



Third Quarter 2011 Earnings Presentation

 **Intergroup**
Financial Services

Intergroup Financial Services

Highlights

Intergroup:

- Intergroup's net earnings reached a record S/. 200.5 million in 3Q11, an increase of 45.5% QoQ and 49.9% YoY
- YoY growth was driven by higher financial income and fee income, as well as S/. 26.3 million in income from the recovery of loan write-off at Interbank
- QoQ net earnings growth was due to increasing financial margins and fee income, as well as income from the recovery of loan write-offs
- Intergroup's recurring ROE was 31.1% in 3Q11, above the 26.2% in 2Q11 and 30.4% in 3Q10

Interbank:

- Interbank's net earnings reached a record S/. 163.7 million in 3Q11, an increase of 30.9% QoQ and 15.6% YoY
- QoQ growth was driven by a 6.6% decrease in financial expenses and a 16.6% increase in fee income, as well as income from the recovery of loan write-offs
- YoY net earnings growth resulted from increases of 8.5% in interest on loans and 19.1% in fee income
- Performing loans grew 1.2% QoQ and 15.7% YoY, as retail loans reported the second highest quarterly growth rate in the last two years
- Recurring NIM increased 40 bps QoQ, mainly as a result of lower financial expenses and an increase in investment income
- Asset quality remained stable YoY, with the past-due loan ratio at 1.6%. The ratio of provision expenses to average loans decreased from 3.7% in 3Q10 to 3.0% in 3Q11

Interseguro:

- Interseguro's net earnings increased 38.8% QoQ due to 19.0% growth in investment income
- Earnings grew 19.9% YoY mainly as a result of a lower technical margin loss
- Annuity sales increased QoQ, but decreased YoY as a result of market contraction

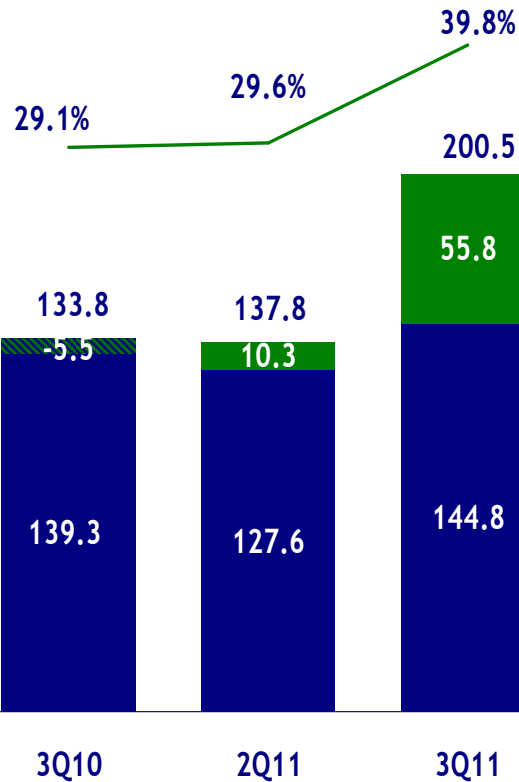
Intergroup's earnings increased 49.9% YoY and 45.5% QoQ

Intergroup

Net income*

S/. million

ROE



Interbank

Net income

S/. million

ROE

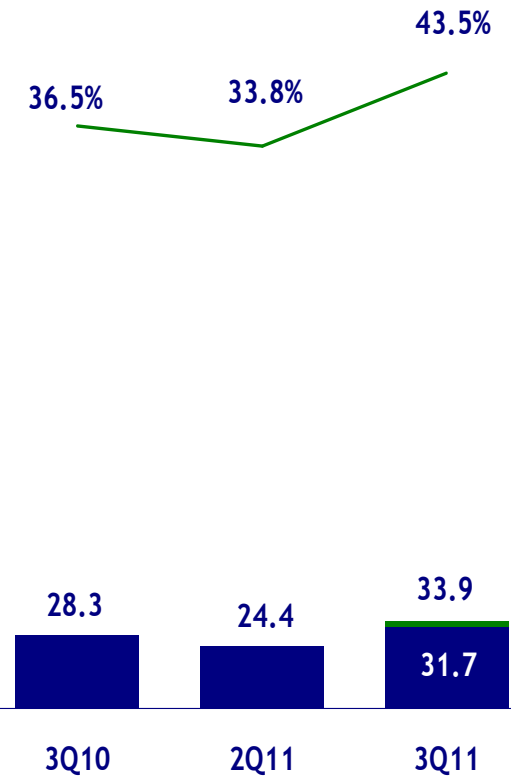


Interseguro

Net income

S/. million

ROE



*Attributable to IFS shareholders

Intergroup's net earnings reached a record S/. 200.5 million in 3Q11

Intergroup's Profit and Loss Statement Summary					
S/. million	3Q10	2Q11	3Q11	%chg QoQ	%chg YoY
Financial income	578.8	601.9	601.6	0.0%	3.9%
Financial expenses	-131.9	-154.3	-133.4	-13.5%	1.1%
Gross financial margin	446.9	447.6	468.2	4.6%	4.8%
Provisions	-104.3	-101.0	-99.9	-1.1%	-4.2%
Net financial margin	342.6	346.6	368.3	6.3%	7.5%
Fee income from financial services, net	111.2	113.4	131.5	15.9%	18.2%
Result from insurance underwriting, net	-19.4	-13.8	-14.2	3.2%	-26.6%
Administrative expenses	-242.9	-240.5	-250.2	4.0%	3.0%
Net operating margin	191.6	205.7	235.4	14.4%	22.9%
Depreciation and amortization	-20.1	-23.5	-23.3	-0.6%	15.7%
Other income (expenses)	17.7	11.1	55.1	396.5%	211.5%
Income before tax	189.1	193.4	267.2	38.2%	41.3%
Income tax	-54.6	-54.6	-65.5	20.0%	20.0%
Net income	134.5	138.7	201.7	45.4%	50.0%
Attributable to IFS shareholders	133.8	137.8	200.5	45.5%	49.9%
EPS	1.43	1.47	2.14		
ROE	29.1%	29.6%	39.8%		

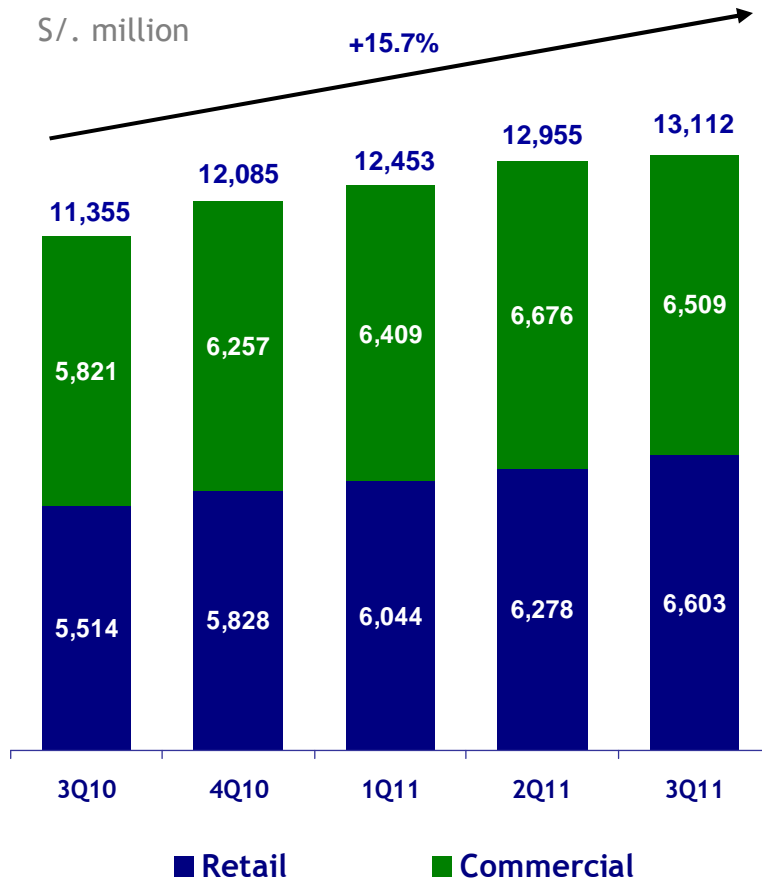
Interbank

Interbank's net income reached a record level of S/. 163.7 million in 3Q11

Profit and Loss Statement Summary					
S/. million	3Q 10	2Q 11	3Q 11	% chg QoQ	% chg YoY
Financial income	531.6	537.0	521.7	-2.8%	-1.9%
Financial expenses	-108.1	-138.4	-129.4	-6.6%	19.7%
Gross financial margin	423.5	398.6	392.3	-1.6%	-7.4%
Provisions	-104.3	-101.0	-99.9	-1.1%	-4.2%
Net financial margin	319.2	297.5	292.4	-1.7%	-8.4%
Fee income from financial services, net	113.5	115.9	135.2	16.6%	19.1%
Administrative expenses	-219.1	-220.3	-224.9	2.1%	2.6%
Net operating margin	213.6	193.1	202.7	5.0%	-5.1%
Depreciation and amortization	-22.9	-22.7	-22.6	-0.6%	-1.3%
Other income (expenses)	3.1	7.4	45.5	n.d.	n.d.
Income before taxes	193.8	177.9	225.6	26.9%	16.4%
Income tax	-52.3	-52.9	-62.0	17.3%	18.5%
Net income	141.5	125.0	163.7	30.9%	15.6%
ROE	38.5%	31.8%	38.7%		

Retail loan growth remained strong at 19.8% YoY and 5.2% QoQ

Performing loans



Breakdown of loans

S/. million	3Q 10	2Q 11	3Q 11	% chg QoQ	% chg YoY
Consumer loans:					
Credit cards	1,632	1,891	1,994	5.4%	22.2%
Other consumer	2,250	2,350	2,409	2.5%	7.1%
Total consumer loans	3,882	4,241	4,403	3.8%	13.4%
Mortgages	1,632	2,037	2,200	8.0%	34.8%
Total retail loans	5,514	6,278	6,603	5.2%	19.8%
Total commercial	5,821	6,676	6,509	-2.5%	11.8%
Total loans	11,335	12,955	13,112	1.2%	15.7%

Market share in loans

S/. million	3Q 10	2Q 11	3Q 11	% chg QoQ	% chg YoY
Consumer loans:					
Credit cards	21.1%	20.4%	21.0%	0.5%	-0.2%
Other consumer	22.6%	20.4%	19.9%	-0.5%	-2.6%
Total consumer loans	23.0%	21.5%	21.4%	-0.1%	-1.6%
Mortgages	11.4%	11.9%	12.1%	0.2%	0.7%
Total retail loans	17.7%	17.0%	17.0%	0.0%	-0.7%
Total commercial	8.4%	8.3%	8.0%	-0.3%	-0.4%
Total loans	11.3%	11.0%	10.9%	-0.2%	-0.5%

Does not include Crediscotia

Core deposits have grown significantly YoY

Funding Structure

S/. million	3Q 10	2Q 11	3Q 11	% chg QoQ	% chg YoY
Deposits and obligations	11,539	12,911	12,176	-5.7%	5.5%
Due to banks	3,218	2,662	2,263	-15.0%	-29.7%
Bonds and obligations	1,072	2,074	2,124	2.4%	98.1%
Interbank funds	147	65	271	n.d.	84.3%
Total	15,976	17,712	16,834	-5.0%	5.4%
AUM (Interfondos)	2,344	2,489	2,080	-16.4%	-11.3%

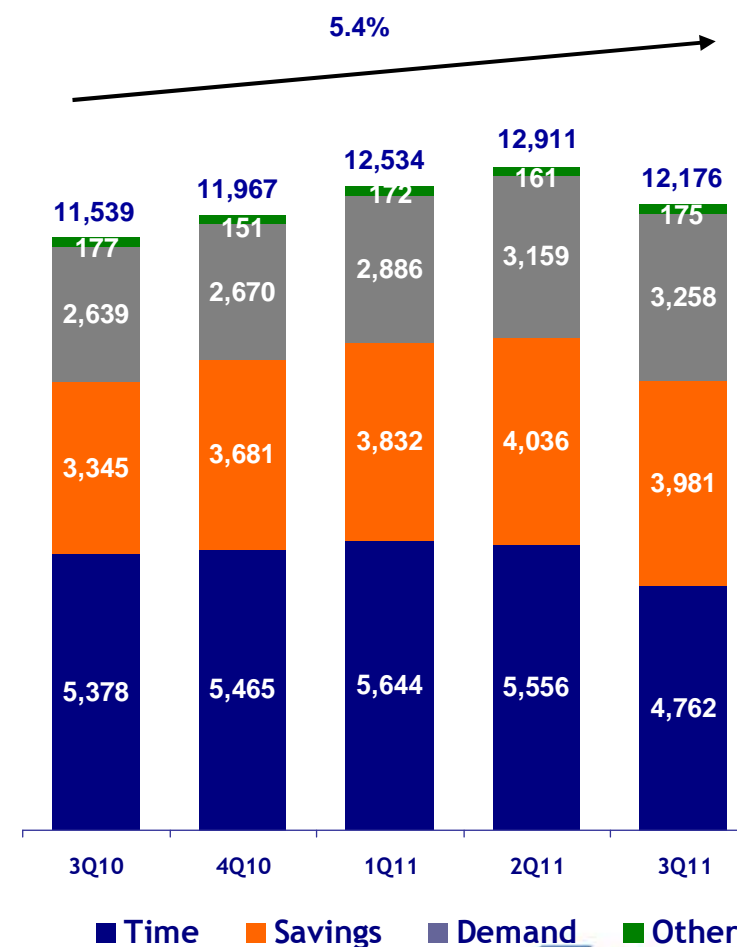
Market Share in Deposits

S/. million	3Q 10	2Q 11	3Q 11	% chg QoQ	% chg YoY
Retail Deposits	12.3%	12.1%	12.0%	-0.1%	-0.3%
Commercial Deposits ⁽¹⁾	9.1%	9.2%	9.1%	-0.1%	0.0%

Does not include Crediscotia

⁽¹⁾ Includes demand and savings deposits

Deposit Breakdown

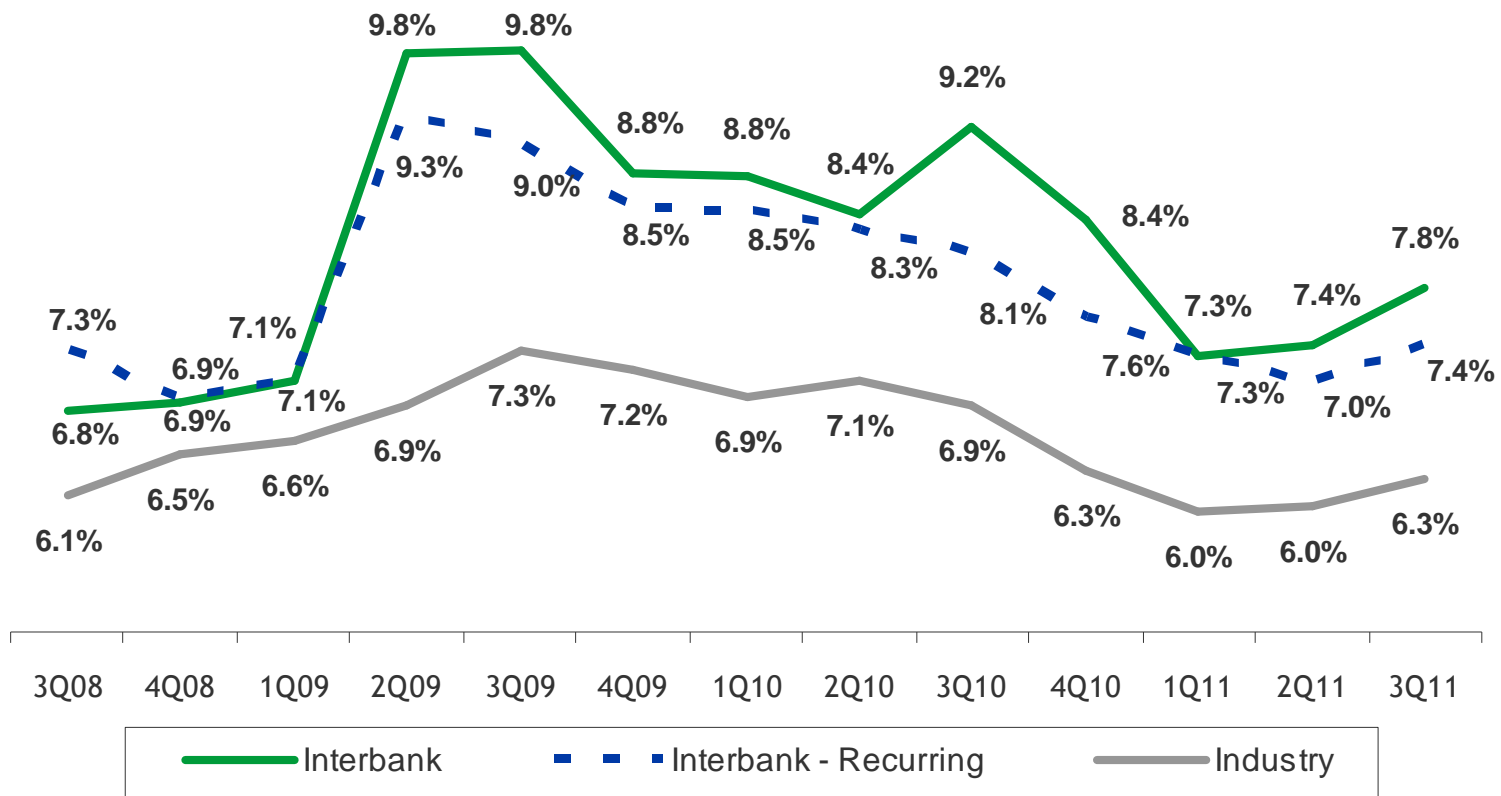


Gross financial margin decreased 1.6% QoQ and 7.4% YoY

Interbank Gross Financial Margin					
S/. million	3Q 10	2Q 11	3Q 11	% chg QoQ	% chg YoY
Financial income:					
Loans	399.5	433.5	433.4	0.0%	8.5%
Investments	86.4	44.5	58.6	31.6%	-32.2%
Interest on due from banks and interbanks funds	1.7	3.8	3.9	2.4%	129.5%
Exchange and derivatives gains	41.9	53.7	23.9	-55.5%	-43.0%
Other	2.2	1.5	2.0	36.9%	-8.1%
Total financial income	531.6	537.0	521.7	-2.8%	-1.9%
Financial expenses:					
Deposits	42.5	53.9	51.6	-4.2%	21.5%
Others	65.6	84.6	77.8	-8.0%	18.5%
Total financial expenses	108.1	138.4	129.4	-6.6%	19.7%
Gross Financial Margin	423.5	398.6	392.3	-1.6%	-7.4%

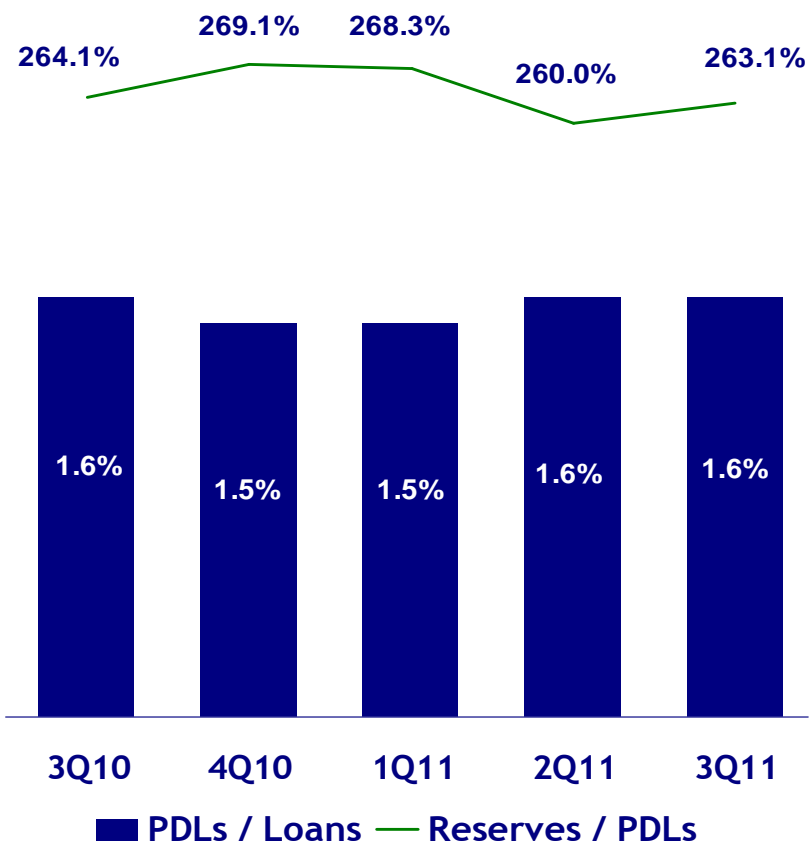
Recurring NIM remains significantly above the industry's average

Net Interest Margin (%)

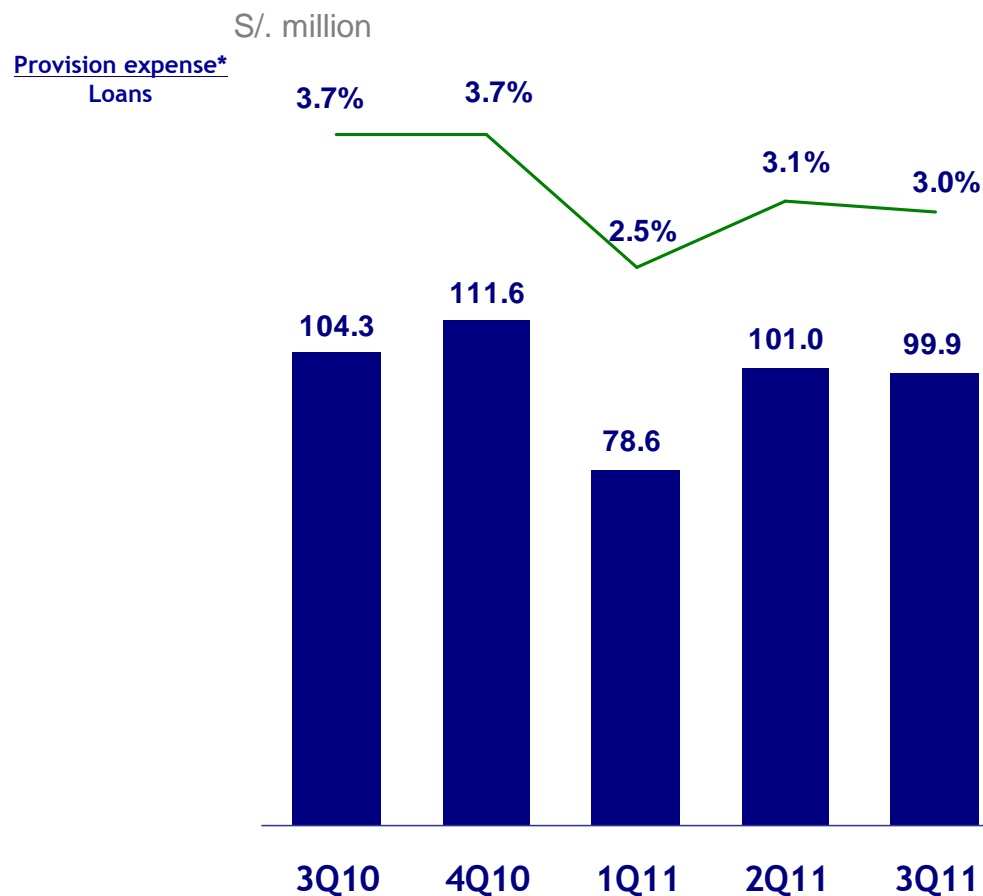


As asset quality and coverage ratio remain stable, provision expenses have decreased QoQ and YoY

PDL & Coverage Ratios



Loan Provision Expense



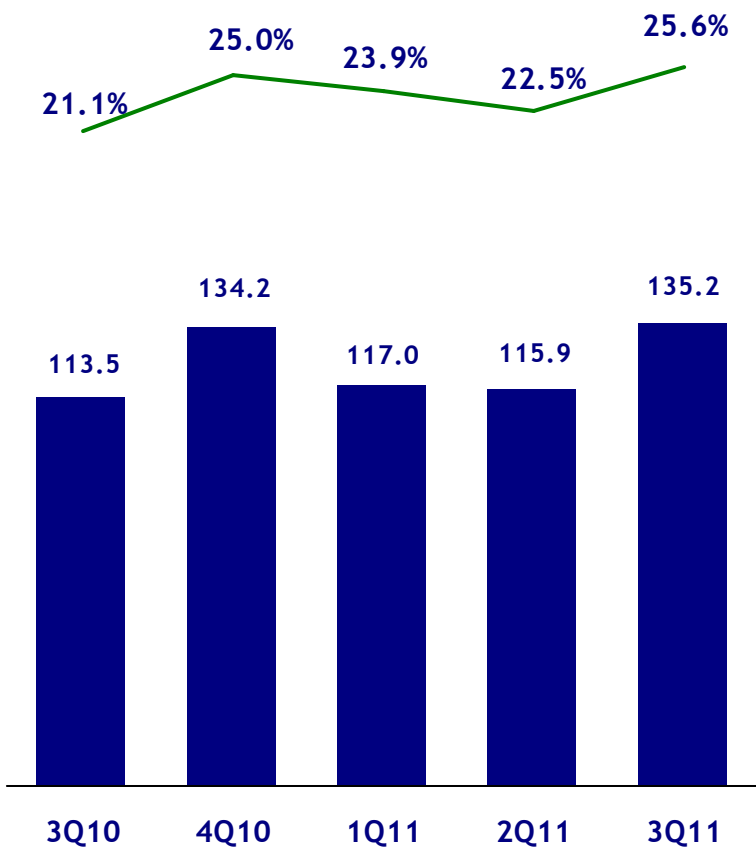
*Annualized

Fee income grew 19.1% YoY, while the efficiency ratio continued to improve

Fee income

S/. million

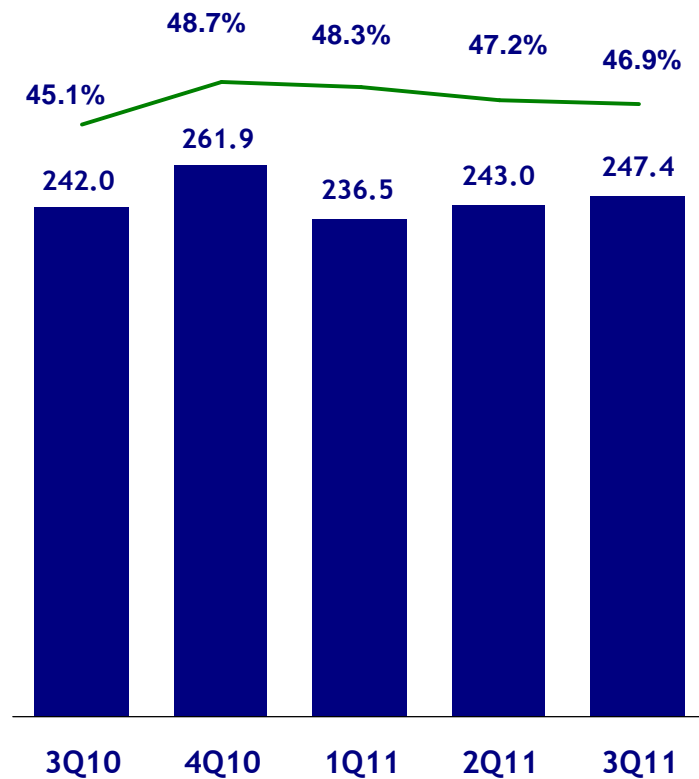
- Net fee income
- Fee income / operating revenues



Operating expenses

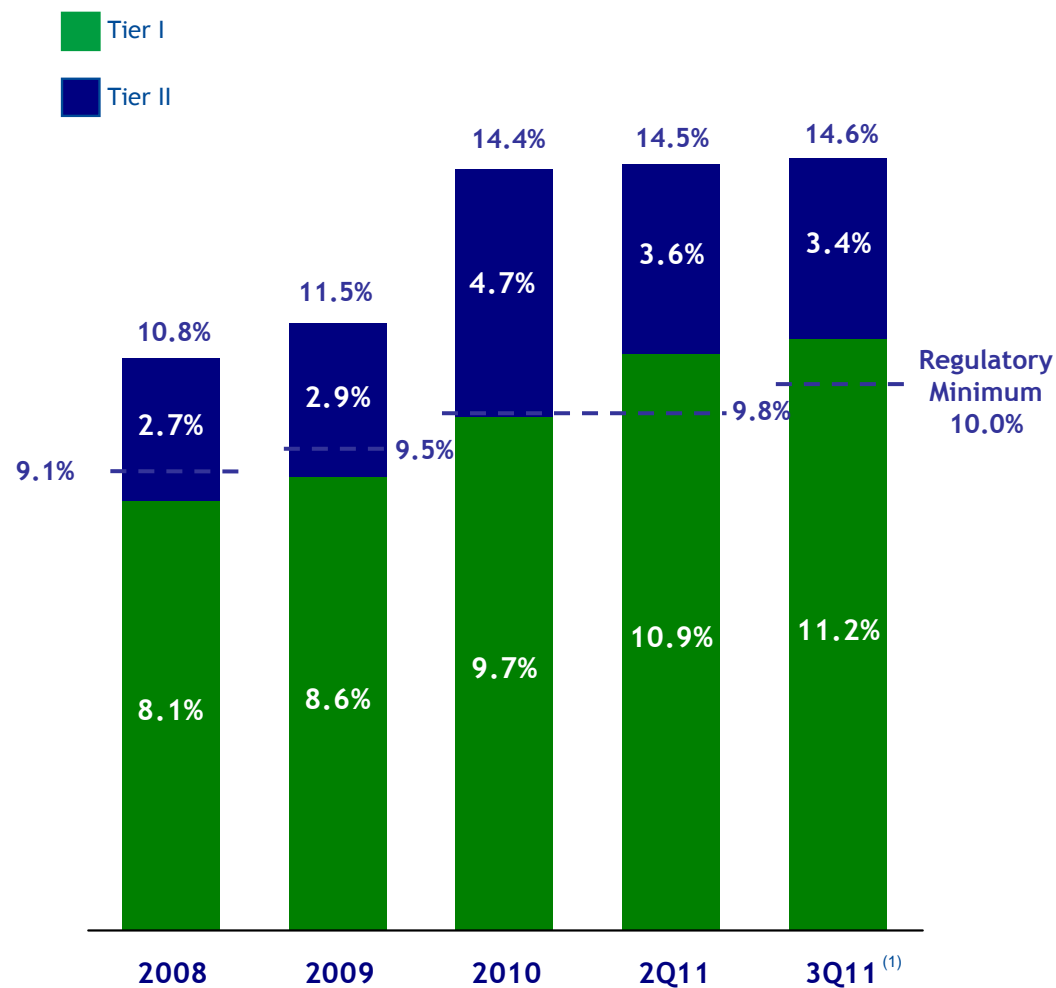
S/. million

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 September 30, 2011 only 53% of the notes qualified as Tier 1 and the remaining 47% qualified as Tier II.

Interseguro

Interseguro's net income increased 38.8% QoQ and 19.9% YoY

Profit and Loss Statement Summary

S/. million	3Q10	2Q11	3Q11	% chg QoQ	% chg YoY
Premiums	178.7	109.5	117.1	6.9%	-34.5%
Premiums ceded	-2.2	-2.3	-2.3	2.4%	4.5%
Fees	-2.4	-3.2	-2.9	-8.4%	21.1%
Claims	-30.1	-32.0	-33.2	3.4%	10.2%
Change in reserves	-164.3	-89.4	-93.9	5.1%	-42.8%
Diverse Income, net	-1.1	1.1	-1.0	-189.5%	-8.6%
Technical margin	-21.3	-16.3	-16.2	-0.7%	-23.9%
Administrative expenses	-13.8	-14.6	-15.8	7.8%	14.4%
Investment income, net*	63.4	55.4	65.9	19.0%	3.9%
Net income	28.3	24.4	33.9	38.8%	19.9%
ROE	36.5%	33.8%	43.5%		

*Includes exchange rate difference

Premiums increased 6.9% QoQ, but decreased 34.5% YoY due to market contraction

Premiums by Business Line					
S/. million	3Q10	2Q11	3Q11	% chg QoQ	% chg YoY
Individual Life	6.7	6.4	7.8	21.3%	16.1%
Annuities	154.5	82.7	88.6	7.1%	-42.6%
Group Life	11.0	12.3	10.9	-11.1%	-1.1%
Disability and survivor benefits	0.2	0.1	0.1	8.4%	-47.0%
Mandatory traffic accident	4.9	5.3	6.8	26.3%	38.7%
Non Life Insurance	1.4	2.6	2.9	11.6%	106.5%
TOTAL	178.7	109.5	117.1	6.9%	-34.5%

Investment income increased 19.0% QoQ and 4.0% YoY

Investment Portfolio					
S/. million	3Q10	2Q11	3Q11	%chg QoQ	%chg YoY
Fixed Income	1,471.1	1,558.8	1,731.0	11.0%	17.7%
Equity and Mutual Funds	196.0	312.0	286.7	-8.1%	46.3%
Real estate	489.6	505.3	538.0	6.5%	9.9%
Others	4.3	4.7	4.8	1.8%	12.5%
TOTAL	2,161.0	2,380.8	2,560.4	7.5%	18.5%

Investment Income, Net					
S/. million	3Q10	2Q11	3Q11	%chg QoQ	%chg YoY
Income:					
Fixed Income	44.0	32.7	43.7	33.7%	-0.7%
Interest	21.4	27.5	30.8	12.2%	43.8%
Realized Gains	22.6	5.2	12.9	147.5%	-43.0%
Equity and Mutual Funds	10.3	18.1	11.2	-37.9%	9.0%
Real estate	9.3	6.1	16.2	164.7%	74.0%
Total Income	63.6	56.9	71.1	25.1%	11.8%
Expenses	-1.4	-1.4	-1.7	22.8%	21.4%
Exchange difference and others	1.2	-0.1	-3.5	n.m.	n.m.
Net income	63.4	55.4	65.9	19.0%	4.0%



Intergroup

Financial Services