

# Fourth Quarter 2012 Earnings Presentation

# Intercorp Financial Services

# Highlights

## Intercorp Financial Services:

- In 2012, IFS recurring earnings rose 4.7% due to higher financial income, partially offset by increases in provisions and administrative expenses
- In 4Q12, recurring net income declined 4.0% YoY due to higher provision and administrative expenses, as well as a decrease in fee income, partially offset by 4.4% growth in gross financial margin
- Net earnings decreased 8.7% QoQ driven by higher administrative and provision expenses, partially offset by increases in other income and financial income
- IFS ROE was 28.2% in 2012, below the 34.0% in 2011, but above the 26.2% in 2010

## Interbank:

- In 2012, Interbank's earnings rose 5.5% to a record S/. 570.4 million, driven by sustained loan growth and higher fee income. Net earnings increased 13.0% on a recurring basis
- The loan portfolio grew 9.3% during 2012, with significant 27.8% growth registered in mortgages
- Efficiency ratio remained stable at 48.0% in 2012 as operating costs were contained despite higher business activity
- In 4Q12, net earnings were S/. 125.8 million, in line with 4Q11
- Recurring net earnings decreased 17.2% QoQ, despite increases across all income lines, as a result of increases in provisions and administrative expenses
- Recurring NIM decreased 30 bps QoQ due to a higher cost of deposits and a US\$250 million senior bond issue, which contributed to a higher average cost of funding
- The past due loan ratio remained stable QoQ at 1.8%

## Interseguro:

- In 2012, Interseguro's earnings rose 0.9% to a record S/. 189.2 million, driven by strong investment income
- In 4Q12, net income increased 25.3% QoQ due to a lower technical margin loss, partially offset by higher administrative expenses
- Annuity sales increased YoY, but decreased QoQ as a result of market contraction
- Interseguro remained the market leader in annuities

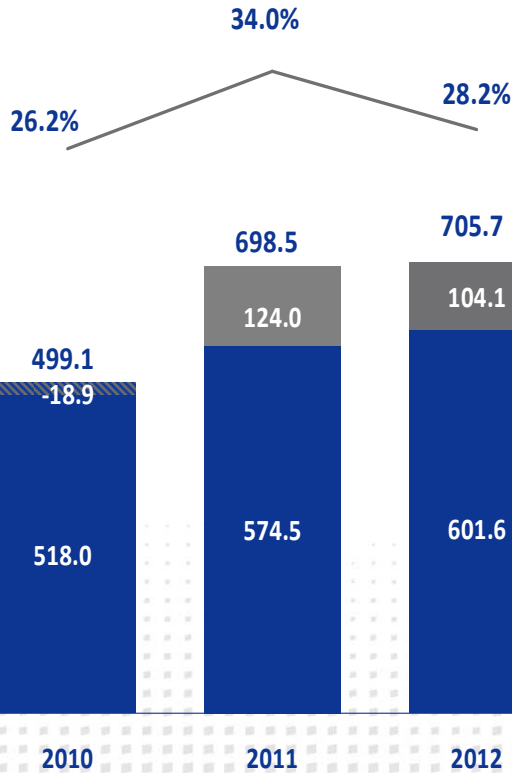
# IFS recurring net earnings increased 4.7% in 2012

## IFS

### Net income\*

S/. million

ROE

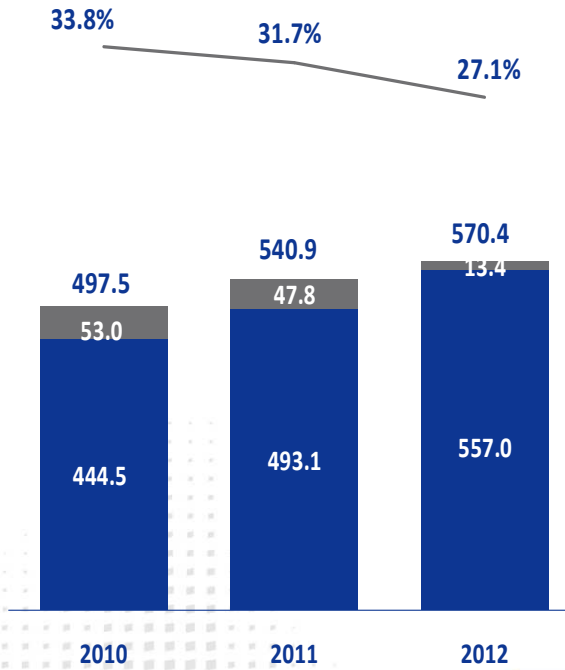


## Interbank

### Net income

S/. million

ROE

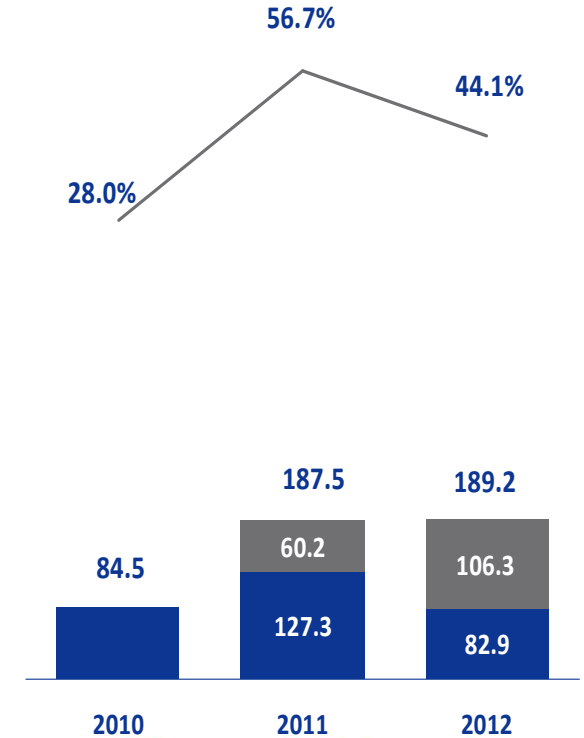


## Interseguro

### Net income

S/. million

ROE



\*Attributable to IFS shareholders

■ Recurring

■ Non-recurring

Intercorp Financial Services

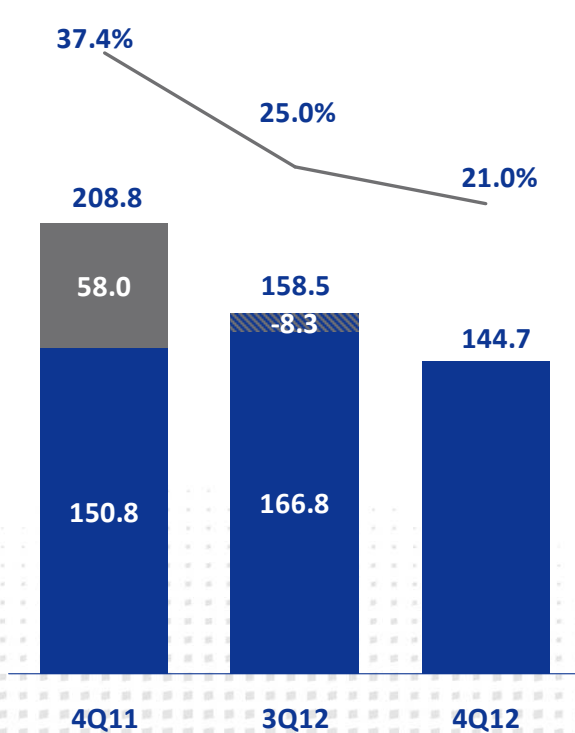
# IFS 4Q12 recurring earnings decreased 4.0% YoY

## IFS

Net income\*

S/. million

ROE

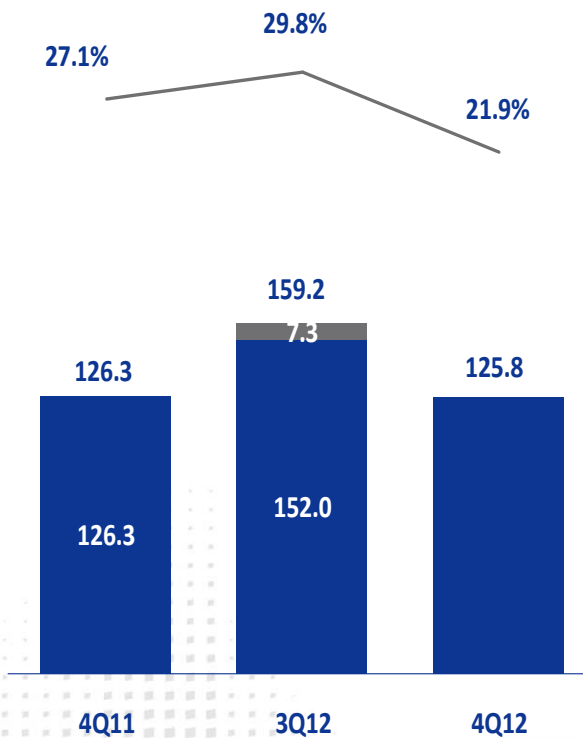


## Interbank

Net income

S/. million

ROE

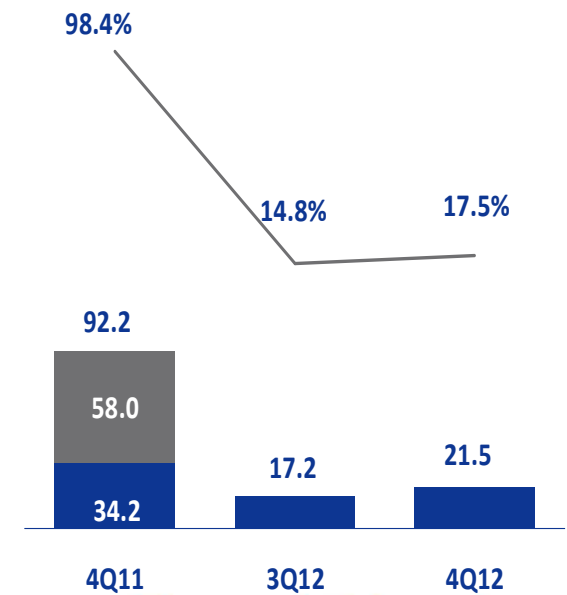


## Interseguro

Net income

S/. million

ROE



\*Attributable to IFS shareholders

■ Recurring ■ Non-recurring

Intercorp Financial Services

# IFS net earnings were S/. 144.7 million in 4Q12

Intercorp Financial Services' Profit and Loss Statement Summary					
S/. million	4Q11	3Q12	4Q12	%chg QoQ	%chg YoY
Financial income	674.1	628.2	654.2	4.1%	-3.0%
Financial expenses	-135.6	-138.9	-152.6	9.9%	12.5%
<b>Gross financial margin</b>	<b>538.5</b>	<b>489.3</b>	<b>501.6</b>	<b>2.5%</b>	<b>-6.9%</b>
Provisions	-122.9	-103.9	-137.6	32.5%	12.0%
<b>Net financial margin</b>	<b>415.6</b>	<b>385.4</b>	<b>364.0</b>	<b>-5.5%</b>	<b>-12.4%</b>
Fee income from financial services, net	141.5	126.3	132.4	4.8%	-6.5%
Result from insurance underwriting, net	-20.3	-19.8	-9.4	-52.4%	-53.7%
Administrative expenses	-284.8	-255.6	-294.4	15.2%	3.4%
<b>Net operating margin</b>	<b>252.0</b>	<b>236.3</b>	<b>192.5</b>	<b>-18.5%</b>	<b>-23.6%</b>
Depreciation and amortization	-22.6	-25.1	-26.0	3.7%	15.3%
Other income (expenses)	29.6	3.0	29.5	n.m.	-0.3%
<b>Income before tax</b>	<b>259.0</b>	<b>214.2</b>	<b>196.0</b>	<b>-8.5%</b>	<b>-24.3%</b>
Income tax	-49.4	-54.4	-50.5	-7.3%	2.2%
<b>Net income</b>	<b>209.6</b>	<b>159.8</b>	<b>145.5</b>	<b>-9.0%</b>	<b>-30.6%</b>
<b>Attributable to IFS shareholders</b>	<b>208.8</b>	<b>158.5</b>	<b>144.7</b>	<b>-8.7%</b>	<b>-30.7%</b>
<b>EPS</b>	<b>2.20</b>	<b>1.69</b>	<b>1.55</b>		
<b>ROE</b>	<b>37.4%</b>	<b>25.0%</b>	<b>21.0%</b>		

# Interbank

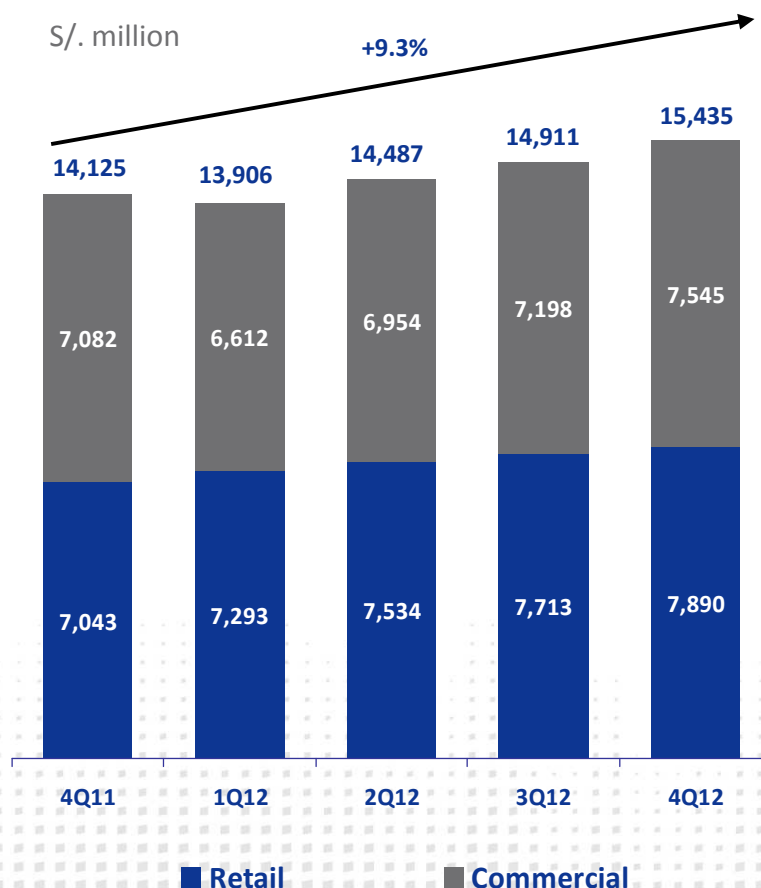
# Interbank's net income was S/. 125.8 million in 4Q12

Interbank's Profit and Loss Statement Summary					
S/. million	4Q11	3Q12	4Q12	% chg QoQ	% chg YoY
Financial income	538.5	577.7	582.3	0.8%	8.1%
Financial expenses	-132.1	-137.3	-150.2	9.4%	13.7%
<b>Gross financial margin</b>	<b>406.4</b>	<b>440.3</b>	<b>432.0</b>	<b>-1.9%</b>	<b>6.3%</b>
Provisions	-122.9	-103.9	-137.6	32.4%	12.0%
<b>Net financial margin</b>	<b>283.5</b>	<b>336.5</b>	<b>294.4</b>	<b>-12.5%</b>	<b>3.8%</b>
Fee income from financial services, net	140.7	132.6	138.4	4.3%	-1.6%
Administrative expenses	-247.6	-251.9	-260.6	3.5%	5.3%
<b>Net operating margin</b>	<b>176.7</b>	<b>217.2</b>	<b>172.2</b>	<b>-20.7%</b>	<b>-2.5%</b>
Depreciation and amortization	-22.5	-24.8	-25.3	2.1%	12.6%
Other income (expenses)	19.5	18.6	25.7	38.1%	31.5%
<b>Income before taxes</b>	<b>173.7</b>	<b>211.0</b>	<b>172.6</b>	<b>-18.2%</b>	<b>-0.6%</b>
Income tax	-47.4	-51.8	-46.8	-9.7%	-1.3%
<b>Net income</b>	<b>126.3</b>	<b>159.2</b>	<b>125.8</b>	<b>-21.0%</b>	<b>-0.4%</b>
<b>ROE</b>	<b>27.1%</b>	<b>29.8%</b>	<b>21.9%</b>		



# Growth in mortgages remained strong at 5.5% QoQ and 27.8% YoY

## Performing loans



## Breakdown of loans

S/. million	4Q11	3Q12	4Q12	% chg QoQ	% chg YoY
<b>Consumer loans:</b>					
Credit cards	2,166	2,124	2,112	-0.6%	-2.5%
Other consumer	2,565	2,787	2,823	1.3%	10.1%
<b>Total consumer loans</b>	<b>4,730</b>	<b>4,911</b>	<b>4,935</b>	<b>0.5%</b>	<b>4.3%</b>
Mortgages	2,312	2,802	2,955	5.5%	27.8%
<b>Total retail loans</b>	<b>7,043</b>	<b>7,713</b>	<b>7,890</b>	<b>2.3%</b>	<b>12.0%</b>
<b>Total commercial</b>	<b>7,082</b>	<b>7,198</b>	<b>7,545</b>	<b>4.8%</b>	<b>6.5%</b>
<b>Total loans</b>	<b>14,125</b>	<b>14,911</b>	<b>15,435</b>	<b>3.5%</b>	<b>9.3%</b>

## Market share in loans

	4Q11	3Q12	4Q12	bps QoQ	bps YoY
<b>Consumer loans:</b>					
Credit cards	21.1%	19.3%	18.4%	-90	-270
Other consumer	20.4%	19.4%	19.1%	-30	-130
<b>Total consumer loans</b>	<b>21.7%</b>	<b>20.2%</b>	<b>19.7%</b>	<b>-50</b>	<b>-200</b>
Mortgages	12.2%	12.6%	12.7%	10	50
<b>Total retail loans</b>	<b>17.3%</b>	<b>16.6%</b>	<b>16.3%</b>	<b>-30</b>	<b>-100</b>
<b>Total commercial</b>	<b>8.4%</b>	<b>8.0%</b>	<b>8.2%</b>	<b>20</b>	<b>-20</b>
<b>Total loans</b>	<b>11.3%</b>	<b>10.9%</b>	<b>11.0%</b>	<b>10</b>	<b>-30</b>

Does not include Crediscotia

# Deposits grew 11.3% YoY

## Funding Structure

S/. million				% chg	% chg
	4Q11	3Q12	4Q12	QoQ	YoY
Deposits and obligations	13,113	14,701	14,601	-0.7%	11.3%
Due to banks	2,266	2,815	3,171	12.6%	39.9%
Bonds	2,038	2,753	2,707	-1.6%	32.8%
Inter-bank funds	83	106	58	-45.1%	-29.8%
<b>Total</b>	<b>17,499</b>	<b>20,374</b>	<b>20,536</b>	<b>0.8%</b>	<b>17.4%</b>
AUM (Interfondos)	2,161	2,550	2,840	11.4%	31.4%

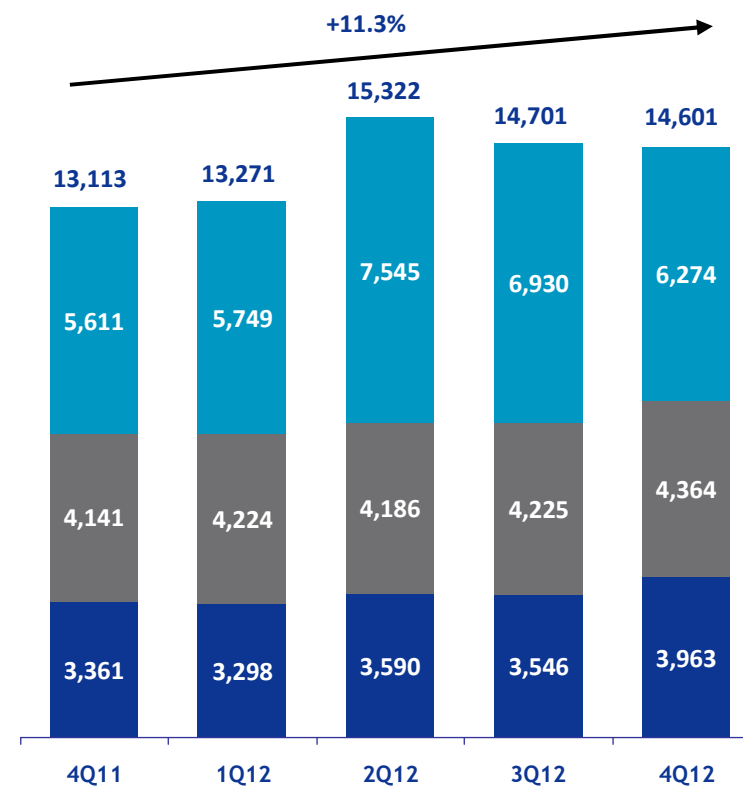
## Market Share in Deposits

				bps	bps
	4Q11	3Q12	4Q12	QoQ	YoY
Retail Deposits	11.9%	11.4%	11.1%	-30	-80
Commercial Deposits <sup>(1)</sup>	8.7%	8.7%	9.2%	50	50

Does not include Crediscotia

<sup>(1)</sup> Includes demand and savings deposits

## Deposit Breakdown



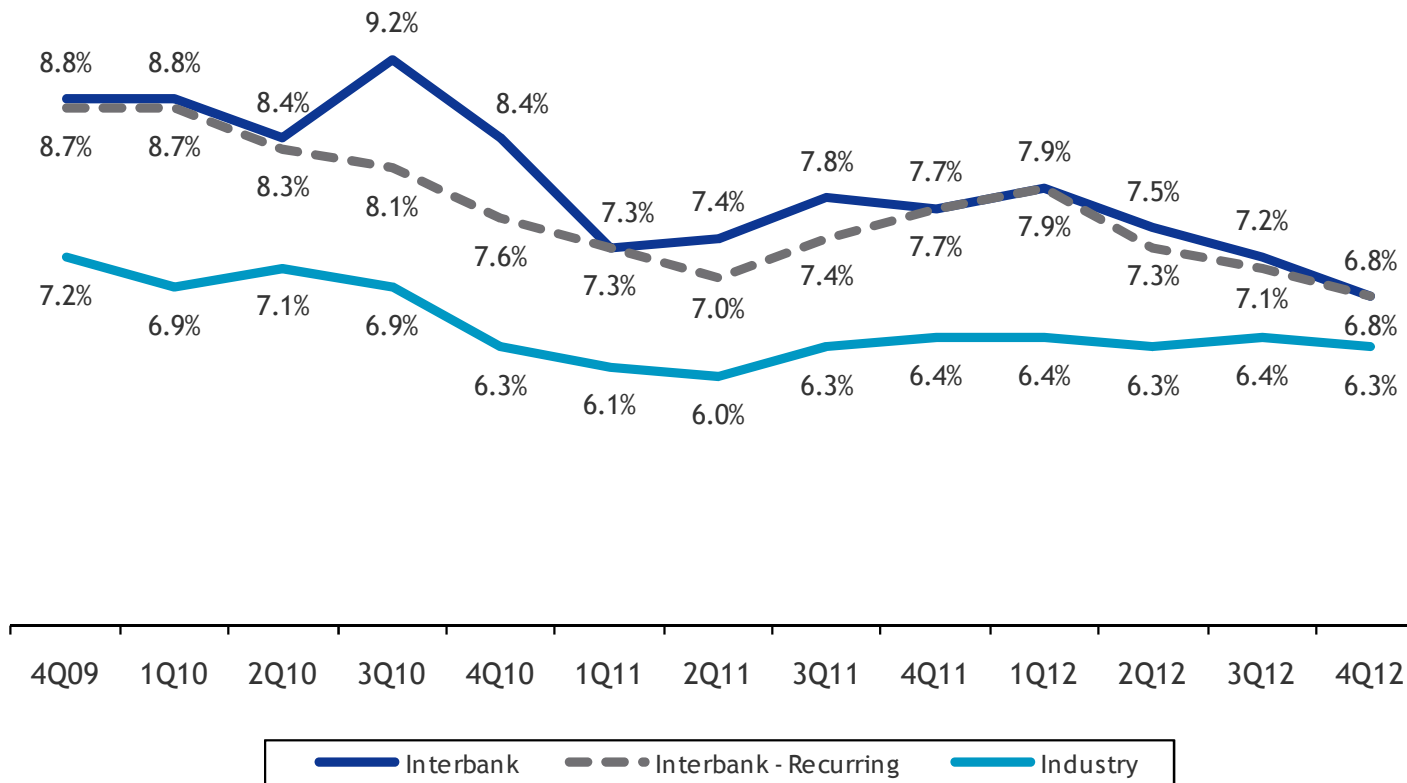
■ Demand ■ Savings ■ Time  
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## Gross financial margin increased 6.3% YoY

Interbank's Gross Financial Margin					
S/. million	4Q11	3Q12	4Q12	% chg QoQ	% chg YoY
<b>Financial income:</b>					
Loans	440.5	469.8	473.9	0.9%	7.6%
Investments	27.8	44.8	31.2	-30.3%	12.3%
Interest on due from banks and inter-bank funds	2.8	6.9	14.5	111.0%	n.m.
Exchange and derivatives gains	65.2	53.5	60.1	12.4%	-7.8%
Others	2.2	2.7	2.5	-6.5%	10.8%
<b>Total financial income</b>	<b>538.5</b>	<b>577.7</b>	<b>582.3</b>	<b>0.8%</b>	<b>8.1%</b>
<b>Financial expenses:</b>					
Deposits	50.5	58.0	64.3	10.9%	27.3%
Others	81.6	79.3	85.9	8.4%	5.4%
<b>Total financial expenses</b>	<b>132.1</b>	<b>137.3</b>	<b>150.2</b>	<b>9.4%</b>	<b>13.7%</b>
<b>Gross Financial Margin</b>	<b>406.4</b>	<b>440.3</b>	<b>432.0</b>	<b>-1.9%</b>	<b>6.3%</b>

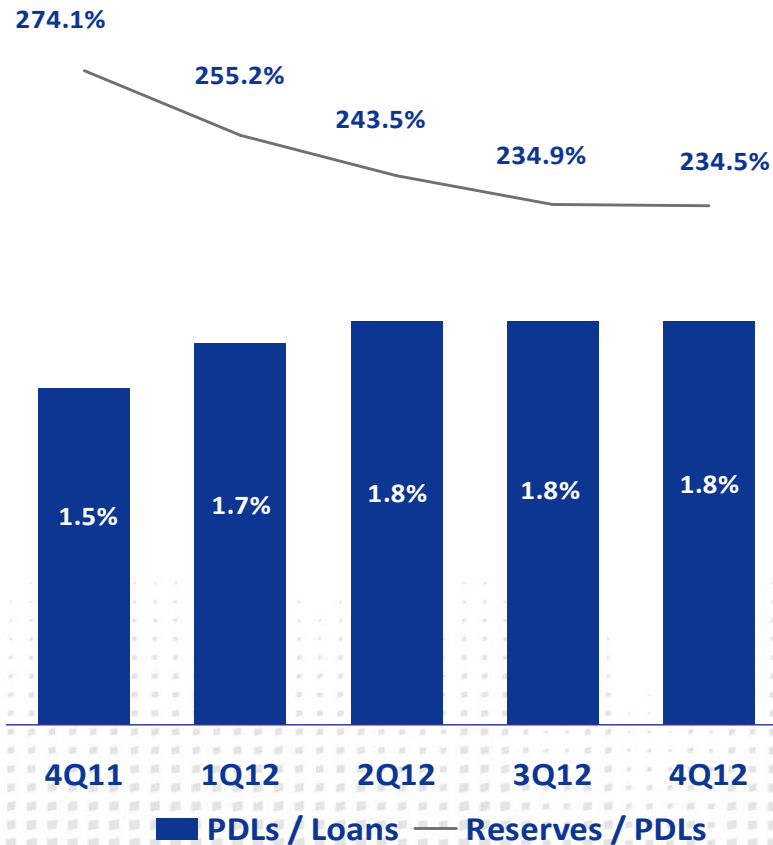
# NIM remains above the industry's average

Net Interest Margin (%)



# Provisions increased 32.4% QoQ, while PDLs remained stable at 1.8%

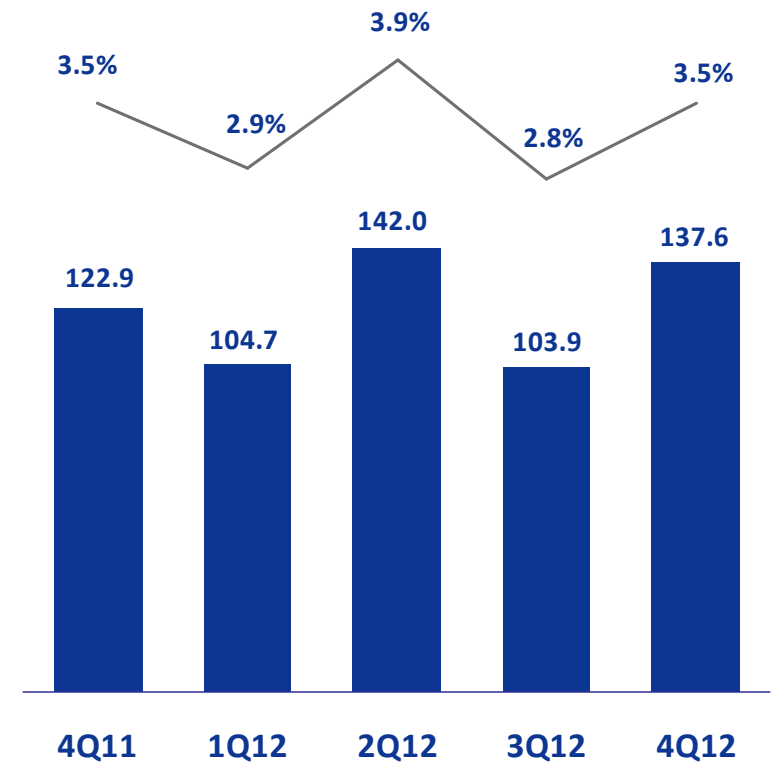
## PDL & Coverage Ratios



## Loan Provision Expense

S/. million

Provision expense\*  
Loans



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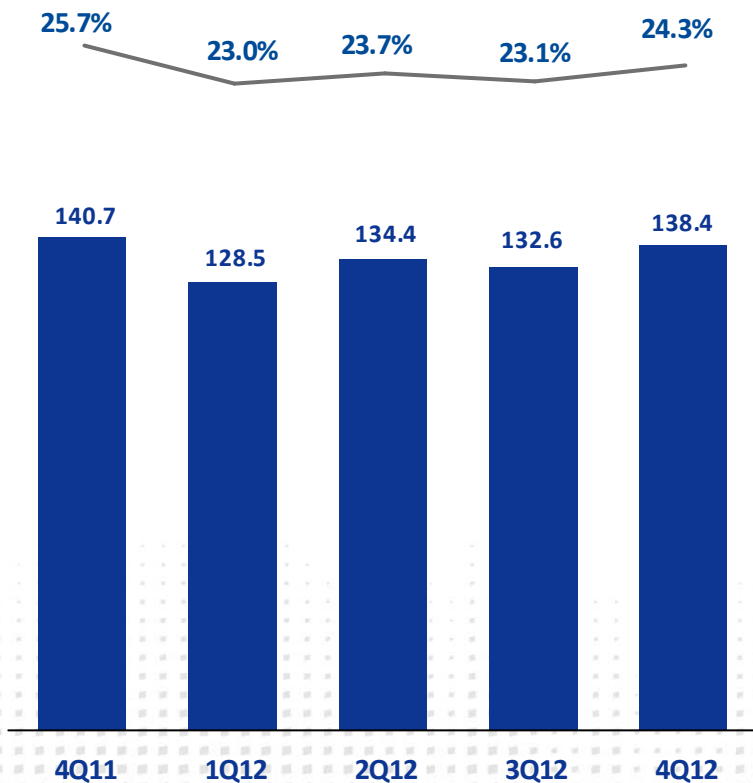
\*Annualized

# Fee income increased 4.3% QoQ, while operating expenses increased only 3.3% QoQ

## Fee income

S/. million

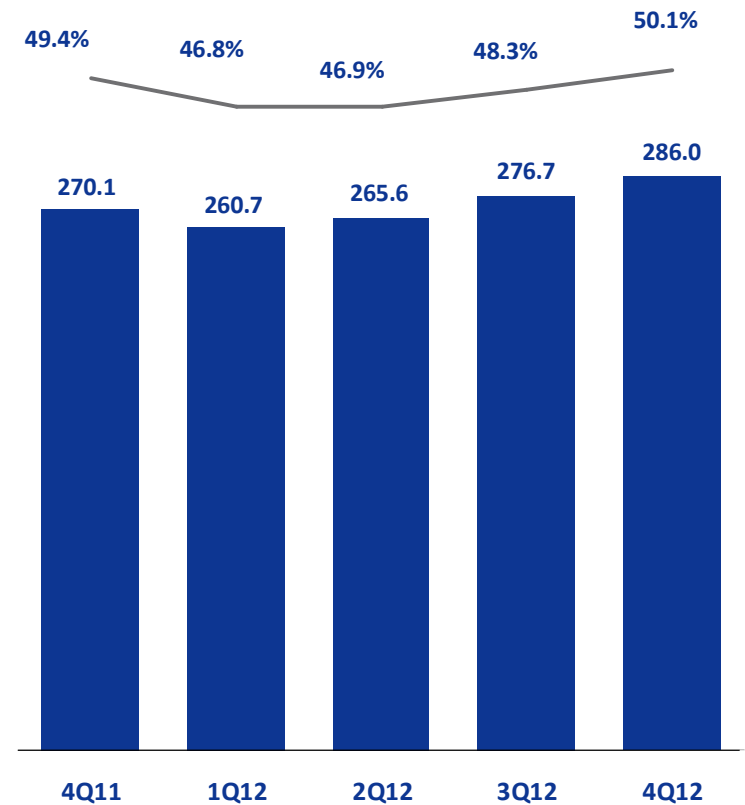
- Fee income / operating revenues
- Net fee income



## Operating expenses

S/. million

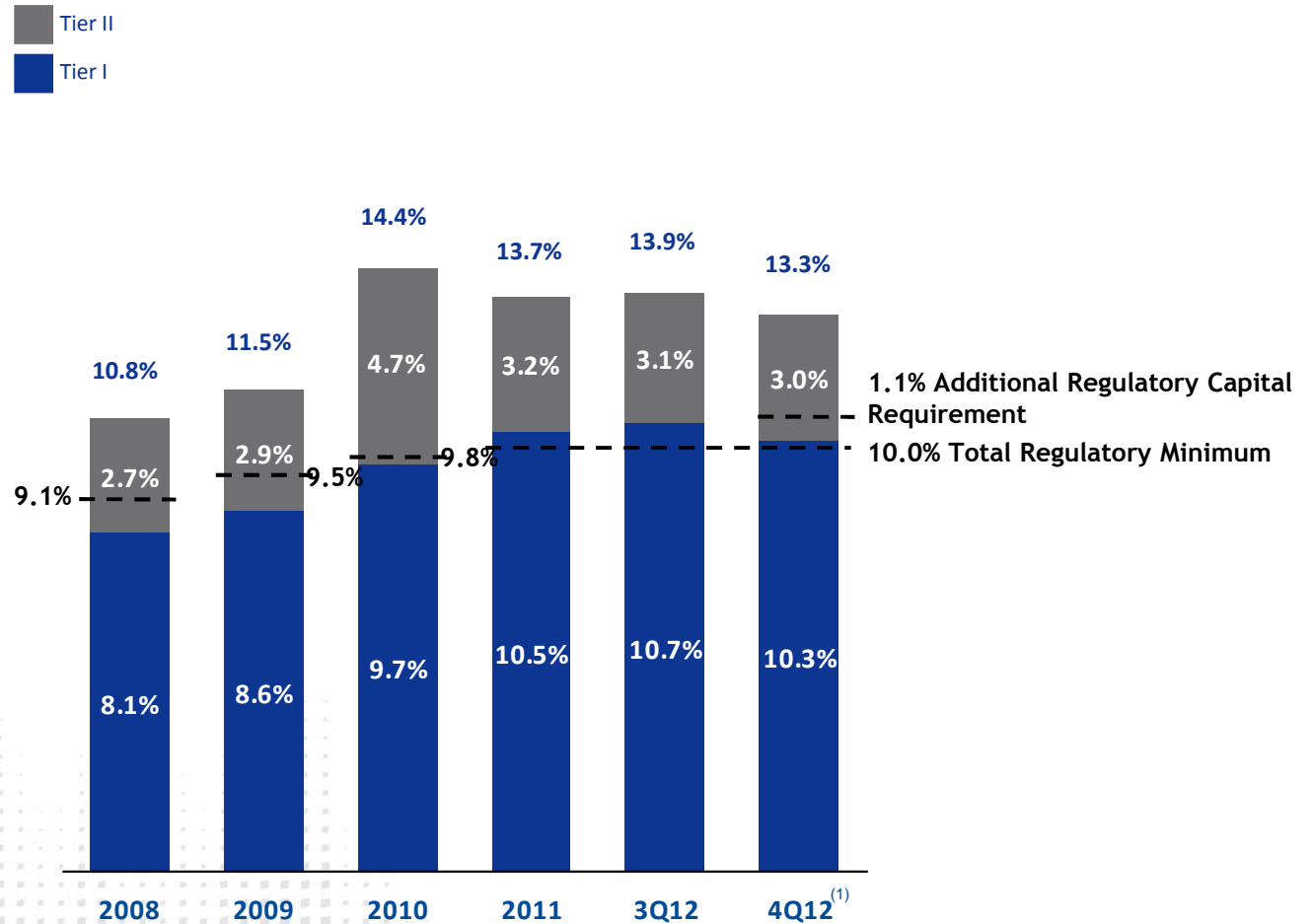
Efficiency ratio\*



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\*Cost / Income

# Interbank's BIS ratio comfortably complies with additional regulatory capital requirements



(1) In April 2010, Interbank issued US\$200 million in non-cumulative junior subordinated notes, which are considered 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 December 31, 2012, 68.5% of the notes qualified as Tier I, while the remaining 31.5% qualified as Tier II.

# Interseguro



## Interseguro's net income increased 25.3% QoQ

### Interseguro's Profit and Loss Statement Summary

S/. million				% chg	% chg
	4Q11	3Q12	4Q12	QoQ	YoY
Premiums	107.0	118.8	111.3	-6.3%	4.0%
Premiums ceded	-2.4	-1.2	-1.3	4.8%	-45.3%
Fees	-4.2	-3.9	-4.0	4.2%	-3.9%
Claims	-33.3	-39.1	-34.9	-10.8%	4.8%
Change in reserves	-86.7	-98.7	-84.8	-14.1%	-2.1%
Diverse Income, net	0.2	-1.4	-0.5	-60.4%	n.m.
<b>Technical margin</b>	<b>-19.4</b>	<b>-25.5</b>	<b>-14.3</b>	<b>-43.9%</b>	<b>-26.1%</b>
Administrative expenses	-16.6	-16.7	-24.3	45.3%	46.3%
Investment income, net*	128.1	59.4	60.1	1.2%	-53.1%
<b>Net income</b>	<b>92.2</b>	<b>17.2</b>	<b>21.5</b>	<b>25.3%</b>	<b>-76.7%</b>
<b>ROE</b>	<b>98.4%</b>	<b>14.8%</b>	<b>17.5%</b>		

\*Includes exchange rate difference

## Premiums increased 4.0% YoY, but decreased 6.3% QoQ due to market contraction in annuities

Premiums by Business Line					
S/. million	4Q11	3Q12	4Q12	% chg QoQ	% chg YoY
Individual Life	7.0	7.8	7.7	-2.3%	9.7%
Annuities	78.2	87.7	79.5	-9.3%	1.7%
Group Life	12.7	14.5	15.8	9.1%	24.2%
Disability and survivor benefits	0.1	0.1	0.0	-76.1%	-82.6%
Mandatory traffic accident	5.8	5.6	5.1	-9.1%	-13.0%
Non Life Insurance	3.1	3.1	3.2	3.5%	2.7%
<b>TOTAL</b>	<b>107.0</b>	<b>118.8</b>	<b>111.3</b>	<b>-6.3%</b>	<b>4.0%</b>

# Investment income increased 1.2% QoQ

Investment Portfolio					
S/. million				% chg	% chg
	4Q11	3Q12	4Q12	QoQ	YoY
Fixed Income	1,897.0	2,050.9	2,224.3	8.5%	17.2%
Equity and Mutual Funds	296.0	351.0	392.3	11.8%	32.5%
Real estate	443.5	434.5	433.6	-0.2%	-2.2%
Others	4.8	4.9	5.0	1.2%	3.1%
<b>TOTAL</b>	<b>2,641.4</b>	<b>2,841.4</b>	<b>3,055.1</b>	<b>7.5%</b>	<b>15.7%</b>

Investment Income, Net					
S/. million				% chg	% chg
	4Q11	3Q12	4Q12	QoQ	YoY
<b>Income:</b>					
Fixed Income	38.7	48.2	45.8	-4.9%	18.4%
Interest	34.2	30.8	30.9	0.0%	-9.8%
Realized Gains	4.5	17.4	15.0	-13.8%	233.1%
Equity and Mutual Funds	7.0	4.2	6.9	65.7%	-1.2%
Real estate	82.6	6.1	7.1	16.2%	-91.4%
Total Income	128.3	58.5	59.8	2.3%	-53.4%
Expenses	-0.5	-0.8	-0.9	11.0%	72.5%
Exchange difference and others	0.3	1.8	1.2	-32.1%	255.0%
<b>Net investment income</b>	<b>128.1</b>	<b>59.4</b>	<b>60.1</b>	<b>1.2%</b>	<b>-53.1%</b>



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