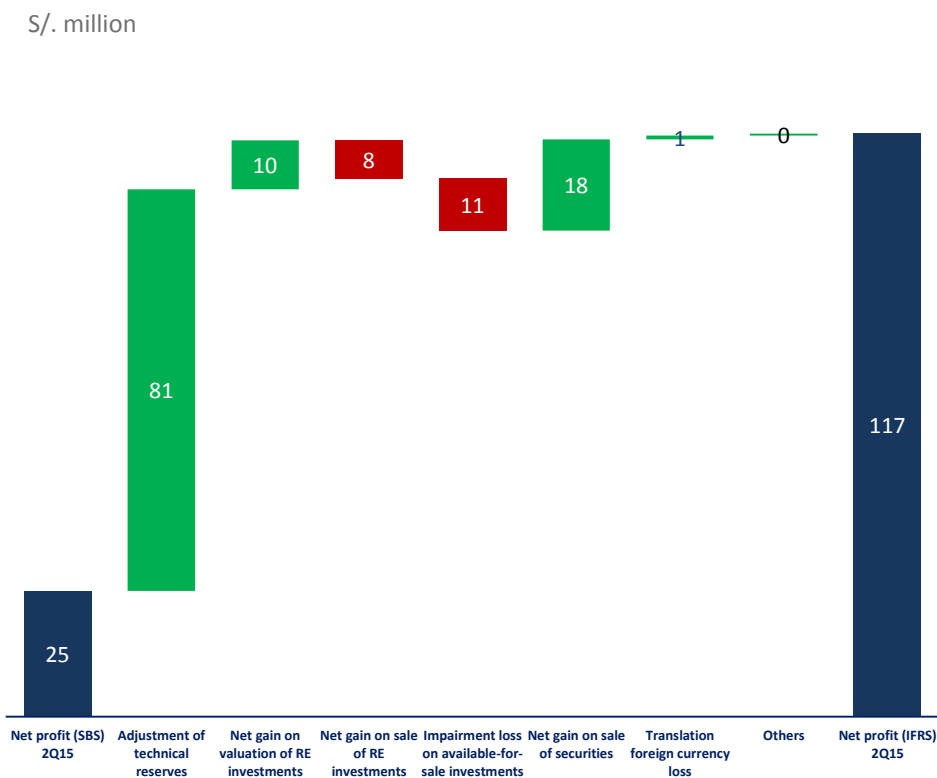
Net profit – IFRS



Net profit – Local GAAP

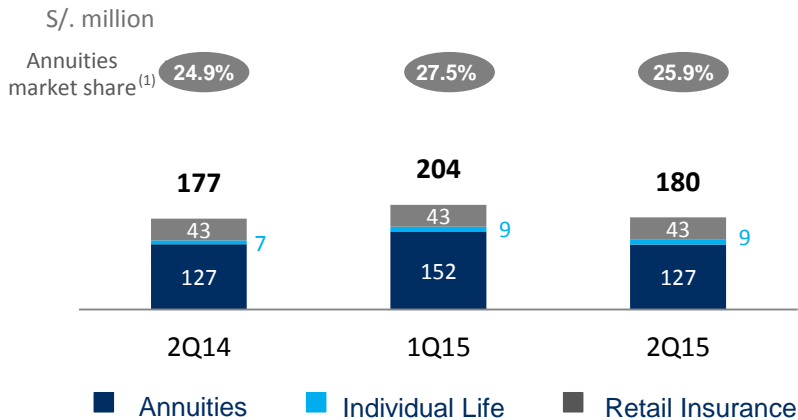


Net profit bridge from Local GAAP to IFRS (2Q15)

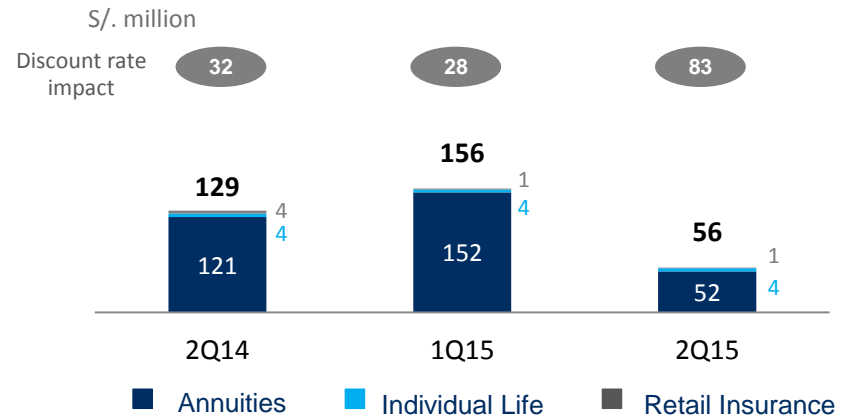


Adjustment of technical reserves declined 63.9% QoQ and 56.1% YoY due to a positive discount rate impact of S/. 83.1 million in 2Q15

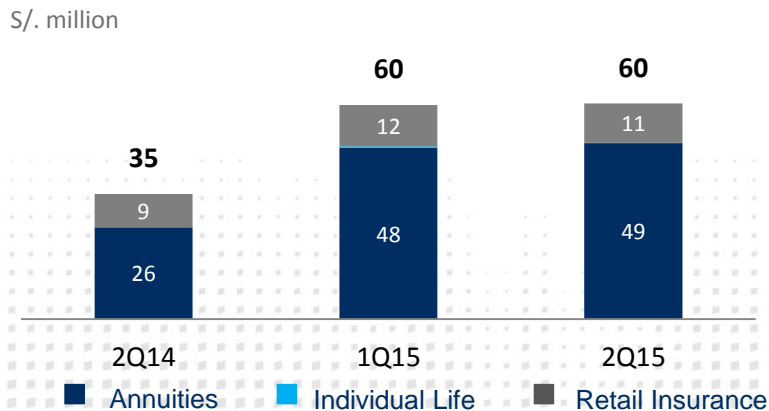
Net premiums



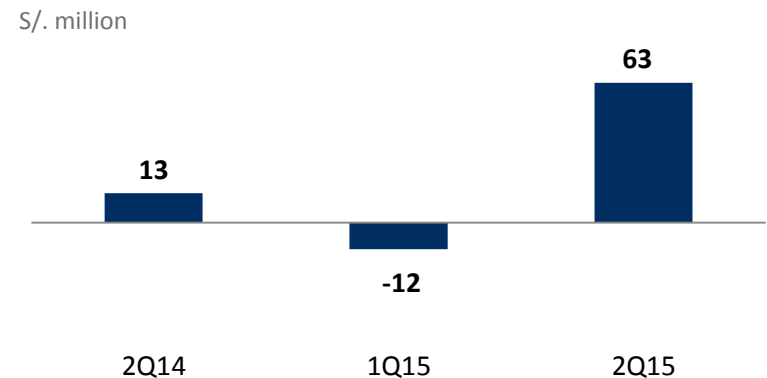
Adjustment of technical reserves



Net claims and benefits incurred



Total premiums earned less claims and benefits

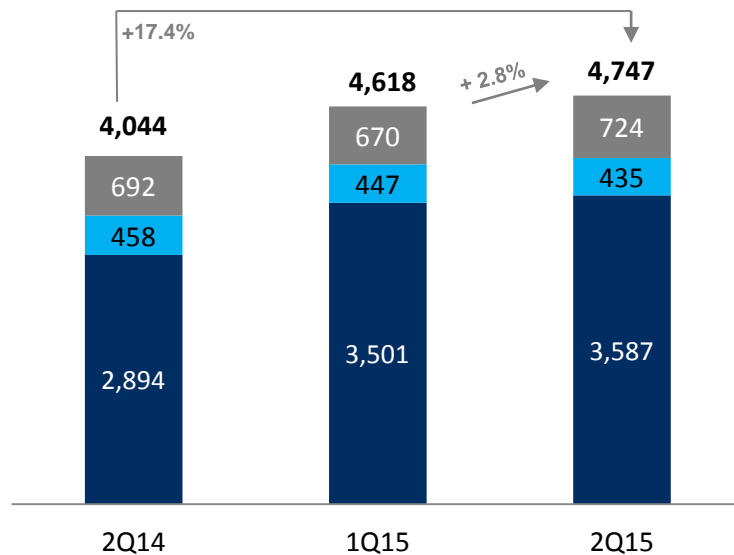


(1) Annuities market share measures the percentage of net premiums earned by Interseguro compared to the total of industry quarterly
 Note: Annuities include Disability and Survivorship.

Interseguro's investment portfolio grew 17.4% YoY

Investment portfolio

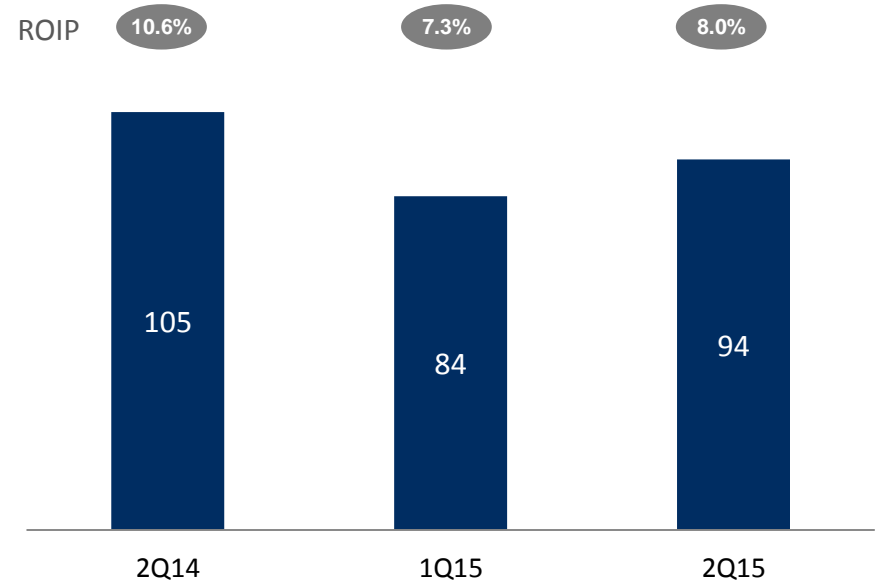
S/. million



■ Fixed income ■ Equity & Mutual funds ■ Real estate

Results from investments⁽¹⁾

S/. million



■ Results from Investments

(1) Only includes transactions related to investments

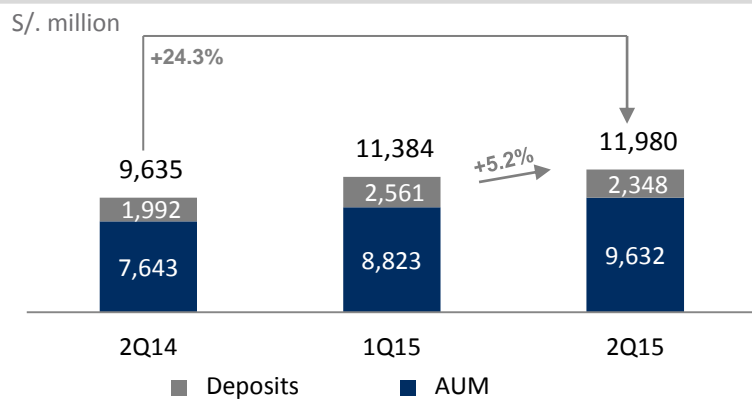
Inteligo

Inteligo's net profit increased 38.6% QoQ and 17.6% YoY

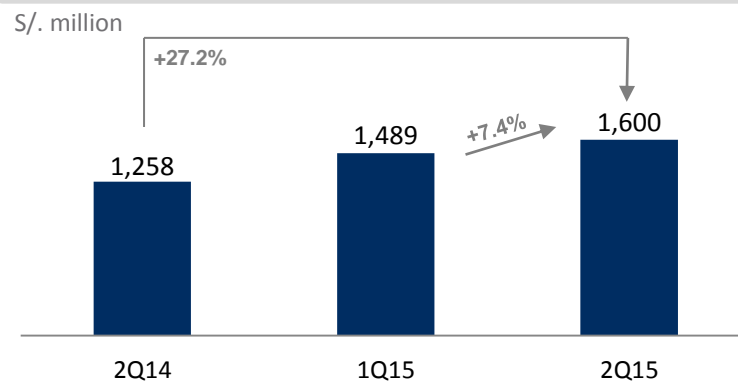
Wealth Management Segment's P&L Statement					
S/. million	2Q14	1Q15	2Q15	%chg QoQ	%chg YoY
Interest and similar income	28.1	27.7	35.9	29.4%	27.5%
Interest and similar expenses	-12.4	-13.4	-12.8	-4.5%	3.0%
Net interest and similar income	15.7	14.3	23.1	61.2%	46.9%
Fee income from financial services, net	25.0	31.2	30.1	-3.5%	20.4%
Other income	24.4	8.5	18.8	n.m.	-22.9%
Other expenses	-22.6	-17.9	-22.2	23.8%	-2.0%
Income before translation result and income tax	42.5	36.2	49.9	37.9%	17.2%
Translation result	0.0	0.0	0.2	n.m.	n.m.
Income tax	0.0	0.0	0.0	n.m.	n.m.
Profit for the period	42.6	36.1	50.0	38.6%	17.6%
ROAE	34.2%	29.1%	38.2%		
Efficiency ratio	24.1%	33.1%	30.8%		

Inteligo's key indicators

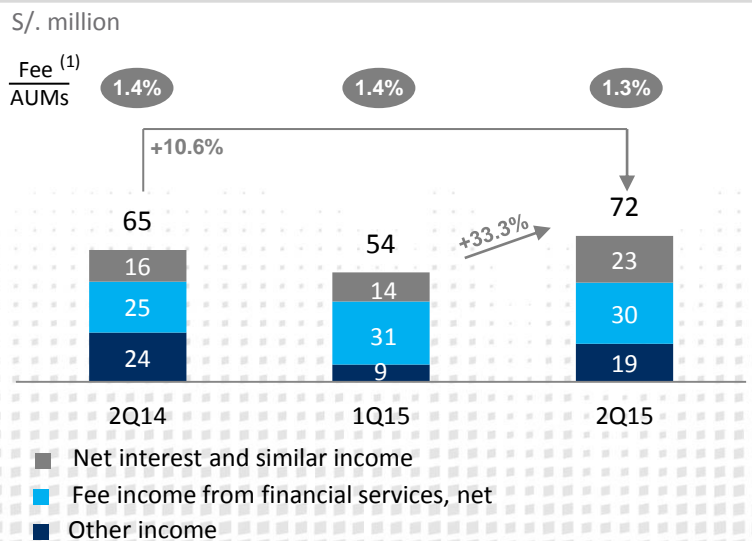
AUMs + Deposits



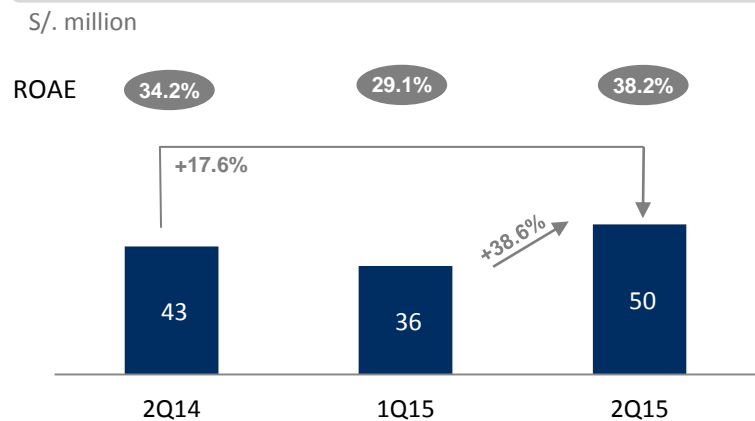
Loans



Revenues



Net profit



(1) Corresponds to Inteligo Bank

Summary

In 2Q15 IFS continued to deliver strong operating performance in all 3 segments

✓ **Interbank**

- ✓ 22.4% YoY growth in consumer loans and 17.1% YoY growth in retail deposits
- ✓ 2.4% PDL ratio below the system's 2.7%
- ✓ 420 bps improvement in the efficiency ratio YoY, to 41.7%

✓ **Interseguro**

- ✓ Market leader in annuities for six consecutive years as of 2Q15
- ✓ 17.4% YoY growth on investment portfolio

✓ **Inteligo**

- ✓ AuM + deposits increased 5.2% QoQ and 24.3% YoY
- ✓ Loans grew 7.4% QoQ and 27.2% YoY

✓ **High profitability**

- ✓ 31.8% QoQ and 23.0% YoY growth in net profit at IFS in 2Q15
- ✓ 2Q15 annualized ROAE of 32.0%

Appendix

IFS 2Q15 P&L

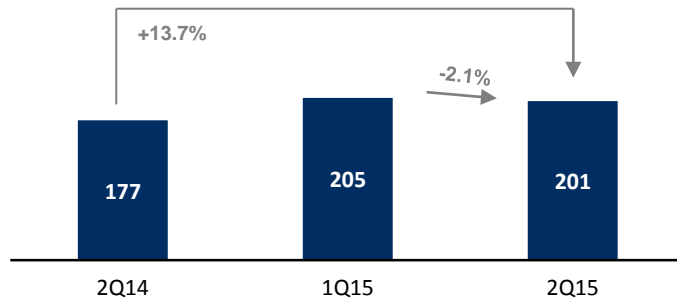
IFRS

Intercorp Financial Services' P&L statement					
S/. million	2Q14	1Q15	2Q15	%chg QoQ	%chg YoY
Interest and similar income	692.5	753.5	817.1	8.4%	18.0%
Interest and similar expense	-200.4	-207.7	-218.0	5.0%	8.8%
Net interest and similar income	492.1	545.8	599.1	9.8%	21.8%
Provision for loan losses, net of recoveries	-118.4	-148.8	-172.2	15.7%	45.5%
Net interest and similar income after provision for loan losses	373.7	397.0	426.9	7.5%	14.2%
Fee income from financial services, net	176.6	194.8	194.0	-0.4%	9.8%
Other income	154.3	171.7	178.7	4.1%	15.8%
Total premiums earned less claims and benefits	13.2	-12.0	62.9	n.m.	n.m.
Net Premiums	177.0	204.3	179.6	-12.1%	1.5%
Adjustment of technical reserves	-128.8	-156.5	-56.5	-63.9%	-56.1%
Net claims and benefits incurred	-35.0	-59.9	-60.3	0.7%	72.1%
Other expenses	-366.1	-399.9	-427.3	6.8%	16.7%
Income before translation result and income tax	351.8	351.6	435.1	23.8%	23.7%
Translation result	1.2	-10.6	-8.3	-21.8%	n.m.
Income tax	-71.4	-78.1	-80.4	3.0%	12.7%
Profit for the period	281.6	262.9	346.4	31.8%	23.0%
Attributable to equity holders of the group	280.4	261.2	345.2	32.2%	23.1%
EPS	2.56	2.39	3.16		
ROAE	29.9%	23.9%	32.0%		

Interbank's net profit IFRS vs. Local GAAP

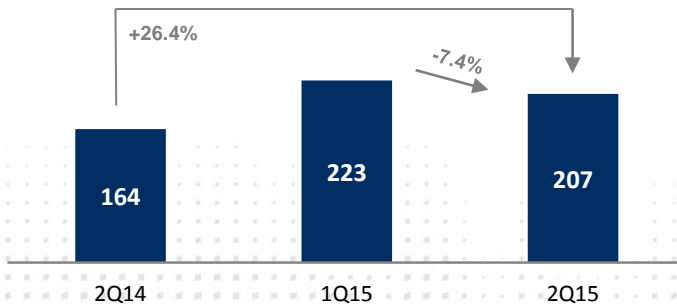
Net profit – IFRS

S/. million



Net profit – Local GAAP

S/. million



Net profit bridge from Local GAAP to IFRS (2Q15)

S/. million



(1) Includes D&A expenses (S/. 1.6 million) and tax expenses (S/. 4.3 million)



 **Intercorp** Financial Services