

Third Quarter 2012 Earnings Presentation

Intercorp Financial Services

Highlights

Intercorp Financial Services:

- IFS net earnings were S/. 158.5 million in 3Q12, a decrease of 34.8% QoQ and 21.0% YoY. Excluding non-recurring items, net earnings would have been S/. 166.8 million in 3Q12, an increase of 27.7% QoQ and 15.2% YoY
- In 2Q12, Interseguro reported S/. 106.3 million non-recurring gains in real estate property sales
- In 3Q11, non recurring items included a recovery from a loan write-off at Interbank and extraordinary investment income at Interbank, Interseguro and IFS
- Recurring ROE at IFS was 26.3% in 3Q12, above the 22.6% in 2Q12, but below the 28.8% in 3Q11

Interbank:

- Interbank's net earnings were S/. 159.2 million in 3Q12, the bank's second highest quarterly result
- Net earnings increased 11.4% QoQ driven by higher financial margins and lower provisions
- Recurring net earnings increased 20.5% YoY due to 13.7% loan growth and stable provisions
- Loans grew 2.9% QoQ as a result of sustained credit demand across most segments
- Despite lower funding costs, NIM declined 30 basis points QoQ due to increases in the proportion of cash and mortgages within interest-earning assets
- The ratio of past due loans to total loans remained stable QoQ at 1.8%

Interseguro:

- Net earnings decreased 86.0% QoQ and 49.4% YoY due to lower investment income, which was exceptionally high in 2Q12
- Excluding non-recurring items, net earnings would have increased 6.2% QoQ
- Premiums increased 11.7% QoQ and 1.5% YoY
- Annuity sales increased 14.0% QoQ after a 6.7% decline in the previous quarter
- Interseguro remained the market leader in annuities

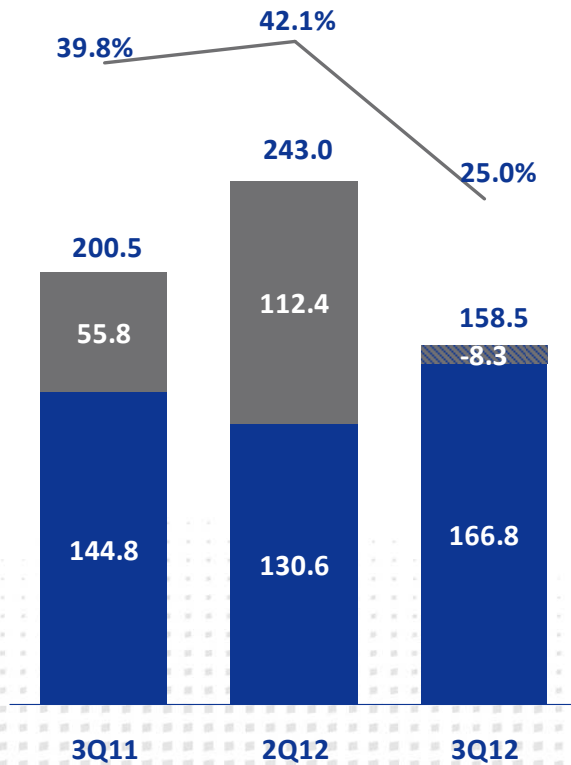
IFS 3Q12 recurring earnings increased 27.7% QoQ and 15.2% YoY

IFS

Net income*

S/. million

ROE

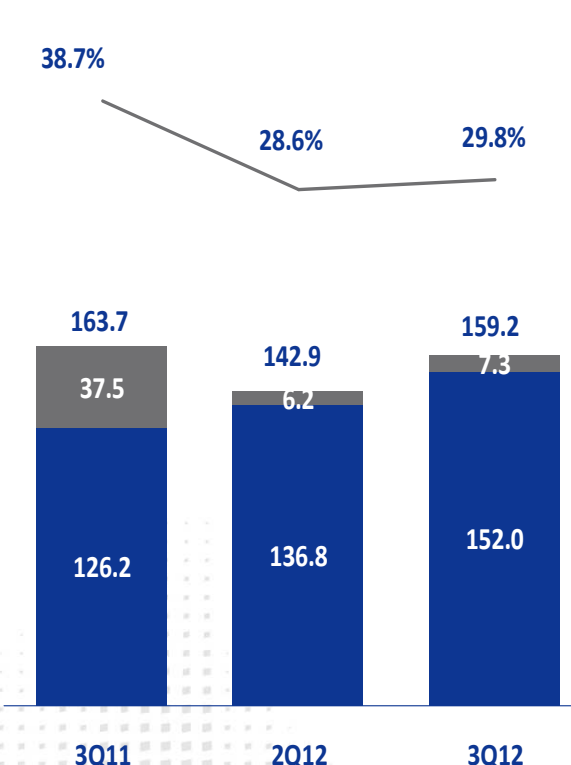


Interbank

Net income

S/. million

ROE

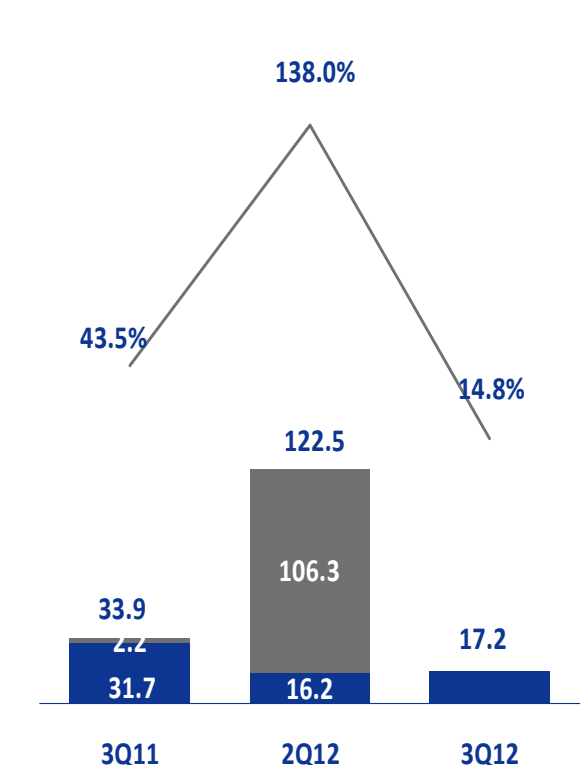


Interseguro

Net income

S/. million

ROE



*Attributable to IFS shareholders

■ Recurring ■ Non-recurring

Intercorp Financial Services

IFS net earnings were S/. 158.5 million in 3Q12

Intercorp Financial Services' Profit and Loss Statement Summary					
S/. million	3Q11	2Q12	3Q12	%chg QoQ	%chg YoY
Financial income	601.6	725.4	628.2	-13.4%	4.4%
Financial expenses	-133.4	-140.4	-138.9	-1.1%	4.1%
Gross financial margin	468.2	585.0	489.3	-16.4%	4.5%
Provisions	-99.9	-142.0	-103.9	-26.9%	4.0%
Net financial margin	368.3	443.0	385.4	-13.0%	4.6%
Fee income from financial services, net	131.5	133.0	126.3	-5.0%	-3.9%
Result from insurance underwriting, net	-14.2	-22.5	-19.8	-12.2%	39.0%
Administrative expenses	-250.2	-276.1	-255.6	-7.4%	2.2%
Net operating margin	235.4	277.4	236.3	-14.8%	0.4%
Depreciation and amortization	-23.3	-25.3	-25.1	-0.6%	7.7%
Other income (expenses)	55.1	31.4	3.0	-90.4%	-94.6%
Income before tax	267.2	283.5	214.2	-24.4%	-19.8%
Income tax	-65.5	-39.5	-54.4	37.7%	-16.9%
Net income	201.7	244.0	159.8	-34.5%	-20.8%
Attributable to IFS shareholders	200.5	243.0	158.5	-34.8%	-21.0%
EPS	2.14	2.60	1.69		
ROE	39.8%	42.1%	25.0%		

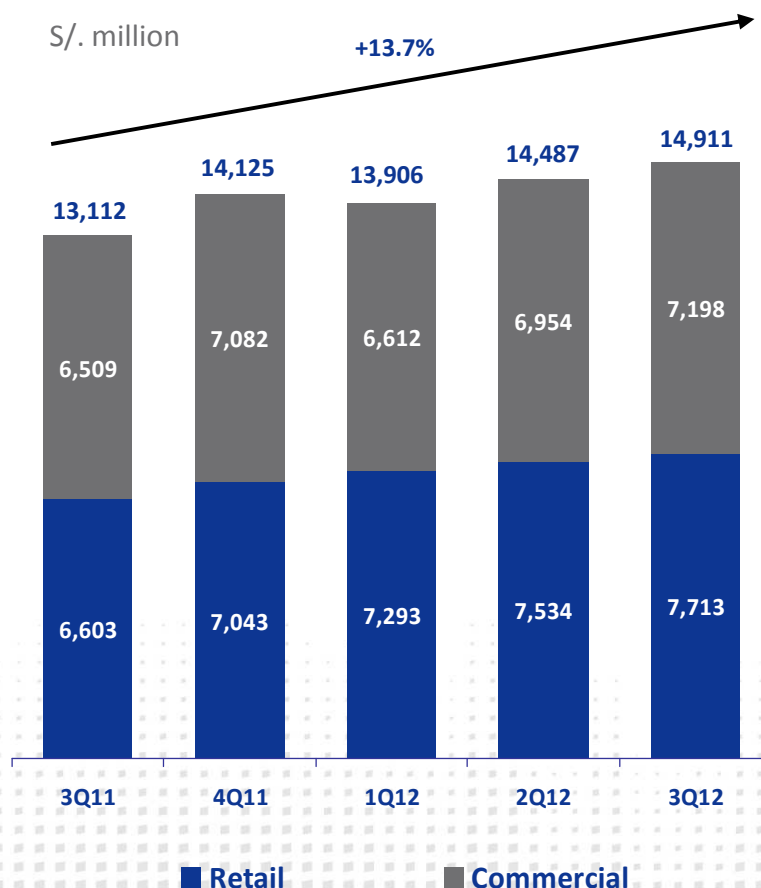
Interbank

Interbank's net income increased 11.4% QoQ

Interbank's Profit and Loss Statement Summary					
S/. million	3Q11	2Q12	3Q12	% chg QoQ	% chg YoY
Financial income	521.7	568.9	571.2	0.4%	9.5%
Financial expenses	-129.4	-136.5	-130.8	-4.1%	1.2%
Gross financial margin	392.3	432.4	440.3	1.8%	12.2%
Provisions	-99.9	-142.0	-103.9	-26.9%	4.0%
Net financial margin	292.4	290.4	336.5	15.9%	15.1%
Fee income from financial services, net	135.2	134.4	132.6	-1.3%	-1.9%
Administrative expenses	-224.9	-241.3	-251.9	4.4%	12.0%
Net operating margin	202.7	183.4	217.2	18.4%	7.2%
Depreciation and amortization	-22.6	-24.3	-24.8	2.2%	9.9%
Other income (expenses)	45.5	21.7	18.6	-14.4%	-59.1%
Income before taxes	225.6	180.9	211.0	16.7%	-6.5%
Income tax	-62.0	-38.0	-51.8	36.4%	-16.4%
Net income	163.7	142.9	159.2	11.4%	-2.7%
ROE	38.7%	28.6%	29.8%		

Growth in most segments remained strong

Performing loans



Breakdown of loans

S/. million	3Q11	2Q12	3Q12	% chg QoQ	% chg YoY
Consumer loans:					
Credit cards	1,994	2,218	2,124	-4.2%	6.5%
Other consumer	2,409	2,689	2,787	3.6%	15.7%
Total consumer loans	4,403	4,907	4,911	0.1%	11.5%
Mortgages	2,200	2,627	2,802	6.7%	27.4%
Total retail loans	6,603	7,534	7,713	2.4%	16.8%
Total commercial	6,509	6,954	7,198	3.5%	10.6%
Total loans	13,112	14,487	14,911	2.9%	13.7%

Market share in loans

	3Q11	2Q12	3Q12	bps QoQ	bps YoY
Consumer loans:					
Credit cards	20.9%	20.2%	19.3%	-90	-160
Other consumer	19.9%	19.5%	19.4%	-10	-50
Total consumer loans	21.4%	20.8%	20.2%	-60	-120
Mortgages	12.1%	12.4%	12.6%	20	50
Total retail loans	17.0%	16.8%	16.6%	-20	-40
Total commercial	8.0%	7.9%	8.0%	10	0
Total loans	10.9%	10.9%	10.9%	0	0

Does not include Crediscotia

Interbank issued senior bonds to strengthen its funding structure

Funding Structure

S/. million	3Q11	2Q12	3Q12	% chg QoQ	% chg YoY
Deposits and obligations	12,176	15,322	14,701	-4.1%	20.7%
Due to banks	2,263	2,907	2,815	-3.2%	24.4%
Bonds	2,124	2,166	2,753	27.1%	29.6%
Inter-bank funds	271	58	106	82.9%	-61.0%
Total	16,834	20,453	20,374	-0.4%	21.0%
AUM (Interfondos)	2,090	2,270	2,550	12.3%	22.0%

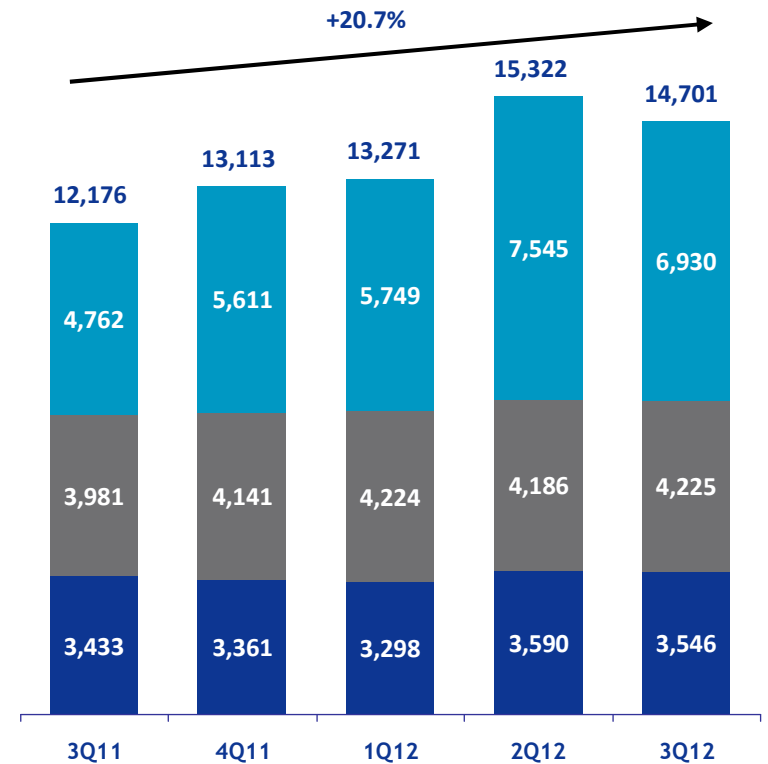
Market Share in Deposits

	3Q11	2Q12	3Q12	bps QoQ	bps YoY
Retail Deposits	12.0%	11.6%	11.4%	-20	-60
Commercial Deposits ⁽¹⁾	9.1%	9.0%	8.7%	-30	-40

Does not include Crediscotia

⁽¹⁾ Includes demand and savings deposits

Deposit Breakdown



■ Demand ■ Savings ■ Time
InterCorp Financial Services

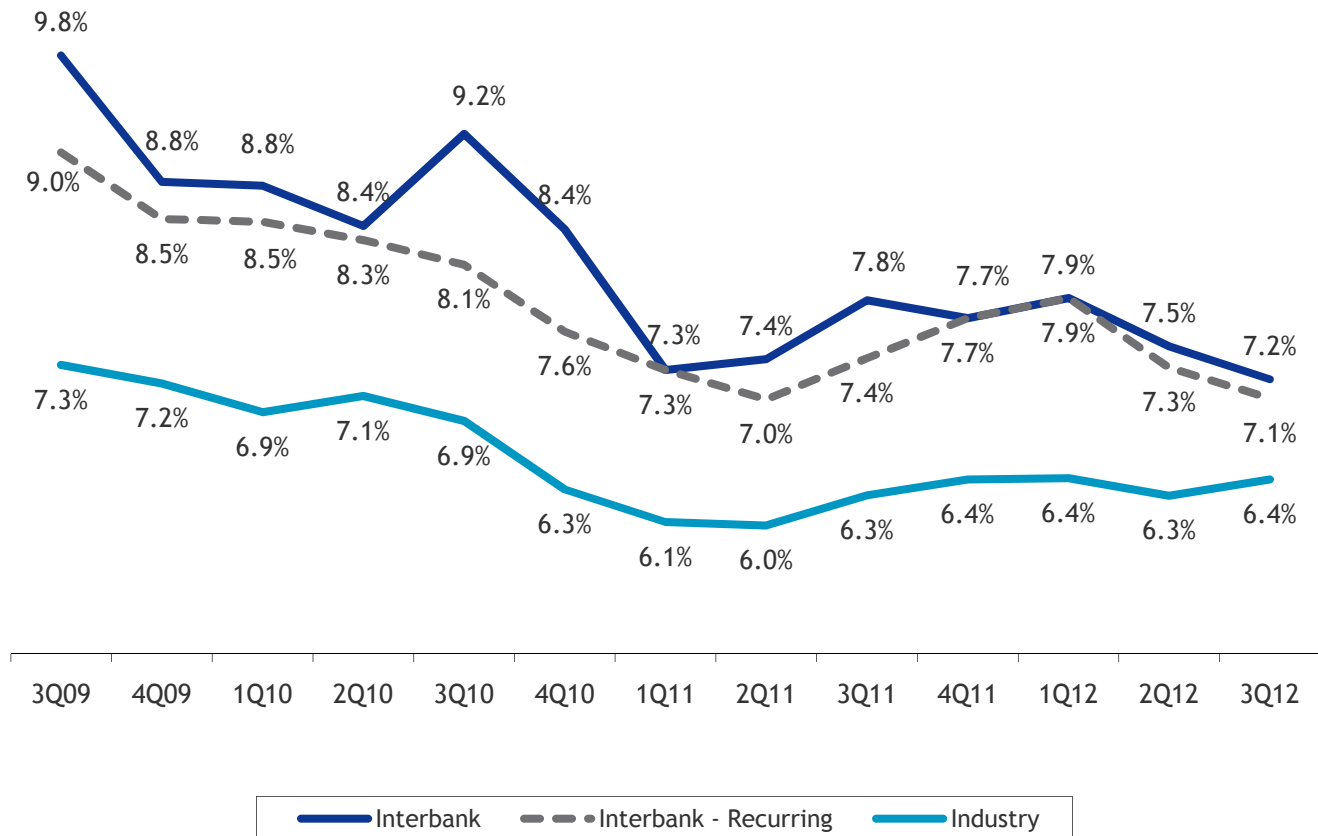
Gross financial margin increased 1.8% QoQ and 12.2% YoY

Interbank's Gross Financial Margin

S/. million	3Q11	2Q12	3Q12	% chg QoQ	% chg YoY
Financial income:					
Loans	433.4	465.4	469.8	0.9%	8.4%
Investments	58.6	53.3	44.8	-16.1%	-23.5%
Interest on due from banks and inter-bank funds	3.9	6.0	6.9	14.6%	77.7%
Exchange and derivatives gains	23.9	41.7	47.0	12.9%	96.9%
Others	2.0	2.4	2.7	9.4%	33.5%
Total financial income	521.7	568.9	571.2	0.4%	9.5%
Financial expenses:					
Deposits	51.6	63.8	58.0	-9.0%	12.4%
Others	77.8	72.7	72.8	0.2%	-6.3%
Total financial expenses	129.4	136.5	130.8	-4.1%	1.2%
Gross Financial Margin	392.3	432.4	440.3	1.8%	12.2%

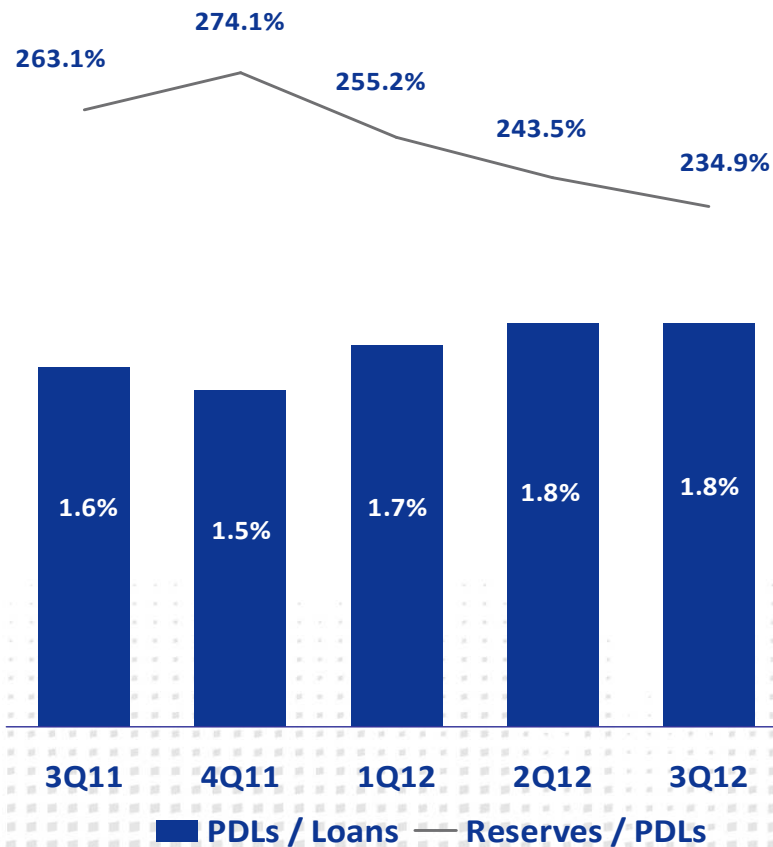
NIM remains above the industry's average

Net Interest Margin (%)



Provision expenses decreased 26.9% QoQ, while PDLs remained stable at 1.8%

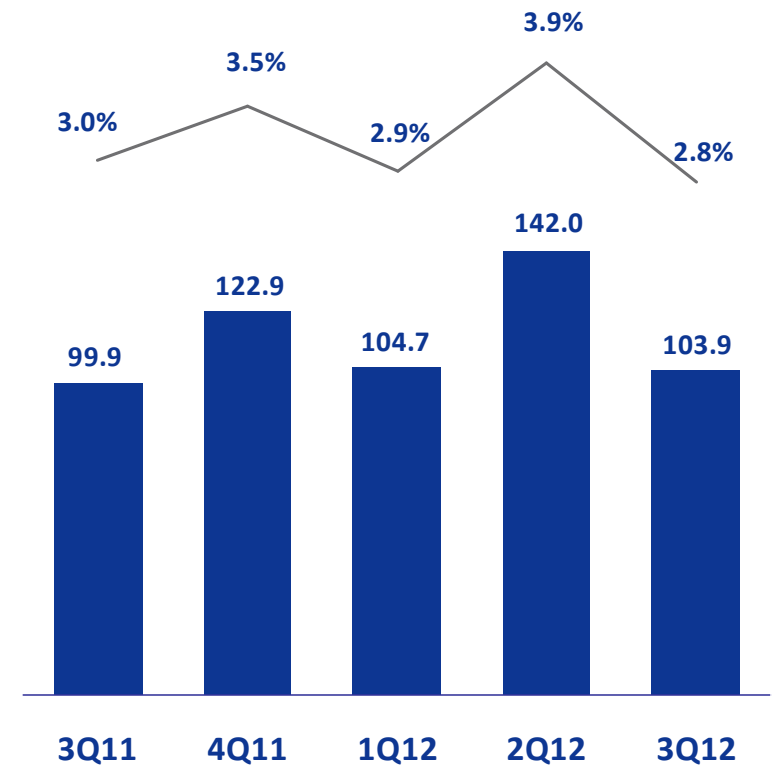
PDL & Coverage Ratios



Loan Provision Expense

S/. million

$\frac{\text{Provision expense}^*}{\text{Loans}}$

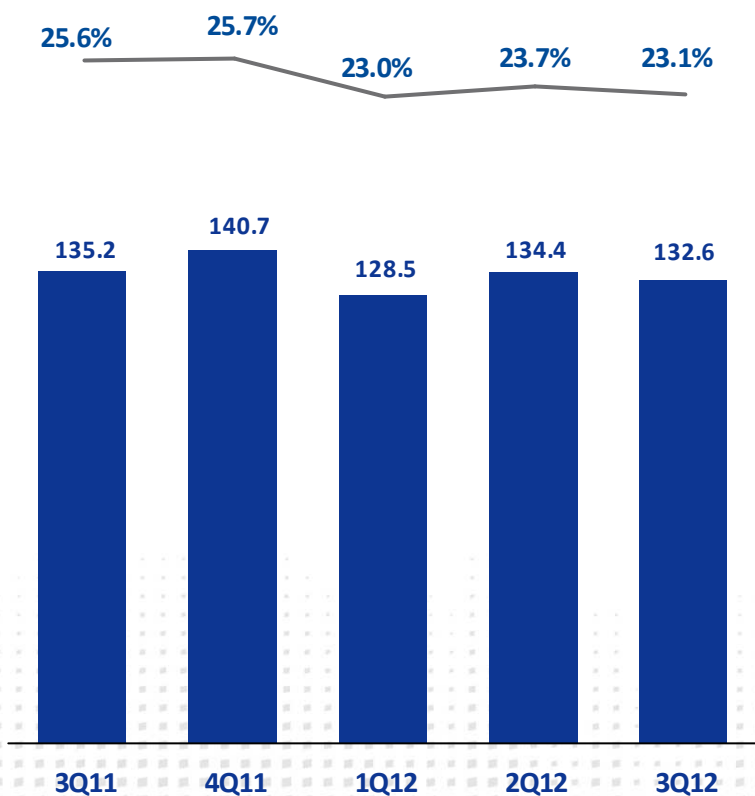


Fee income decreased 1.3% QoQ and 1.9% YoY

Fee income

S/. million

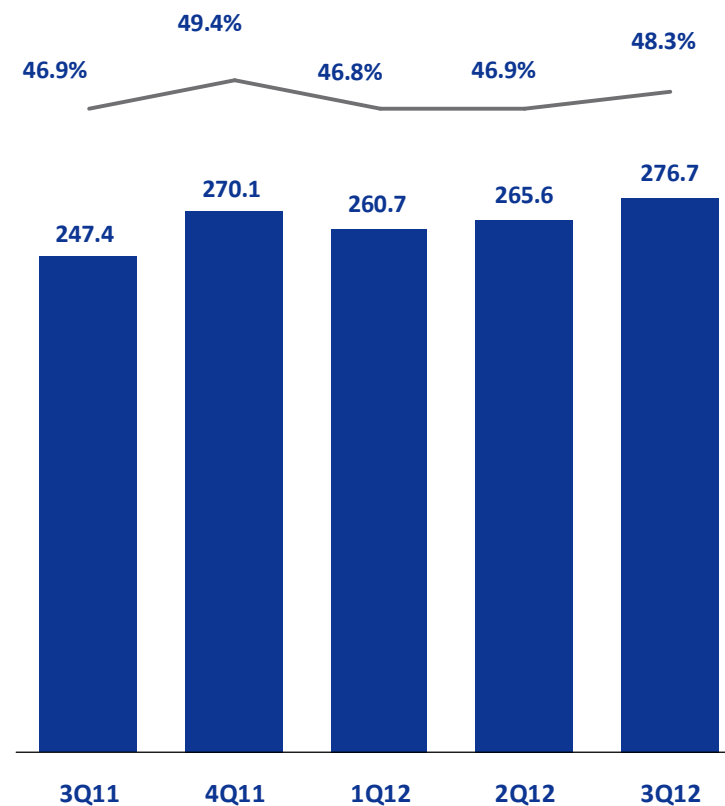
- Fee income / operating revenues
- Net fee income



Operating expenses

S/. million

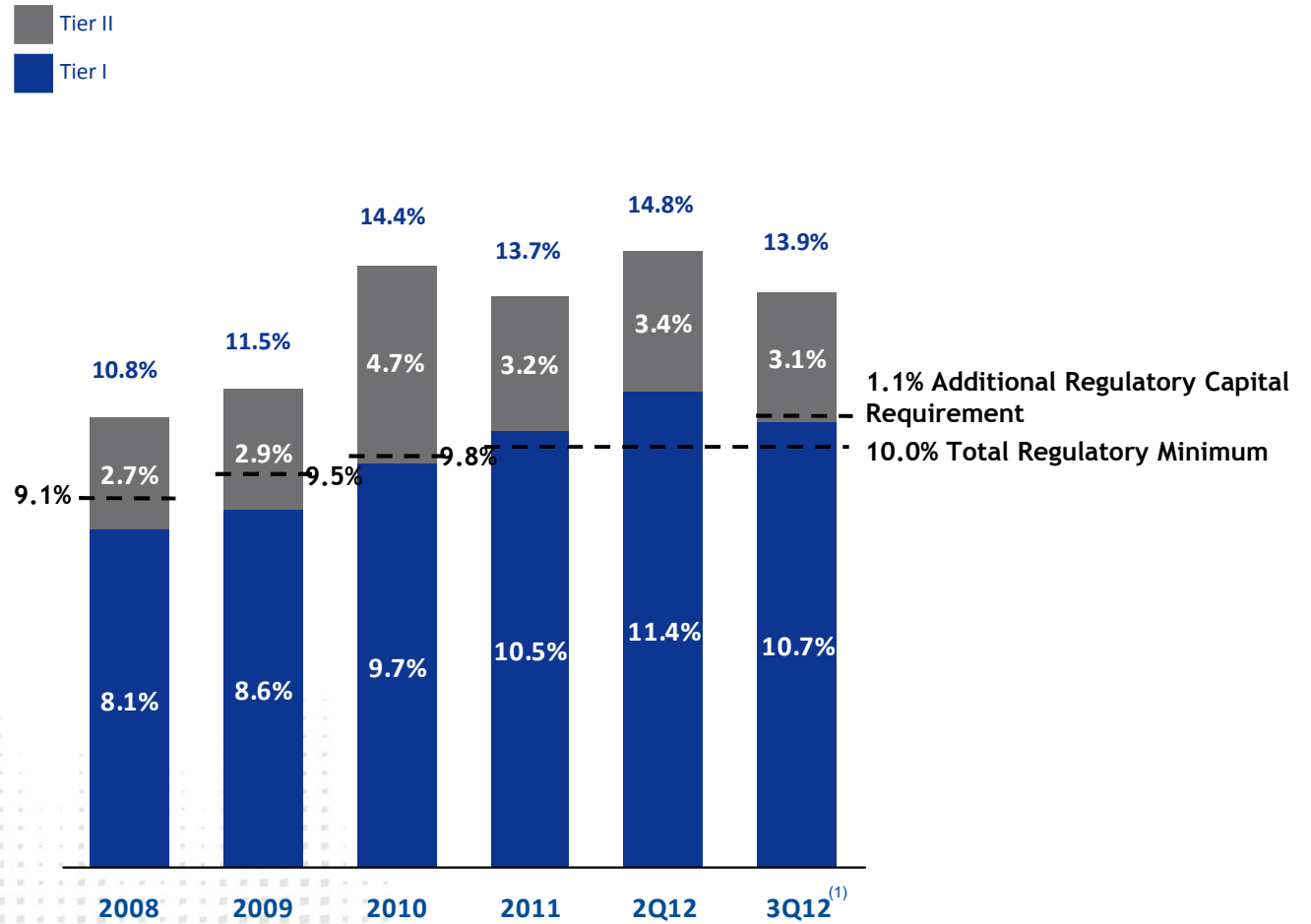
Efficiency ratio*



 Intercorp Financial Services

*Cost / Income

Interbank's BIS ratio complies with additional regulatory capital requirements in place since July 2012



(1) On April 2010 Interbank issued US\$200 million in non-cumulative junior subordinated notes which are considered as Tier I and Tier II capital. Under Peruvian regulation junior subordinated notes that receive Tier I capital treatment are capped at 17.65% of capital and reserves. As of September 30, 2012, 67.2% of the notes qualified as Tier I and the remaining 32.8% qualified as Tier II.

Interseguro

Interseguro's net income decreased 86.0% QoQ due to exceptionally high investment income in 2Q12

Interseguro's Profit and Loss Statement Summary

S/. million				% chg	% chg
	3Q11	2Q12	3Q12	QoQ	YoY
Premiums	117.1	106.3	118.8	11.7%	1.5%
Premiums ceded	-2.3	-1.2	-1.2	0.0%	-46.8%
Fees	-2.9	-3.6	-3.9	8.5%	34.4%
Claims	-33.2	-40.3	-39.1	-3.0%	18.0%
Change in reserves	-93.9	-85.8	-98.7	15.1%	5.1%
Diverse Income, net	-1.0	-0.3	-1.4	300.1%	41.3%
Technical margin	-16.2	-24.9	-25.5	2.7%	57.3%
Administrative expenses	-15.8	-15.9	-16.7	5.2%	5.9%
Investment income, net*	65.9	163.2	59.4	-63.6%	-9.9%
Net income	33.9	122.5	17.2	-86.0%	-49.4%
ROE	43.5%	138.0%	14.8%		

*Includes exchange rate difference

Premiums increased 11.7% QoQ and 1.5% YoY

Premiums by Business Line

S/. million				% chg	% chg
	3Q11	2Q12	3Q12	QoQ	YoY
Individual Life	7.8	6.6	7.8	19.0%	0.6%
Annuities	88.6	76.9	87.7	14.0%	-1.0%
Group Life	10.9	13.7	14.5	5.7%	33.0%
Disability and survivor benefits	0.1	0.1	0.1	0.0%	0.0%
Mandatory traffic accident	6.8	5.9	5.6	-5.4%	-17.2%
Non Life Insurance	2.9	3.2	3.1	-1.4%	7.4%
TOTAL	117.1	106.3	118.8	11.7%	1.5%

Investment income totaled S/. 59.4 million in 3Q12

Investment Portfolio					
S/. million				% chg	% chg
	3Q11	2Q12	3Q12	QoQ	YoY
Fixed Income	1,731.0	2,218.0	2,050.9	-7.5%	18.5%
Equity and Mutual Funds	286.7	272.4	351.0	28.9%	22.4%
Real estate	538.0	385.7	434.5	12.7%	-19.2%
Others	4.8	5.1	4.9	-2.3%	3.2%
TOTAL	2,560.4	2,881.1	2,841.4	-1.4%	11.0%

Investment Income, Net					
S/. million				% chg	% chg
	3Q11	2Q12	3Q12	QoQ	YoY
Income:					
Fixed Income	43.7	38.1	48.2	26.6%	10.3%
Interest	30.8	29.8	30.8	3.6%	0.0%
Realized Gains	12.9	8.3	17.4	108.9%	35.1%
Equity and Mutual Funds	11.2	10.2	4.2	-59.2%	-62.8%
Real estate	16.2	119.6	6.1	-94.9%	-62.5%
Total Income	71.1	168.0	58.5	-65.2%	-17.8%
Expenses	-1.7	-0.7	-0.8	17.7%	-50.8%
Exchange difference and others	-3.5	-4.1	1.8	n.m.	n.m.
Net investment income	65.9	163.2	59.4	-63.6%	-9.9%



 **Intercorp** Financial Services