Intercorp Financial Services Inc.
Reports First Quarter 2013 Earnings

Lima, Peru, April 29, 2013. Intercorp Financial Services Inc. (Bolsa de Valores de Lima: IFS) announced today its unaudited results for the first quarter 2013. These results are reported on a consolidated basis in accordance with Peruvian GAAP in nominal Peruvian Nuevos Soles.

Intercorp Financial Services:

- IFS net earnings were S/. 203.4 million in 1Q13, a 40.5% increase QoQ and a 27.5% rise YoY
- The QoQ increase was driven by investment gains reported by Interbank and Interseguro, as well as lower provisions and administrative expenses at Interbank
- YoY net earnings growth was mainly due to increases of 9.7% in gross financial margin and 25.4% in results from financial operations
- IFS ROE was 27.2% in 1Q13, above the 21.0% in 4Q12 but below the 28.1% in 1Q12
- IFS recurring net earnings decreased 5.8% QoQ and 14.5% YoY due mainly to a decrease in results from financial operations

Interbank:

- Interbank's net earnings reached a record S/. 163.8 million in 1Q13, an increase of 30.2% QoQ and 14.9% YoY
- The QoQ growth was driven by a 36.4% increase in results from financial operations as well as lower provisions and administrative expenses
- Net earnings rose YoY mainly due to investment income in results from financial operations
- Excluding non-recurring factors, earnings would have increased 9.2% QoQ, but would have decreased 3.7% YoY
- The loan portfolio expanded 14.1% YoY driven by strong growth in mortgages and commercial loans
- Recurring NIM remained stable QoQ as a lower yield on the loan portfolio was compensated by a higher return on investments
- The ratio of past due loans to total loans increased from 1.8% in 4Q12 to 1.9% in 1Q13, in line with an expected seasoning of the loan portfolio
- The BIS ratio stood at 15.0% in 1Q13, well above regulatory requirements

Interseguro:

- Net earnings increased 159.6% QoQ and 98.5% YoY due to strong investment income
- Annuity sales increased 31.6% QoQ and 26.9% YoY supported by market expansion and gains in market share
- Interseguro remained the market leader in annuities

Intercorp Financial Services

1Q13 Performance

Net earnings (attributable to IFS shareholders) were S/. 203.4 million in 1Q13, a 40.5% increase QoQ and a 27.5% rise YoY. When excluding non-recurring items reported in 1Q13, net earnings decreased 5.8% QoQ and 14.5% YoY. IFS ROE was 27.2% in 1Q13, above the 21.0% in 4Q12, but below the 28.1% in 1Q12.

Intercorp Financial Services' Profit and Loss Statement Summary					
S/. million				%chg	%chg
	1Q12	4Q12	1Q13	QoQ	YoY
Financial income	603.3	622.3	661.0	6.2%	9.6%
Financial expenses	-126.1	-144.4	-137.6	-4.7%	9.2%
Gross financial margin	**477.3**	**477.8**	**523.4**	**9.5%**	**9.7%**
Provisions	-86.9	-116.7	-94.6	-19.0%	8.8%
Net financial margin	**390.3**	**361.1**	**428.8**	**18.8%**	**9.9%**
Fee income from financial services, net	60.7	68.3	57.5	-15.8%	-5.3%
Result from insurance underwriting, net	-20.6	-9.4	-21.4	127.4%	3.7%
Result from financial operations	71.9	80.1	90.1	12.6%	25.4%
Administrative expenses	-263.9	-294.4	-273.0	-7.3%	3.5%
Operating margin	**238.4**	**205.6**	**282.0**	**37.2%**	**18.3%**
Depreciation and amortization	-24.7	-26.0	-26.5	2.0%	7.4%
Other income (expenses)	2.5	16.4	5.7	-65.0%	130.7%
Income before tax	**216.2**	**196.0**	**261.2**	**33.3%**	**20.8%**
Income tax	-55.7	-50.5	-56.6	12.2%	1.7%
Net income	**160.5**	**145.5**	**204.6**	**40.6%**	**27.5%**
Attributable to IFS shareholders	**159.5**	**144.7**	**203.4**	**40.5%**	**27.5%**
EPS	**1.71**	**1.55**	**2.17**		
ROE	**28.1%**	**21.0%**	**27.2%**		

Intercorp Financial Services' Recurring Profit and Loss Statement Summary					
S/. million				%chg	%chg
	1Q12	4Q12	1Q13	QoQ	YoY
Reported net eanings	**159.5**	**144.7**	**203.4**	**40.5%**	**27.5%**
Non-recurring items:					
Investment gains	0.0	0.0	-41.4	n.m.	n.m.
Result from financial operations	0.0	0.0	-22.0	n.m.	n.m.
Other income (expenses)	0.0	0.0	-3.6	n.m.	n.m.
Total non-recurring items	**0.0**	**0.0**	**-67.1**	**n.m.**	**n.m.**
Recurring net earnings	**159.5**	**144.7**	**136.3**	**-5.8%**	**-14.5%**
Recurring ROE*	**28.7%**	**22.2%**	**21.3%**		

* IFS average shareholders' equity excludes unrealized results, declared dividends and non-recurring gains

Intercorp Financial Services' Balance Sheet Summary					
S/. million				%chg	%chg
	1Q12	4Q12	1Q13	QoQ	YoY
Cash and due from banks	3,730.1	5,589.7	7,221.6	29.2%	93.6%
Investments, net	5,171.9	4,614.0	4,490.1	-2.7%	-13.2%
Loan portfolio, net	13,496.9	15,058.4	15,511.2	3.0%	14.9%
Fixed assets, net	443.6	445.4	443.4	-0.5%	0.0%
Other assets	862.1	893.2	1,037.9	16.2%	20.4%
Total Assets	**23,704.5**	**26,600.8**	**28,704.2**	**7.9%**	**21.1%**
Deposits and obligations	13,187.8	14,429.2	15,764.7	9.3%	19.5%
Due to banks	2,419.7	2,856.4	3,212.9	12.5%	32.8%
Bonds and obligations	2,647.7	3,177.1	3,250.1	2.3%	22.7%
Technical reserves for premiums and claims	2,253.7	2,456.0	2,594.1	5.6%	15.1%
Other liabilities	1,003.6	775.0	774.7	0.0%	-22.8%
Total Liabilities	**21,512.5**	**23,693.6**	**25,596.4**	**8.0%**	**19.0%**
IFS shareholders' equity	2,178.3	2,890.1	3,091.3	7.0%	41.9%
Minority interest	13.7	17.1	16.5	-3.7%	20.6%
Total shareholders' equity	**2,192.0**	**2,907.2**	**3,107.8**	**6.9%**	**41.8%**

Quarter-on-quarter performance

Net earnings increased 40.5% QoQ, mainly due to an increase of 9.5% in gross financial margin and decreases of 19.0% in provisions and 7.3% in administrative expenses, partially offset by declines of 127.4% in results from insurance underwriting, 15.8% in fee income from financial services and 65.0% in other income.

Financial income increased 6.2% mainly due to non-recurring gains from the sale of property at Interseguro and, to a lesser extent, higher interest on loans and interest on cash at Interbank, partially offset by a decline in fees on loans at Interbank.

Financial expenses decreased 4.7% QoQ due to a reduction in other financial expenses at Interseguro as a result of a reversal of provisions for uncollectible lease payments.

Provision expenses decreased 19.0% due to the reversal of provisions related to internal alignment, and a decline in generic provisions, mainly as a result of a decrease in credit card loans.

Fee income decreased 15.8% QoQ mainly due to seasonal declines in fees from the real estate division and from loan structuring at Interbank.

Interseguro's loss from insurance underwriting rose 127.4%, mainly as a result of a 34.1% increase in reserves related to premium sales.

Results from financial operations grew 12.6% QoQ as a result of increases in non-recurring gains on the sale of equity investments and on the sale of fixed income investments at Interbank, partially offset by declines in exchange and derivative gains at Interbank and in derivative gains at IFS.

Administrative expenses decreased 7.3% due to declines in expenses related to customer incentives and advertising, which are seasonally high in the last quarter of the year, as well as expenses related to technology projects at Interbank.

Administrative expenses also decreased as a result of a one-time tax provision made in 4Q12 which was not repeated in 1Q13 at Interseguro.

Other income decreased 65.0% QoQ due to the voluntary constitution of provisions for doubtful loans in the commercial portfolio, compared with a reversal of provisions for foreign exchange risk in 4Q12 at Interbank, and an increase in extraordinary expenses at IFS.

IFS effective tax rate decreased from 25.8% in 4Q12 to 21.7% in 1Q13 as a result of two factors. The first was a higher contribution to net earnings from Interseguro, whose investment income is tax-exempt. The second was a decrease in Interbank's effective tax rate, from 27.1% in 4Q12 to 24.2% in 1Q13, due to higher tax-exempt income.

Year-on-year performance

Net earnings increased 27.5% YoY, mainly due to increases of 9.7% in gross financial margin and 25.4% in results from financial operations, partially offset by growth rates of 3.5% in administrative expenses and 8.8% in provisions.

Financial income rose 9.6%, mainly explained by increases of S/. 39.8 million in investment income at Interseguro as well as S/. 25.4 million in interest on loans and S/. 15.6 million in interest on cash at Interbank, partially offset by decreases of S/. 16.8 million in fees on loans and S/. 14.4 million in investment income at Interbank. The increase in investment income at Interseguro was due to a S/. 40.8 million non-recurring gain on the sale of real estate investments reported in 1Q13.

Financial expenses increased 9.2% YoY due to higher interest on bonds, deposits and due to banks at Interbank, partially offset by a reduction in other financial expenses at Interseguro. The rise in interest on bonds was attributed to three new bond issues in the last 12 months while the increase in interest on deposits and due to banks was mostly explained by higher average volumes. Lower financial expenses at Interseguro were explained by a reversal of provisions for uncollectible lease payments.

Financial expenses from the additional funding at Interbank were partially offset by directing the excess liquidity to overnight deposits at the Central Bank, whose interest gains are tax-exempt.

Provision expenses grew 8.8% due to a 19.4% YoY growth in the commercial portfolio.

Fee income declined 5.3% YoY mainly as a result of higher expenses related to the sale of insurance products and lower loan structuring fees at Interbank. This decline was partially offset by an increase in fees from indirect lending at Interbank.

Interseguro's loss from insurance underwriting increased 3.7% as a result of higher reserves and claims, partially offset by an increase in annuity premiums. The increase in reserves was lower than the increase in premiums due to higher inflation-indexed, local currency annuity sales, which generate lower accounting losses than nominal Nuevos Soles or Dollar-denominated annuities.

Results from financial operations grew 25.4% YoY as a result of a non recurring income reported in 1Q13 at Interbank as previously mentioned, partially offset by decreases in Interbank's exchange position and derivative gains at IFS.

Administrative expenses increased 3.5% YoY, due to higher expenses for wages and variable compensation costs at Interbank and higher personnel expenses at Interseguro. This increase was partially offset by the elimination of administrative expenses from two subsidiaries, transferred from Interseguro to InRetail in August 2012 and by lower expenses related to customer incentives and advertising at Interbank.

Other income grew 130.7% due to higher extraordinary income and lower provisions for foreign exchange risk at Interbank, partially offset by the elimination of other income from the transferred subsidiaries of Interseguro previously mentioned.

IFS effective tax rate decreased from 25.7% in 1Q12 to 21.7% in 1Q13, as a result of a higher contribution to net earnings from Interseguro, whose investment income is tax-exempt and a decrease in Interbank's effective tax rate, from 27.3% in 1Q12 to 24.2% in 1Q13, due to higher tax-exempt income such as the mentioned interest on overnight deposits held at the Central Bank.

CONTRIBUTION OF SUBSIDARIES

The following table shows the contribution of Interbank and Interseguro to Intercorp Financial Services' net earnings. The performance of both subsidiaries is discussed in detail in the following two sections.

Intercorp Financial Services' Profit and Loss Statement Summary

S/. million	1Q12	4Q12	1Q13	%chg QoQ	%chg YoY
Interbank	141.5	124.9	162.6	30.2%	14.9%
Interseguro	28.1	21.5	55.8	159.6%	98.5%
IFS accounts:					
Return on investment portfolio	2.7	5.7	6.0	6.1%	124.3%
Exchange gains (loss)	-1.9	2.5	-4.2	-270.6%	120.6%
Taxes on dividends	-3.8	-3.6	-5.3	49.0%	38.9%
Other income (expenses)	-6.6	-11.7	-10.7	-8.9%	61.1%
Consolidation adjustments	-0.4	5.5	-0.8	n.m.	n.m.
Total	**159.5**	**144.7**	**203.4**	**40.5%**	**27.5%**

Interbank

SUMMARY

1Q13 Performance

Interbank's net earnings were S/. 163.8 million in 1Q13, an increase of 30.2% QoQ and 14.9% YoY. The QoQ growth was due to a 36.4% increase in results from financial operations and decreases of 19.0% in provisions and 6.0% in administrative expenses, partially offset by a 17.8% decline in fee income.

The YoY growth in net earnings was due to increases of S/. 34.8 million in results from financial operations and S/. 14.2 million in other income, partially offset by a S/. 9.8 million decrease in gross financial margin and increases of S/. 8.0 million in administrative expenses and S/. 7.7 million in provisions.

Interbank's ROE was 28.2% in 1Q13, above the 21.9% reported in 4Q12 but below the 29.4% registered in 1Q12.

Interbank's Statement of Comprehensive Income

S/. million	1Q12	4Q12	1Q13	% chg QoQ	% chg YoY
Financial income	541.7	554.3	552.5	-0.3%	2.0%
Financial expenses	-118.1	-138.1	-138.7	0.4%	17.4%
Gross financial margin	**423.6**	**416.1**	**413.8**	**-0.6%**	**-2.3%**
Provisions	-86.9	-116.7	-94.6	-19.0%	8.8%
Net financial margin	**336.7**	**299.4**	**319.2**	**6.6%**	**-5.2%**
Fee income from financial services, net	62.8	74.4	61.1	-17.8%	-2.7%
Result from financial operations	63.6	72.1	98.4	36.4%	54.7%
Administrative expenses	-237.0	-260.6	-245.0	-6.0%	3.4%
Operating margin	**226.1**	**185.3**	**233.7**	**26.1%**	**3.4%**
Depreciation and amortization	-23.9	-25.3	-25.8	1.8%	7.9%
Other income (expenses)	-6.1	12.6	8.2	-35.0%	n.m.
Income before taxes	**196.1**	**172.6**	**216.1**	**25.2%**	**10.2%**
Income tax	-53.6	-46.8	-52.3	11.9%	-2.3%
Net income	**142.5**	**125.8**	**163.8**	**30.2%**	**14.9%**
ROE	**29.4%**	**21.9%**	**28.2%**	**630 bps**	**-120 bps**

Summary of Non-Recurring Items

S/. million Net of taxes	1Q 12	4Q 12	1Q 13	% chg QoQ	% chg YoY
Net Income	**142.5**	**125.8**	**163.8**	**30.2%**	**14.9%**
Result from Financial Operations:					
Gains on sale of investments, net	0.0	0.0	-26.6	n.m.	n.m.
Exchange and derivative gains (losses)	0.0	0.0	3.8	n.m.	n.m.
Other provisions	0.0	0.0	-3.7	n.m.	n.m.
Total Non-Recurring Items	**0.0**	**0.0**	**-26.5**	**n.m.**	**n.m.**
Recurring Net Income	**142.5**	**125.8**	**137.3**	**9.2%**	**-3.7%**
Recurring ROE*	**29.6%**	**22.5%**	**24.5%**	**200 bps**	**-510 bps**

* Interbank's average shareholders' equity excludes unrealized results, declared dividends and non-recurring gains

INTEREST-EARNING ASSETS

Interbank's interest-earning assets reached S/. 24,245.8 million in 1Q13, an increase of 8.3% QoQ and 21.8% YoY.

The QoQ increase was due to growth rates of 27.5% in cash and 3.0% in loans, partially offset by a 7.3% decline in investments. The rise in cash was due to higher reserve requirements in effect as of January, February, and March 2013, and to higher overnight deposits at the Central Bank. The decrease in investments was explained by the sale of sovereign bonds and equity investments.

The YoY growth in interest-earning assets was due to increases of 99.9% in cash and 14.9% in loans, partially offset by a 43.7% decline in investments. The increase in cash was attributed to higher reserve requirements enacted seven times in the last 12 months, as well as to higher overnight deposits at the Central Bank. The decrease in investments was due to a decline in Central Bank certificates of deposit, which were replaced by the overnight deposits previously mentioned.

It is worth to mention that the interest earned on both certificates of deposits and overnight deposits at the Central Bank is tax-exempt, which favored a lower effective tax rate at the bank in 1Q13.

Interest-Earning Assets

S/. million	**1Q12**	**4Q12**	**1Q13**	**% chg QoQ**	**% chg YoY**
Cash and due from banks	3,534.6	5,541.7	7,065.6	27.5%	99.9%
Investments, net	2,756.3	1,672.9	1,551.0	-7.3%	-43.7%
Loan portfolio, net	13,496.9	15,058.4	15,511.2	3.0%	14.9%
Other interest-earning assets	114.6	114.8	117.9	2.7%	2.9%
Total interest-earning assets	**19,902.5**	**22,387.8**	**24,245.8**	**8.3%**	**21.8%**

Loan Portfolio

S/. million	**1Q12**	**4Q12**	**1Q13**	**% chg QoQ**	**% chg YoY**
Performing loans:					
Retail	7,293.3	7,890.2	7,970.8	1.0%	9.3%
Commercial	6,612.5	7,544.9	7,892.9	4.6%	19.4%
Total performing loans	**13,905.8**	**15,435.0**	**15,863.7**	**2.8%**	**14.1%**
Restructured and refinanced loans	86.5	108.4	113.0	4.3%	30.7%
Past due loans	241.3	291.2	311.4	6.9%	29.0%
Gross loans	**14,233.6**	**15,834.5**	**16,288.1**	**2.9%**	**14.4%**
Add (less)					
Accrued and deferred interest	-120.4	-93.0	-72.6	-21.9%	-39.7%
Allowance for loan losses	-616.3	-683.1	-704.2	3.1%	14.3%
Total direct loans, net	**13,496.9**	**15,058.4**	**15,511.2**	**3.0%**	**14.9%**

Performing loans grew 2.8% QoQ. Commercial loans expanded 4.6% in 1Q13, the fourth consecutive quarter of growth after having decreased in 1Q12. Retail loans increased 1.0%, mainly due to a 5.6% rise in mortgage loans. The growth in mortgages was the result of continued demand for new housing and successful commercial efforts at Interbank. Other consumer loans grew slightly 0.4%, driven mainly by an increase in payroll-deduction loans. Credit cards loans declined 4.5% due to three factors. The first was the application of more rigorous credit standards regarding the acquisition of new clients within an environment of more aggressive competition. The second factor was a greater emphasis on profitability in order to adjust to new regulation that limits fee income and increases capital requirements for consumer loans. The third factor was the decision to cease issuing the Vea Card, the cobranded credit card with Supermercados Peruanos.

Performing loans grew 14.1% YoY. Commercial loans increased 19.4%, driven by growth across most segments, mainly in medium-term loans, leasing, and trade finance loans. Retail loans grew 9.3%, due to increases of 27.3% in mortgage loans and 9.0% in other consumer loans, partially offset by a 10.1% decrease in credit cards. The decline in credit cards was due to the previously mentioned reasons.

Breakdown of Performing Retail Loans					
S/. million				**% chg**	**% chg**
	1Q12	**4Q12**	**1Q13**	**QoQ**	**YoY**
Consumer loans:					
Credit cards	2,243.2	2,112.1	2,017.0	-4.5%	-10.1%
Other consumer	2,599.7	2,823.1	2,833.5	0.4%	9.0%
Total consumer loans	**4,842.9**	**4,935.2**	**4,850.5**	**-1.7%**	**0.2%**
Mortgages	2,450.4	2,955.0	3,120.3	5.6%	27.3%
Total retail loans	**7,293.3**	**7,890.2**	**7,970.8**	**1.0%**	**9.3%**

FUNDING STRUCTURE

Funding Structure					
S/. million				**% chg**	**% chg**
	1Q12	**4Q12**	**1Q13**	**QoQ**	**YoY**
Deposits	13,331.5	14,635.9	16,060.2	9.7%	20.5%
Due to banks	2,824.9	3,170.6	3,406.5	7.4%	20.6%
Bonds	2,047.6	2,707.3	2,808.7	3.7%	37.2%
Inter-bank funds	18.7	9.3	50.0	n.m.	168.0%
Total	**18,222.7**	**20,523.1**	**22,325.4**	**8.8%**	**22.5%**
AUM (Interfondos)	2,185.5	2,839.9	2,838.4	-0.1%	29.9%
% of funding					
Deposits	73.2%	71.3%	71.9%		
Due to banks and inter-bank funds	15.6%	15.5%	15.5%		
Bonds	11.2%	13.2%	12.6%		

Interbank's total funding grew 8.8% QoQ, in line with interest-earning assets. Deposits grew 9.7% due to increases of 38.9% in institutional deposits and 6.4% in retail deposits, partially offset by a 7.8% decline in commercial deposits. As a result, the proportion of institutional deposits to total deposits grew from 24.4% in 4Q12 to 31.4% in 1Q13.

Due to banks rose 7.4% QoQ, driven by increases of 8.2% in funding from correspondent banks and 6.0% in local funding. The rise in funding from correspondent banks allowed the bank to replace other, more volatile sources of funding for trade finance. Furthermore, this also led to an improvement in the match between related assets and liabilities. Local funding was mainly used to fund mortgage loans granted under government-sponsored housing programs.

Bonds grew 3.7% QoQ due to two factors. The first was a 1.5% depreciation of the Nuevo Sol against the U.S. dollar, which drove an increase in the value of bonds issued in dollars. Dollar-denominated bonds represented 85.1% of total bonds. The second factor was an S/. 150.0 million subordinated bond issue completed in January 2013. These bonds were placed locally in soles at an interest rate of 5.8125%. The increase in outstanding bond volume was partially offset by the maturity of S/. 136.5 million in leasing bonds in March 2013.

The bank's funding base grew 22.5% YoY due to increases of 20.5% in deposits, 37.2% in bonds and 20.6% in due to banks. The growth in deposits was attributed to growths of 55.3% in institutional deposits, 9.7% in retail deposits, and 8.7% in commercial deposits. As a result, the proportion of institutional deposits to total deposits increased from 24.8% in 1Q12 to 31.4% in 1Q13.

The yearly increase in bonds was explained by three new bond issues. The first was for S/. 137.9 million in subordinated bonds, placed in June 2012, the second was for US$250 million in senior bonds, placed in September 2012 and the third one was for S/. 150.0 million in subordinated bonds, placed in January 2013. The increase in outstanding bond volume was partially offset by three factors. The first was the maturity of S/. 136.5 million in leasing bonds in March 2013. The second factor was a 2.9% appreciation of the Nuevo Sol against the U.S. dollar, which drove a decrease in the value of bonds issued in dollars. Dollar-denominated bonds represented 85.1% of total bonds. The third factor was the payment of US$2.2 million in mortgage bonds over the last 12 months.

The increase in due to banks was explained by growth rates of 16.6% in funding from correspondent banks and 30.5% in local funding.

Breakdown of Deposits

S/. million	1Q12	4Q12	1Q13	% chg QoQ	% chg YoY
By Customer Segment					
Retail	5,973.3	6,157.7	6,553.6	6.4%	9.7%
Commercial	3,894.4	4,591.8	4,234.5	-7.8%	8.7%
Institutional	3,249.4	3,632.5	5,046.6	38.9%	55.3%
Other	214.5	253.9	225.5	-11.2%	5.2%
Total	**13,331.5**	**14,635.9**	**16,060.2**	**9.7%**	**20.5%**
By Type:					
Demand	2,927.3	3,555.5	3,104.1	-12.7%	6.0%
Savings	4,204.9	4,340.6	4,735.0	9.1%	12.6%
Time	5,346.1	5,818.5	7,247.7	24.6%	35.6%
Other	853.2	921.3	973.3	5.7%	14.1%
Total	**13,331.5**	**14,635.9**	**16,060.2**	**9.7%**	**20.5%**

FINANCIAL MARGIN

Financial Margin

S/. million	1Q12	4Q12	1Q13	% chg QoQ	% chg YoY
Financial income	541.7	554.3	552.5	-0.3%	2.0%
Financial expenses	-118.1	-138.1	-138.7	0.4%	17.4%
Gross financial margin	**423.6**	**416.1**	**413.8**	**-0.6%**	**-2.3%**

Financial Income					
S/. million				**% chg**	**% chg**
	1Q12	**4Q12**	**1Q13**	**QoQ**	**YoY**
Interest on loans	434.1	453.9	459.6	1.2%	5.9%
Fees on loans	77.9	72.2	61.1	-15.4%	-21.6%
Investment income	25.3	13.6	10.9	-19.8%	-57.1%
Interest on due from banks and inter-bank funds	4.1	14.5	19.6	35.1%	n.m.
Other	0.3	0.1	1.3	n.m.	n.m.
Total Financial Income	**541.7**	**554.3**	**552.5**	**-0.3%**	**2.0%**
Average interest-earning assets	19,415.8	22,239.9	23,316.8	4.8%	20.1%
Average yield on assets*	10.3%	9.3%	10.0%	70 bps	-30 bps

*Annualized. Financial income - Fees on loans + Result from Financial Operations - Exchange gains

Financial Expenses					
S/. million				**% chg**	**% chg**
	1Q12	**4Q12**	**1Q13**	**QoQ**	**YoY**
Interest and fees on deposits	51.7	58.8	58.3	-0.8%	12.8%
Interest on due to banks and inter-bank funds	30.4	33.7	33.2	-1.7%	9.1%
Interest on bonds	34.4	44.0	45.6	3.6%	32.4%
Other	1.6	1.6	1.6	-0.9%	1.1%
Financial Expenses	**118.1**	**138.1**	**138.7**	**0.4%**	**17.4%**
Average interest-bearing liabilites	17,837.4	20,434.7	21,424.2	4.8%	20.1%
Average cost of funding*	2.6%	2.6%	2.6%	0 bps	0 bps

*Annualized. Excludes exchange and derivatives losses

QoQ Performance

Gross financial margin declined 0.6% QoQ as the result of a 0.3% reduction in financial income and a 0.4% increase in financial expenses.

The decrease in financial income was due to a 15.4% reduction in fee income from loans, partially offset by increases of 1.2% in interest on loans and 35.1% in interest on cash.

It should be noted that as a result of changes to the accounting guidelines enacted by the Peruvian banking regulator, as of January 2013 financial income must include fees associated with direct loans, whereas capital gains resulting from the sale of investments, exchange and derivative gains, and gains on equity participations in subsidiaries have all been reclassified to a newly-created account: “Result from Financial Operations”.

The QoQ decrease in fees on loans was mainly attributed to the elimination of certain fees by the Peruvian banking regulator starting January 1st. These fees included various credit card-related fees, such as cash advance fees, maintenance fees, over-the-limit fees, late payment fees, and fees for the issuance and delivery of account statements.

Interest on loans grew 1.2% QoQ as the result of a 3.2% increase in the average loan volume, partially offset by a 10 basis point reduction in the average yield, from 12.4% in 4Q12 to 12.3% in 1Q13. The higher average volume was attributed to increases of 4.7% in the commercial portfolio and 1.6% in the retail portfolio. Within the commercial portfolio, growth was due to increases of 8.2% in medium-term loans and 3.7% in leasing, partially offset by a 7.8% decrease in trade finance loans. In the retail portfolio, higher volume was due to increases of 5.5% in mortgages and 0.8% in other consumer loans, partially offset by a 2.5% decrease in credit cards. The lower average yield was due to a 10 basis point reduction in the commercial portfolio, partially offset by a 20 basis point increase in the retail portfolio. The higher yield on retail loans was mainly due to higher rates on credit cards, partially offset by a 30 basis point decrease in the average yield on other consumer loans. The increase in the average rate on credit cards was implemented in order to compensate for the elimination of certain credit card fees as previously mentioned.

Interest on cash grew 35.1% QoQ due to increases of 20 basis points in the average yield and 14.4% in the average volume. The increase in the yield was explained by a higher proportion of overnight deposits at the Central Bank within the total cash position. The growth in volume was due to increases of 15.7% in reserve requirement funds and 28.9% in overnight deposits at the Central Bank. The growth in reserve funds was attributed to increases in the average requirement in January, February and March 2013, as previously mentioned.

The return on interest-earning assets, which includes capital gains resulting from the sale of investments and gains on equity participations in subsidiaries but excludes fee income and exchange and derivative gains, was 10.0% in 1Q13, a 70 basis point increase compared to the 9.3% registered in 4Q12, mainly due to higher investment gains.

Financial expenses rose 0.4% QoQ, due to a 3.6% increase in interest on bonds, partially offset by decreases of 1.7% in interest on due to banks and 0.8% in interest on deposits.

Interest on bonds rose mainly due to a 1.0% increase in the average volume while the average cost remained stable. The increase in the average volume was explained by two factors. The first was a 1.5% depreciation in the Nuevo Sol against the U.S. dollar, which caused an increase in the value of bonds issued in dollars. Dollar-denominated bonds represented 85.1% of total bonds. The second factor was the issuance of S/. 150.0 million in subordinated bonds in January 2013, partially offset by the maturity of a S/. 136.5 million leasing bond in March 2013.

The 1.7% decline in interest on due to banks was due to a 30 basis point reduction in the average cost, partially offset by a 9.9% growth in the average volume. The lower average cost was attributed to a 70 basis point decline in the cost of funding from correspondent banks. The growth in the average volume was due to increases of 11.9% in funding from correspondent banks and 5.9% in local funding.

Interest on deposits increased 0.8% due to a 4.4% growth in the average volume, partially offset by a 5 basis point decline in the average cost. The higher volume was due to increases of 8.8% in institutional deposits and 4.6% in retail deposits. The decline in the cost of deposits was attributed to a higher proportion of sol-denominated deposits within the total of institutional deposits and to a decline in the average cost of such deposits. The cost of retail and commercial deposits remained stable QoQ.

As a result of the factors mentioned above, the average cost of funding remained stable QoQ, at 2.6%.

YoY Performance

Gross financial margin decreased 2.3% YoY as the result of a 17.4% increase in financial expenses, partially offset by a 2.0% rise in financial income.

The growth in financial income was due to increases of S/. 25.4 million in interest on loans and S/. 15.6 million in interest on cash, partially offset by decreases of S/. 16.8 million in fees on loans and S/. 14.4 million in investment income.

The rise in interest on loans was explained by a 12.1% increase in the average loan volume, partially offset by a 70 basis point decrease in the average yield, from 13.0% in 1Q12 to 12.3% in 1Q13. The higher average volume was due to increases of 17.3% in the commercial portfolio and 10.5% in the retail portfolio. The higher commercial loan volume was due to increases of 32.6% in medium-term loans, 10.4% in leasing, and 33.4% in discounts, partially offset by a 9.5% decrease in trade finance loans. Within the retail portfolio, growth was driven by increases of 27.3% in mortgage loans and 9.2% in other consumer loans, partially offset by a 6.3% decrease in credit cards. The average yield on the loan portfolio decreased as the result of a lower yield on retail and commercial loans. The yield on retail loans decreased 130 basis points due to competitive pressures in the majority of loan products, as well as an increase in the proportion of mortgage loans within the portfolio. This proportion increased from 33.8% in 1Q12 to 38.9% in 1Q13. In the commercial portfolio, the yield decreased 30 basis points, mainly due to lower rates in medium-term loans, leasing and discounts.

The growth in interest on cash was attributed to increases of 109.6% in the average volume and 70 basis points in the average yield. The higher average volume was explained by increases in reserve requirements. The increase in the average yield was due to a higher return in overnight deposits at the Central Bank.

The decline in fees on loans was due to the elimination of credit card fees previously mentioned.

Investment income decreased as a result a S/. 9.1 million decline in interest on Central Bank certificates of deposit due to a 59.7% decrease in the average volume, as they were replaced with overnight deposits at the same institution, which offered higher returns.

The return on average interest-earning assets was 10.0% in 1Q13, 30 basis points below the 10.3% reported in 1Q12, mainly as a result of the lower yield on the loan portfolio and the increase in the proportion of cash within total assets.

Financial expenses rose 17.4% YoY, due to increases of 32.4% in interest paid on bonds, 12.8% in interest on deposits and 9.1% in interest on due to banks.

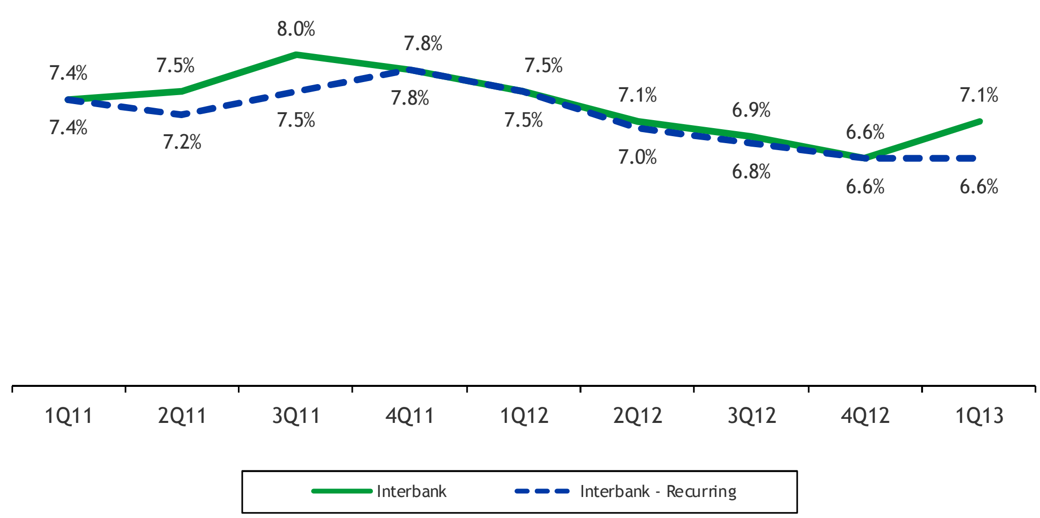
The increase in interest on bonds was due to a 35.0% growth in the average volume, partially offset by a 10 basis point reduction in the average yield. The higher average volume was explained by three new bond issues in the last 12 months, the first for S/. 137.9 million in subordinated bonds, placed in June 2012, the second for US$250 million in senior bonds, placed in September 2012, and the third for S/. 150.0 million in subordinated bonds, placed in January 2013. The decline in the average cost was due to the maturity of S/. 136.5 million in leasing bonds in March 2013.

The growth in interest on deposits was attributed to increases of 15.7% in the average volume. The higher average volume was due to increases of 37.1% in institutional deposits, 12.7% in commercial deposits and 6.9% in retail deposits. The average cost remained stable YoY.

Interest on due to banks increased as a result of 29.2% growth in the average volume, partially offset by a 30 basis point reduction in the average cost. Higher volume was due to increases of 30.3% in funding from correspondent banks and 27.5% in local funding. The decline in average cost was mainly attributed to a 60 basis point reduction in the cost of funding from correspondent banks, which represented 68.4% of total due to banks in 1Q13, partially offset by a 60 basis point rise in the cost of local funding.

The average cost of funding remained stable YoY at 2.6%.

Net Interest Margin*



* Excludes fees on loans and includes results from financial operations less exchange gains

Net interest margin was 7.1% in 1Q13, above the 6.6% in 4Q12, but below the 7.5% registered in 1Q12.

PROVISIONS

Provision expenses decreased 19.0% QoQ and increased 8.8% YoY. As a result, the ratio of provision expense to average loans was 2.4% in 1Q13, below the 3.0% registered in 4Q12 and in line with the 2.4% reported in 1Q12.

The QoQ decrease was due to two factors. The first was the reversal of provisions related to internal alignment. These provisions are required when clients who are current with certain obligations become delinquent on others, as the bank must provision as if such clients were delinquent with all outstanding obligations. The second factor was a decline in generic provisions, mainly as the result of a decrease in credit card loans.

The YoY increase in provision expenses was attributed to an increase in commercial loan provisions due to a 19.4% YoY growth in the commercial portfolio.

Composition of Provision Expense					
S/. million	**1Q12**	**4Q12**	**1Q13**	**% chg QoQ**	**% chg YoY**
Provisions recognized as expense	-107.6	-125.8	-116.1	-7.8%	7.9%
Provision recoveries	20.7	9.1	21.5	135.9%	3.9%
Total provision expense	**-86.9**	**-116.7**	**-94.6**	**-19.0%**	**8.8%**
Provision expense / Average loans	**2.4%**	**3.0%**	**2.4%**	**-60 bps**	**0 bps**

Provision for Loan Losses					
S/. million	**1Q12**	**4Q12**	**1Q13**	**% chg QoQ**	**% chg YoY**
Balance at the beginning of the quarter	-645.9	-597.8	-743.1	24.3%	15.1%
Provision recognized as expense for the period	-107.6	-125.8	-116.1	-7.8%	7.9%
Recovery of write-off accounts	-18.2	-140.0	-25.4	-81.8%	40.1%
Provision recoveries	20.7	9.1	21.5	135.9%	3.9%
Write-offs, extinguishment of debt and sales	78.3	108.4	100.3	-7.5%	28.0%
Exchange result, net	1.6	3.0	-2.5	n.m.	n.m.
Balance at the end of the quarter	**-671.0**	**-743.1**	**-765.3**	**3.0%**	**14.1%**
Past due loans / Total loans	**1.7%**	**1.8%**	**1.9%**	**10 bps**	**20 bps**
Coverage ratio	**255.7%**	**235.0%**	**226.2%**		

The ratio of past due loans to total loans increased from 1.7% in 1Q12 and 1.8% in 4Q12 to 1.9% in 1Q13. The coverage ratio of the past-due loan portfolio decreased, from 255.7% in 1Q12 and 235.0% in 4Q12, to 226.2% in 1Q13.

FEE INCOME FROM FINANCIAL SERVICES

Fee income decreased 17.8% QoQ, mainly due to lower fees from commercial banking services. The decrease in commercial banking fees was due to seasonal declines in fees from the real estate division and from loan structuring.

Fee income declined 2.7% YoY as a result of higher expenses related to the origination of insurance products and lower loan structuring fees, partially offset by an increase in fees from indirect lending.

It should be noted that as a result of the changes to the accounting guidelines enacted by the Peruvian banking regulator, as of January 2013 all fees associated with direct loans, including those related to credit cards, have been reclassified as a component of financial income.

Fee Income from Financial Services, Net					
S/. million	1Q12	4Q12	1Q13	% chg QoQ	% chg YoY
Fees from services	49.4	51.1	52.3	2.4%	5.9%
Contingent operations	10.9	12.6	12.9	2.7%	18.6%
Fees from collections and payment services	5.5	5.7	4.9	-14.0%	-11.3%
Other fees	18.4	25.9	14.1	-45.6%	-23.4%
Total	**84.2**	**95.3**	**84.2**	**-11.6%**	**0.0%**
Expenses relating to financial services	-21.4	-20.9	-23.1	10.4%	7.9%
Fee income from financial services, net	**62.8**	**74.4**	**61.1**	**-17.8%**	**-2.7%**

RESULTS FROM FINANCIAL OPERATIONS

Results from financial operations increased S/. 26.3 million QoQ due to increases of S/. 38.2 million in gains on the sale of investments and S/. 5.8 million in income from participation in subsidiaries, partially offset by a S/. 17.8 million reduction in exchange and derivative gains.

Gains on the sale of investments and income from participation in subsidiaries both increased as a result of non-recurring gains of S/. 38.8 million on the sale of equity investments. The sales of such investments were realized both in Interbank as well as in its mutual fund subsidiary, Interfondos.

Exchange and derivative gains decreased QoQ due to a S/. 9.3 million loss on Interbank's exchange position, compared to a gain of S/. 7.2 million for the same concept in 4Q12.

Results from financial operations grew by S/. 34.8 million YoY due to increases of S/. 42.7 million in gains on the sale of investments and S/. 6.8 million in income from participation in subsidiaries, partially offset by a S/. 14.7 million decline in exchange and derivative gains.

Higher gains on the sale of investments and income from subsidiaries were mainly a result of non-recurring income reported in 1Q13 as previously mentioned.

The decline in exchange gains was mainly due to a S/. 9.3 million loss on Interbank's exchange position, compared to a S/. 3.7 million gain in 1Q12.

Result from Financial Operations					
S/. million	1Q12	4Q12	1Q13	% chg QoQ	% chg YoY
Gains on sale of investments, net	5.1	9.6	47.8	n.m.	n.m.
Exchange and derivative gains (losses)	51.5	54.6	36.8	-32.6%	-28.5%
Income from participation in subsidiaries	7.1	8.0	13.9	72.4%	96.0%
Other	-0.1	-0.1	-0.1	-43.4%	-17.2%
Result from Financial Operations	**63.6**	**72.1**	**98.4**	**36.4%**	**54.7%**

ADMINISTRATIVE EXPENSES

Administrative expenses decreased 6.0% QoQ, but increased 3.4% YoY. The QoQ reduction was mainly due to a 17.4% decrease in expenses for services received from third parties, partially offset by an 8.8% increase in personnel expenses. The reduction in expenses for third party services was explained by declines in expenses related to customer incentives and advertising, which are seasonally high in the last quarter of the year, and expenses related to technology projects. The rise in personnel expenses was explained by an increase in workers' profit-sharing, due to higher pre-tax income, and by higher variable compensation costs.

The YoY increase was mainly attributed to an 8.8% increase in personnel expenses, partially offset by lower expenses for third party services. The growth in personnel expenses was a result of higher expenses for wages and salaries, due to a 5.1% increase in total headcount, as well as higher variable compensation costs. The decrease in third party services was mainly due to lower expenses related to customer incentives and advertising.

The efficiency ratio improved from 50.8% in 4Q12 and 47.4% in 1Q12 to 47.2% in 1Q13.

Administrative Expenses					
S/. million	1Q12	4Q12	1Q13	% chg QoQ	% chg YoY
Personnel and board of directors expenses	-109.7	-109.8	-119.4	8.8%	8.8%
Services received from third parties	-121.7	-144.8	-119.5	-17.4%	-1.8%
Taxes and contributions	-5.6	-6.1	-6.1	0.2%	9.2%
Total	**-237.0**	**-260.6**	**-245.0**	**-6.0%**	**3.4%**
Efficiency ratio	**47.4%**	**50.8%**	**47.2%**	**-360 bps**	**-20 bps**

OTHERS

Depreciation and amortization expenses rose 1.8% QoQ and 7.9% YoY. The QoQ increase was mainly due to higher amortization costs for new software systems. The YoY increase was explained by a higher software amortization costs as well as an increase in hardware depreciation expenses.

Other income decreased 35.0% QoQ due to the voluntary constitution of provisions for doubtful loans in the commercial portfolio, compared with a reversal of provisions for foreign exchange risk in 4Q12, partially offset by an increase in extraordinary income.

Other income increased S/. 14.2 million YoY due to the higher extraordinary income and lower provisions for foreign exchange risk.

Other Income (Expenses)					
S/. million	1Q12	4Q12	1Q13	% chg QoQ	% chg YoY
Depreciation	-17.0	-17.8	-17.9	0.3%	5.1%
Amortization	-6.9	-7.5	-7.9	5.4%	14.7%
Total depreciation and amortization	**-23.9**	**-25.3**	**-25.8**	**1.8%**	**7.9%**
Income (expenses) from recoveries	4.4	7.6	14.6	92.0%	n.m.
Provisions for contingencies and other provisions	-10.5	5.0	-6.5	n.m.	-38.4%
Other Income (Expenses)	**-6.1**	**12.6**	**8.2**	**-35.0%**	**n.m.**
Total	**-30.0**	**-12.7**	**-17.6**	**38.3%**	**-41.3%**

CAPITALIZATION

The ratio of regulatory capital to risk-weighted assets was 15.0% in 1Q13, above the 13.3% reported in 4Q12 and the 14.9% reported in 1Q12. The QoQ increase was due to a 13.7% growth in regulatory capital, while risk-weighted assets (RWA) remained relatively stable. The QoQ growth in regulatory capital was the result of three factors. The first was an agreement to capitalize 1Q13 earnings of S/. 163.8 million. The second factor was the capitalization of 2012 earnings, which included an additional S/. 68.5 million in excess of said year's earnings that were already considered regulatory capital as of 4Q12, due to outstanding capitalization agreements. The third factor was the issuance of S/. 150.0 million in subordinated bonds during 1Q13. RWA remained stable QoQ, despite the growth in loans, due to the sale of an investment position in equities.

As a result of the increase in core capital, the limit on hybrid debt that can qualify as Tier I was raised. Consequently, an additional S/. 40.4 million from a US$200 million junior subordinated bond issued in 2010 was incorporated into Interbank's Tier I capital. As of March 31, 2013, 75.2% of this issuance was considered Tier I capital. The remaining 24.8% of the bond qualified as Tier II capital, and will be incorporated into Tier I gradually, in line with growth in Interbank's core capital.

The YoY increase in the capital ratio was due to a 24.6% growth in regulatory capital, partially offset by a 23.2% increase in RWA. The increase in regulatory capital was the result of two factors. The first was the capitalization of S/. 313.7 million of earnings from 2012 as well as the capitalization agreement for 1Q13 earnings, which were 14.9% higher than those of 1Q12. The second factor was the issuance of subordinated bonds for S/. 137.9 million in June 2012 and S/. 150.0 million in January 2013.

The YoY increase in RWA was the result of loan growth and scheduled regulatory adjustments to the calculation of their components. In July 2012, three of these adjustments went into effect. First, the adjustment factor for credit and market RWA was increased from 98% to 100%. Second, the weight given to leasing operations was raised from 80% to 100%. Finally, the adjustment factor for operational RWA increased from 50% to 60%.

As of March 31, 2013, Interbank's capital ratio of 15.0% was 390 basis points above its risk-adjusted minimum capital ratio, established at 11.1%. The minimum regulatory capital ratio requirement was 10.0%, while the additional capital requirement for Interbank was 1.1% as of March 31, 2013.

Capitalization

S/. million	1Q12	4Q12	1Q13	% chg QoQ	% chg YoY
Tier I capital	2,057.2	2,168.7	2,433.5	12.2%	18.3%
Tier II capital	496.9	630.8	748.2	18.6%	50.6%
Total regulatory capital	2,554.2	2,799.5	3,181.7	13.7%	24.6%
Risk-weighted assets	17,170.9	21,086.1	21,161.7	0.4%	23.2%
BIS ratio	**14.9%**	**13.3%**	**15.0%**	**170 bps**	**10 bps**
Tier I capital / risk-weighted assets	**12.0%**	**10.3%**	**11.5%**	**120 bps**	**-50 bps**

Interseguro

SUMMARY

Interseguro’s net earnings reached S/. 55.8 million in 1Q13, a 159.6% increase QoQ and a 98.5% rise YoY. The annualized ROE was 40.0% in 1Q13, above the 17.5% reported in 4Q12 and the 27.7% registered in 1Q12.

The QoQ growth in net earnings was attributable to a S/. 41.8 million increase in investment income, partially offset by a S/. 9.7 million rise in the technical margin loss. The increase in the investment income was attributable to a S/. 40.8 million non-recurring gain on the sale of real estate investments in 1Q13. This sale included the Piura Mall and New Chimbote property. The higher technical margin loss was due to an increase in reserves, in line with growth in annuity sales and inflation.

The YoY growth in net earnings was mainly due to a S/. 39.8 million rise in investment income, partially offset by a S/. 9.0 million increase in administrative expenses. The growth in investment income was due to the non-recurring gains previously mentioned.

Interseguro's Profit and Loss Statement Summary

S/. million	1Q12	4Q12	1Q13	% chg QoQ	% chg YoY
Premiums	110.2	111.3	134.0	20.4%	21.6%
Premiums ceded	-1.0	-1.3	-1.2	-5.8%	24.3%
Fees	-3.8	-4.0	-4.1	0.1%	5.4%
Claims	-31.3	-34.9	-39.1	12.0%	25.0%
Change in reserves	-95.1	-84.8	-113.8	34.1%	19.6%
Diverse Income, net	0.1	-0.5	0.1	n.m.	-2.9%
Technical margin	**-20.9**	**-14.3**	**-24.0**	**67.7%**	**14.8%**
Administrative expenses	-13.1	-24.3	-22.1	-9.0%	68.4%
Investment income, net*	62.2	60.1	101.9	69.6%	64.0%
Net income	**28.1**	**21.5**	**55.8**	**159.6%**	**98.5%**
ROE	**27.7%**	**17.5%**	**40.0%**		

* Includes exchange difference

PREMIUMS

In 1Q13 premiums were S/. 134.0 million, a 20.4% increase QoQ and a 21.6% rise YoY.

Premiums by Business Line

S/. million	1Q12	4Q12	1Q13	% chg QoQ	% chg YoY
Individual Life	7.1	7.7	7.9	3.6%	12.4%
Annuities	82.4	79.5	104.6	31.6%	26.9%
Group Life	11.7	15.8	12.1	-23.6%	3.6%
Disability and survivor benefits	0.1	0.0	0.0	n.m.	-24.6%
Mandatory traffic accident	6.7	5.1	6.2	22.3%	-6.6%
Non Life Insurance	2.3	3.2	3.1	-3.4%	33.7%
TOTAL	**110.2**	**111.3**	**134.0**	**20.4%**	**21.6%**

The QoQ increase was mainly attributed to higher annuity sales supported by market expansions of 8.0% in the regular segment and 5.7% in the early retirement segment, as well as, an increase of Interseguros's market share.

The YoY increase was due to higher sales in annuities attributed to a 20.4% market expansion.

RESERVES, CLAIMS AND OPERATING EXPENSES

Reserves increased 34.1% QoQ and 19.6% YoY. The QoQ increase was due to higher reserves in annuities, in line with annuity sales and an increase in the inflation rate. These factors also explained the increase in reserves YoY.

Change in Reserves by Business Line

S/. million	1Q12	4Q12	1Q13	% chg QoQ	% chg YoY
Individual Life	2.5	2.5	2.3	-6.4%	-6.2%
Annuities	90.5	82.8	110.3	33.2%	21.9%
Group Life	0.8	0.0	0.5	n.m.	-37.0%
Mandatory traffic accident	0.6	-0.8	0.5	n.m.	-20.8%
Non Life Insurance	0.7	0.3	0.2	-42.8%	-74.2%
TOTAL	**95.1**	**84.8**	**113.8**	**34.1%**	**19.6%**

Claims increased 12.0% QoQ and 25.0% YoY. The QoQ increase was explained by higher claims in disability and survivor benefits, annuities and mandatory traffic accident insurance. The higher claims on beneficiaries and disability pensions were due to an increased rate of inflation. The YoY increase was due to higher claims in annuities, disability and survivor benefits and group life. The rise in annuity claims was due to higher pensions, in line with a higher number of affiliates.

Claims by Business Line

S/. million	1Q12	4Q12	1Q13	% chg QoQ	% chg YoY
Individual Life	0.2	0.6	0.6	-2.2%	157.9%
Annuities	25.1	27.5	28.6	4.0%	14.0%
Group Life	2.8	4.9	4.7	-3.9%	68.6%
Disability and survivor benefits	0.5	-0.4	2.5	n.m.	n.m.
Mandatory traffic accident	2.6	2.2	2.6	18.3%	1.9%
Non Life Insurance	0.1	0.1	0.1	-5.8%	0.0%
TOTAL	**31.3**	**34.9**	**39.1**	**12.0%**	**25.0%**

As a result of the factors described above, the technical margin was S/. -24.0 million in 1Q13, compared to S /. -14.3 million in 4Q12 and S /. -20.9 million in 1Q12.

Administrative expenses decreased S/. 2.2 million QoQ and increased S/. 9.0 million YoY. The YoY growth was related to higher personnel expenses due to an increase of Interseguro's endowment.

INVESTMENT INCOME

Investment income increased 69.6% QoQ and 64.0% YoY.

The QoQ and YoY increases were explained by a S/. 40.8 million non-recurring gain on the sale of property, which included the Piura Mall and New Chimbote property.

Investment Income, Net					
S/. million				**% chg**	**% chg**
	1Q12	**4Q12**	**1Q13**	**QoQ**	**YoY**
Income:					
Fixed Income	44.9	45.8	43.7	-4.7%	-2.8%
Interest	27.9	30.9	33.4	8.1%	19.8%
Realized Gains	17.1	15.0	10.3	-31.1%	-39.5%
Equity and Mutual Funds	9.1	6.9	10.8	56.3%	18.2%
Real estate	9.4	7.1	51.5	n.m.	n.m.
Total Income	63.5	59.8	106.0	77.1%	67.0%
Expenses	-1.2	-0.9	-0.9	-3.1%	-24.8%
Exchange difference and others	0.0	1.2	-3.1	n.m.	n.m.
Net investment income	**62.2**	**60.1**	**101.9**	**69.6%**	**64.0%**

Interseguro’s investment portfolio grew 5.3% QoQ and 17.4% YoY due to higher sales of premiums and the price appreciation of Interseguro’s overall portfolio. Fixed income investments accounted for 74.2% of the total portfolio in 1Q13, compared to 72.8% in 4Q12 and 72.9% in 1Q12.

Investment Portfolio					
S/. million				**% chg**	**% chg**
	1Q12	**4Q12**	**1Q13**	**QoQ**	**YoY**
Fixed Income	1,998.6	2,224.3	2,388.0	7.4%	19.5%
Equity and Mutual Funds	280.4	392.3	481.2	22.7%	71.6%
Real estate	456.1	433.6	343.3	-20.8%	-24.7%
Other	4.9	5.0	4.7	-6.7%	-5.4%
TOTAL	**2,740.0**	**3,055.1**	**3,217.2**	**5.3%**	**17.4%**