Intercorp Financial Services Inc.
Reports Second Quarter 2013 Earnings

Lima, Peru, July 25, 2013. Intercorp Financial Services Inc. (Bolsa de Valores de Lima: IFS) announced today its unaudited results for the second 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/. 167.7 million in 2Q13, a 17.6% decrease QoQ and a 31.0% decline YoY
- Earnings performance QoQ and YoY was affected by non-recurring, real estate investment gains at Interseguro in both 1Q13 and 2Q12
- Excluding non-recurring items, net earnings would have decreased 5.8% QoQ and 2.4% YoY
- Gross financial margin increased 6.1% QoQ and 3.7% YoY
- IFS ROE was 23.2% in 2Q13, below the 27.2% in 1Q13 and the 42.1% in 2Q12

Interbank:

- Interbank's net earnings reached a record S/. 169.3 million in 2Q13, an increase of 3.4% QoQ and 18.5% YoY
- The QoQ growth was driven by higher interest on loans and investment gains, as well as a decline in provisions
- Net earnings increased YoY mainly due to growth in results from financial operations and lower provision expenses
- Excluding non-recurring factors, earnings would have decreased 1.9% QoQ and 2.2% YoY due to a reduction in fess from credit card loans and higher administrative expenses
- The loan portfolio expanded 7.5% QoQ driven by a marked acceleration in commercial loans, sustained demand for mortgages, and a return to growth in credit cards
- Deposits rose 9.9% QoQ driven by growth in commercial and retail segments
- NIM decreased 20 basis points QoQ due to lower yields on retail loans and on cash
- The past due loan ratio remained stable in the overall loan portfolio and improved 20 basis points QoQ in credit card loans
- The BIS ratio stood at 14.5% in 2Q13, well above regulatory requirements

Interseguro:

- Net earnings decreased 69.3% QoQ and 86.0% YoY due to lower investment income
- Excluding non-recurring items, net earnings would have increased 18.9% QoQ and 6.1% YoY
- Premiums increased 2.1% QoQ and 28.7% YoY
- Interseguro remained the market leader in annuities

Intercorp Financial Services

Net earnings (attributable to IFS shareholders) were S/. 167.7 million in 2Q13, a 17.6% decrease QoQ and a 31.0% decline YoY. When excluding non-recurring items, net earnings decreased 5.8% QoQ and 2.4% YoY. IFS ROE was 23.2% in 2Q13, below the 27.2% in 1Q13 and the 42.1% in 2Q12.

Intercorp Financial Services' Statement of Comprehensive Income					
S/. million	2Q12	1Q13	2Q13	%chg QoQ	%chg YoY
Financial income	606.5	604.6	637.8	5.5%	5.2%
Financial expenses	-130.1	-139.2	-143.8	3.3%	10.5%
Gross financial margin	**476.4**	**465.5**	**494.0**	**6.1%**	**3.7%**
Provisions	-123.4	-94.6	-88.9	-6.1%	-28.0%
Net financial margin	**353.0**	**370.9**	**405.1**	**9.2%**	**14.8%**
Fee income from financial services, net	67.2	57.5	59.2	2.9%	-11.9%
Result from insurance underwriting, net	-22.5	-21.4	-15.9	-25.9%	-29.5%
Result from financial operations	167.1	148.1	91.1	-38.4%	-45.4%
Administrative expenses	-276.1	-273.0	-286.7	5.0%	3.8%
Operating margin	**288.7**	**282.0**	**252.9**	**-10.3%**	**-12.4%**
Depreciation and amortization	-25.3	-26.5	-26.5	0.0%	5.1%
Other income (expenses)	20.1	5.7	8.4	46.6%	-58.2%
Income before tax	**283.5**	**261.2**	**234.8**	**-10.1%**	**-17.2%**
Income tax	-39.5	-56.6	-65.9	16.3%	66.7%
Net income	**244.0**	**204.6**	**168.9**	**-17.4%**	**-30.8%**
Attributable to IFS shareholders	**243.0**	**203.4**	**167.7**	**-17.6%**	**-31.0%**
EPS	**2.60**	**2.17**	**1.79**		
ROE	**42.1%**	**27.2%**	**23.2%**		

Intercorp Financial Services' Recurring Statement of Comprehensive Income Summary					
S/. million	2Q12	1Q13	2Q13	%chg QoQ	%chg YoY
Reported net eanings	**243.0**	**203.4**	**167.7**	**-17.6%**	**-31.0%**
Non-recurring income:					
IFS	0.0	0.6	-4.9	n.m.	n.m.
IBK	-6.1	-27.3	-35.3	n.m.	n.m.
IS	-106.3	-41.4	0.0	n.m.	n.m.
Total non-recurring income	**-112.4**	**-68.1**	**-40.2**	**-40.9%**	**-64.2%**
Recurring net earnings	**130.6**	**135.3**	**127.4**	**-5.8%**	**-2.4%**
Recurring ROE*	23.9%	21.2%	20.2%		

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

Intercorp Financial Services' Statement of Financial Position					
S/. million				%chg	%chg
	2Q12	1Q13	2Q13	QoQ	YoY
Cash and due from banks	5,031.2	7,221.6	6,997.0	-3.1%	39.1%
Investments, net	5,435.6	4,490.1	5,182.4	15.4%	-4.7%
Loan portfolio, net	14,097.1	15,511.2	16,666.4	7.4%	18.2%
Fixed assets, net	439.9	443.4	441.2	-0.5%	0.3%
Other assets	894.6	1,037.9	1,252.3	20.7%	40.0%
Total Assets	**25,898.4**	**28,704.2**	**30,539.2**	**6.4%**	**17.9%**
Deposits and obligations	15,094.8	15,764.7	17,210.1	9.2%	14.0%
Due to banks	2,446.4	3,212.9	3,313.8	3.1%	35.5%
Bonds and obligations	2,731.4	3,250.1	3,397.1	4.5%	24.4%
Technical reserves for premiums and claims	2,345.7	2,594.1	2,811.1	8.4%	19.8%
Other liabilities	822.4	776.6	1,095.5	41.1%	33.2%
Total Liabilities	**23,440.6**	**25,598.4**	**27,827.7**	**8.7%**	**18.7%**
IFS shareholders' equity	2,443.1	3,089.3	2,694.5	-12.8%	10.3%
Minority interest	14.6	16.5	17.1	3.4%	16.7%
Total shareholders' equity	**2,457.8**	**3,105.8**	**2,711.6**	**-12.7%**	**10.3%**

Quarter-on-quarter performance

Net earnings decreased 17.6% QoQ mainly due to a 38.4% decline in results from financial operations, partially offset by a 6.1% increase in gross financial margin.

Financial income increased 5.5% mainly due to higher interest on loans at Interbank and interest on available-for-sale investments at Interseguro.

Financial expenses increased 3.3% QoQ due to higher interests on due to banks and deposits at Interbank, as a result of higher volumes in such liabilities.

Provision expenses decreased 6.1% due to lower provisions in the commercial portfolio, a decline in credit card provisions as a result of a lower past due loan ratio in such loans, and higher reversals of provisions related to credit lines over-indebtedness.

Fee income increased 2.9% QoQ due to higher fees from services and loan structuring, partially offset by higher expenses related to financial services at Interbank. The increase in fees from financial services and in expenses related to financial services were attributed to higher origination of insurance products related to credit cards.

Interseguro’s loss from insurance underwriting decreased 25.9% due to lower reserves linked to a decrease in annuity sales, and higher elimination of fees paid by Interseguro to Interbank in relation to the sale of premiums.

Results from financial operations declined 38.4% QoQ as a result of a non-recurring gain on the sale of real estate investments registered at Interseguro in 1Q13, as well as higher derivative losses at Interseguro, partially offset by non-recurring gains on the sale of equity investments at Interbank.

Administrative expenses increased 5.0% due to higher expenses in advertisement, maintenance, technology projects and variable compensation costs at Interbank.

Other income increased 46.6% QoQ due to the constitution of voluntary provisions for certain commercial loans in 1Q13, which was not repeated in 2Q13 at Interbank, as well as a reversal of provisions for consulting fees at IFS and higher extraordinary income at Expressnet, a subsidiary of Interbank. This increase was partially offset by lower extraordinary income at Interbank.

IFS effective tax rate increased from 21.7% in 1Q13 to 28.1% in 2Q13 as a result of two factors. The first was a lower contribution to net earnings from Interseguro, whose investment income is tax-exempt. The second was an increase in Interbank's effective tax rate, from 24.2% in 1Q13 to 27.0% in 2Q13, due to lower tax-exempt income.

Year-on-year performance

Net earnings decreased 31.0% YoY due to a 45.4% decline in results from financial operations and an 11.9% decrease in fee income, partially offset by a 28.0% reduction in provisions and a 3.7% increase in gross financial margin.

Financial income rose 5.2%, mainly explained by increases of S/. 39.6 million in interest on loans and S/. 8.4 million in interest on cash at Interbank, partially offset by decreases of S/. 15.0 million in investment income and S/. 13.6 million in fees on loans at Interbank.

Financial expenses increased 10.5% YoY mainly due to higher interest on bonds, attributed to two new bond issues in the last 12 months at Interbank.

Provision expenses declined 28.0% due to a decline in generic provisions, mainly as a result of a decrease in credit card loans.

Fee income decreased 11.9% YoY as a result of higher net expenses related to the sale of insurance products, declines in corporate finance fees and lower fees from account statement delivery at Interbank, as well as higher elimination of fees charged by Interbank to Interseguro related to the sale of premiums.

Interseguro's loss from insurance underwriting decreased 29.5% due to higher annuity and group life premiums, as well as higher elimination of fees paid by Interseguro to Interbank related to the sale of premiums, partially offset by increases in reserves and fees.

Results from financial operations decreased 45.4% YoY as a result of a non-recurring gain on the sale of real estate investments registered at Interseguro in 2Q12, partially offset by an increase in gains on the sale of equity investments at Interbank.

Administrative expenses increased 3.8% YoY, due to higher personnel expenses, advertisement, maintenance and rentals at Interbank, partially offset by the elimination of administrative expenses from two subsidiaries that were transferred from Interseguro to a related party in August 2012.

Other income decreased 58.2% due to the elimination of income from the transferred subsidiaries of Interseguro previously mentioned, partially offset by higher results from Expressnet, a subsidiary of Interbank wholly acquired in 3Q12.

IFS effective tax rate increased from 13.9% in 2Q12 to 28.1% in 2Q13, as a result of a lower contribution to net earnings from Interseguro, whose investment income is tax-exempt, and the normalization of Interbank's effective tax rate, which was unusually low in 2Q12, from 21.0% in 2Q12 to 27.0% in 2Q13.

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' Statement of Comprehensive Income Summary					
S/. million				%chg	%chg
	2Q12	1Q13	2Q13	QoQ	YoY
Interbank	141.9	162.6	168.1	3.4%	18.5%
Interseguro	122.4	55.8	17.1	-69.3%	-86.0%
IFS accounts:					
Return on investment portfolio	2.3	6.0	17.7	193.3%	n.m.
Exchange gains (loss)	1.3	-4.2	-13.8	225.6%	n.m.
Taxes on dividends	-3.3	-5.3	-4.1	-22.9%	24.2%
Other income (expenses)	-8.8	-10.7	-10.3	-3.5%	17.5%
Consolidation adjustments	-12.9	-0.8	-7.0	n.m.	-45.4%
Total	**243.0**	**203.4**	**167.7**	**-17.6%**	**-31.0%**

Interbank

SUMMARY

Interbank's net earnings were S/. 169.3 million in 2Q13, an increase of 3.4% QoQ and 18.5% YoY. The QoQ growth was due to increases of 3.5% in gross financial margin and 12.3% in results from financial operations, as well as a 6.1% decrease in provisions, partially offset by a 7.5% growth in administrative expenses.

The YoY increase in net earnings was due to a 62.3% growth in results from financial operations and a 28.0% decrease in provisions, partially offset by a 9.2% increase in administrative expenses.

Interbank's ROE was 29.3% in 2Q13, above the 28.2% reported in 1Q13 and the 28.6% registered in 2Q12.

Interbank's Statement of Comprehensive Income

S/. million	2Q12	1Q13	2Q13	% chg QoQ	% chg YoY
Financial income	553.3	552.5	572.1	3.6%	3.4%
Financial expenses	-130.6	-138.7	-143.9	3.8%	10.2%
Gross financial margin	**422.7**	**413.8**	**428.2**	**3.5%**	**1.3%**
Provisions	-123.4	-94.6	-88.9	-6.1%	-28.0%
Net financial margin	**299.3**	**319.2**	**339.3**	**6.3%**	**13.4%**
Fee income from financial services, net	68.6	61.1	64.6	5.7%	-5.8%
Result from financial operations, net	68.1	98.4	110.6	12.3%	62.3%
Administrative expenses	-241.3	-245.0	-263.5	7.5%	9.2%
Operating margin	**194.7**	**233.7**	**251.0**	**7.4%**	**28.9%**
Depreciation and amortization	-24.3	-25.8	-25.7	-0.4%	5.8%
Other income (expenses)	10.4	8.2	6.6	-19.3%	-36.8%
Income before taxes	**180.9**	**216.1**	**231.9**	**7.3%**	**28.2%**
Income tax	-38.0	-52.3	-62.6	19.6%	64.9%
Net income	**142.9**	**163.8**	**169.3**	**3.4%**	**18.5%**
ROE	**28.6%**	**28.2%**	**29.3%**	**110 bps**	**70 bps**

Summary of Non-Recurring Items					
S/. million				% chg	% chg
Net of taxes	2Q12	1Q13	2Q13	QoQ	YoY
Net Income	**142.9**	**163.8**	**169.3**	**3.4%**	**18.5%**
Result from financial operations, net:					
Gains on sale of investments, net	-6.2	-27.6	-35.6	28.9%	n.m.
Exchange and derivative gains (losses)	0.0	3.8	4.4	15.3%	n.m.
Other provisions	0.0	-3.7	-4.4	19.7%	n.m.
Total Non-Recurring Items	**-6.2**	**-27.5**	**-35.6**	**29.6%**	**n.m.**
Recurring Net Income	**136.8**	**136.3**	**133.7**	**-1.9%**	**-2.2%**
Recurring ROE*	**28.1%**	**24.3%**	**23.7%**	**-60 bps**	**-440 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/. 25,845.6 million in 2Q13, an increase of 7.1% QoQ and 18.2% YoY.

The QoQ increase was due to growth rates of 7.4% in loans and 41.5% in investments, partially offset by a 1.2% reduction in cash. The growth in investments was due to increases in Central Bank certificates of deposit and Peruvian sovereign bonds, partially offset by a reduction in equity investments. The slight decrease in cash was explained by lower overnight deposits at the Central Bank, as these were replaced by the aforementioned certificates of deposit, partially offset by an increase in reserve requirement funds. The increase in reserve funds was due to deposit growth during 2Q13 and to a higher average reserve requirement during the period.

The YoY growth in interest-earning assets was due to increases of 18.2% in loans and 43.8% in cash, partially offset by a 24.5% reduction in investments. The increase in cash was mainly attributed to higher reserve requirements enacted seven times in the last 12 months. The decrease in investments was due to a decline in Central Bank certificates of deposit.

Interest-Earning Assets					
S/. million				% chg	% chg
	2Q12	1Q13	2Q13	QoQ	YoY
Cash and due from banks	4,855.8	7,065.6	6,984.3	-1.2%	43.8%
Investments, net	2,908.6	1,551.0	2,194.9	41.5%	-24.5%
Loan portfolio, net	14,097.1	15,511.2	16,666.5	7.4%	18.2%
Total interest-earning assets	**21,861.6**	**24,127.8**	**25,845.6**	**7.1%**	**18.2%**

Loan Portfolio					
S/. million				% chg	% chg
	2Q12	1Q13	2Q13	QoQ	YoY
Performing loans:					
Retail	7,533.8	7,970.8	8,414.8	5.6%	11.7%
Commercial	6,735.0	7,677.1	8,405.2	9.5%	24.8%
Total performing loans	**14,268.8**	**15,647.9**	**16,820.0**	**7.5%**	**17.9%**
Restructured and refinanced loans	87.5	113.0	113.5	0.4%	29.8%
Past due loans	270.5	311.4	322.5	3.6%	19.2%
Gross loans	**14,626.8**	**16,072.3**	**17,256.0**	**7.4%**	**18.0%**
Add (less)					
Accrued and deferred interest	129.3	143.2	139.0	-2.9%	7.5%
Allowance for loan losses	-659.0	-704.2	-728.5	3.5%	10.6%
Total direct loans, net	**14,097.1**	**15,511.2**	**16,666.5**	**7.4%**	**18.2%**

Performing loans grew 7.5% QoQ. Commercial loans expanded 9.5% in 2Q13, the highest quarterly growth since 2008. The growth in commercial loans was mainly driven by medium-term loans and leasing. Retail loans increased 5.6%, the highest rate in the past six quarters, due to growths of 8.6% in mortgage loans, 4.3% in credit cards and 3.1% in other consumer loans. In mortgage loans, Interbank has consistently reported quarterly growth rates above 5% over the past three years. In credit cards, loan growth resumed after four consecutive quarters of reductions, during which period Interbank maintained more rigorous credit standards regarding the acquisition of new clients.

Performing loans grew 17.9% YoY. Commercial loans increased 24.8%, mainly due to growth in medium-term loans and leasing. Retail loans grew 11.7%, driven by growths of 29.0% in mortgage loans and 8.7% in other consumer loans, partially offset by a 5.2% decrease in credit cards.

It should be noted that as a result of changes to the accounting guidelines enacted by the Peruvian banking regulator, as of 2Q13 interest collected in advance from leasing and discounts within the commercial portfolio has been accounted for as an offset to the total of performing commercial loans. This adjustment has been realized in all periods of analysis.

Breakdown of Performing Retail Loans					
S/. million				% chg	% chg
	2Q12	1Q13	2Q13	QoQ	YoY
Consumer loans:					
Credit cards	2,217.9	2,017.0	2,103.2	4.3%	-5.2%
Other consumer	2,689.0	2,833.5	2,922.3	3.1%	8.7%
Total consumer loans	4,906.9	4,850.5	5,025.5	3.6%	2.4%
Mortgages	2,626.9	3,120.3	3,389.3	8.6%	29.0%
Total retail loans	7,533.8	7,970.8	8,414.8	5.6%	11.7%

FUNDING STRUCTURE

Funding Structure					
S/. million				% chg	% chg
	2Q12	1Q13	2Q13	QoQ	YoY
Deposits	15,357.8	16,060.2	17,643.9	9.9%	14.9%
Due to banks	2,906.6	3,406.5	3,398.0	-0.2%	16.9%
Bonds	2,166.3	2,808.7	2,960.8	5.4%	36.7%
Inter-bank funds	0.0	50.0	186.8	n.m.	n.m.
Total	**20,430.7**	**22,325.4**	**24,189.5**	**8.3%**	**18.4%**
AUM (Interfondos)	2,269.8	2,838.4	2,865.8	1.0%	26.3%
% of funding					
Deposits	75.2%	71.9%	72.9%		
Due to banks and inter-bank funds	14.2%	15.5%	14.8%		
Bonds	10.6%	12.6%	12.3%		

Interbank's total funding grew 8.3% QoQ, slightly more than the increase in interest-earning assets. Deposits grew 9.9% due to increases of 21.2% in commercial deposits, 6.0% in retail deposits and 4.8% in institutional deposits.

The accounting value of bonds grew 5.4% QoQ due a 7.5% depreciation of the Nuevo Sol against the U.S. dollar, which led to an increase in the value of bonds issued in dollars. Dollar-denominated bonds represented 85.8% of total bonds.

The bank's funding base grew 18.4% YoY, in line with interest-earning assets, due to increases of 14.9% in deposits, 36.7% in bonds and 16.9% in due to banks. The growth in deposits was attributed to increases of 21.4% in commercial deposits, 14.6% in retail deposits and 8.6% in institutional deposits. As a result, the proportion of institutional deposits to total deposits decreased from 31.7% in 2Q12 to 30.0% in 2Q13.

The yearly increase in bonds was explained by three factors. The first was a US$250 million international senior bond issue placed in September 2012. The second was a S/. 150.0 million local subordinated bond issue placed in January 2013. The third factor was a 4.2% depreciation of the Nuevo Sol against the U.S. dollar, which led to an increase in the value of bonds issued in dollars. The increase in bonds was partially offset by two factors. The first was the maturity of a S/. 136.5 million leasing bond in March 2013. The second was the payment of US$1.9 million in mortgage bonds over the last 12 months.

The YoY growth in due to banks was attributed to growth rates of 30.8% in local funding and 4.2% in foreign funding. Local funding was mainly used to fund mortgage loans granted under government-sponsored housing programs. The increase in foreign funding was explained by greater use of short-term lines with correspondent banks to fund trade finance operations, partially offset by the scheduled amortizations in long-term funding.

Breakdown of Deposits					
S/. million				% chg	% chg
	2Q12	1Q13	2Q13	QoQ	YoY
By Customer Segment					
Retail	6,061.7	6,553.6	6,949.3	6.0%	14.6%
Commercial	4,230.7	4,234.5	5,134.2	21.2%	21.4%
Institutional	4,871.9	5,046.6	5,289.1	4.8%	8.6%
Other	193.4	225.5	271.2	20.2%	40.2%
Total	**15,357.8**	**16,060.2**	**17,643.9**	**9.9%**	**14.9%**
By Type:					
Demand	3,166.0	3,104.1	4,079.7	31.4%	28.9%
Savings	4,168.6	4,735.0	4,870.9	2.9%	16.8%
Time	7,126.2	7,247.7	7,802.0	7.6%	9.5%
Other	897.1	973.3	891.4	-8.4%	-0.6%
Total	**15,357.8**	**16,060.2**	**17,643.9**	**9.9%**	**14.9%**

FINANCIAL MARGIN

Financial Margin					
S/. million				% chg	% chg
	2Q12	1Q13	2Q13	QoQ	YoY
Financial income	553.3	552.5	572.1	3.6%	3.4%
Financial expenses	-130.6	-138.7	-143.9	3.8%	10.2%
Gross financial margin	**422.7**	**413.8**	**428.2**	**3.5%**	**1.3%**

Financial Income					
S/. million				% chg	% chg
	2Q12	1Q13	2Q13	QoQ	YoY
Interest on loans	442.9	459.6	482.5	5.0%	8.9%
Fees on loans	76.7	61.1	63.2	3.4%	-17.7%
Investment income	26.8	10.9	11.8	8.2%	-56.0%
Interest on due from banks and inter-bank funds	6.0	19.6	14.4	-26.6%	140.0%
Other	0.9	1.3	0.2	-84.5%	-77.0%
Total Financial Income	**553.3**	**552.5**	**572.1**	**3.6%**	**3.4%**
Average interest-earning assets	20,679.2	23,046.9	24,840.7	7.8%	20.1%
Average yield on assets (annualized)	11.2%	10.1%	9.6%	-50 bps	-160 bps

Financial Expenses					
S/. million				% chg	% chg
	2Q12	1Q13	2Q13	QoQ	YoY
Interest and fees on deposits	58.2	58.3	60.0	2.9%	3.1%
Interest on due to banks and inter-bank funds	36.5	33.2	37.4	12.9%	2.5%
Interest on bonds	34.3	45.6	44.7	-1.9%	30.4%
Other	1.6	1.6	1.8	9.7%	9.9%
Financial Expenses	**130.6**	**138.7**	**143.9**	**3.8%**	**10.2%**
Average interest-bearing liabilites	19,326.7	21,424.2	23,257.4	8.6%	20.3%
Average cost of funding (annualized)	2.7%	2.6%	2.5%	-10 bps	-20 bps

QoQ Performance

Gross financial margin increased 3.5% QoQ as the result of 3.6% growth in financial income, partially offset by a 3.8% increase in financial expenses.

The growth in financial income was due to a 5.0% increase in interest on loans, partially offset by a 26.6% decrease in interest on cash.

Interest on loans grew 5.0% QoQ as the result of a 5.2% increase in the average loan volume, partially offset by a 20 basis point reduction in the average yield, from 12.3% in 1Q13 to 12.1% in 2Q13. The higher average volume was attributed to increases of 7.2% in the commercial portfolio and 3.3% in the retail portfolio. The growth in commercial loans was due to increases of 9.0% in medium-term loans, 7.4% in trade finance loans and 3.1% in leasing. In the retail portfolio, higher volume was attributed to growths of 7.1% in mortgages and 1.8% in other consumer loans, while credit cards remained relatively stable. The lower average yield was due to a 10 basis point reduction in the retail portfolio, partially offset by a 10 basis point increase in the commercial portfolio. The decline in the yield on retail loans was mainly the result of a higher proportion of mortgage loans within said portfolio. The higher yield on the commercial portfolio was mainly due to an increase in rates in medium-term loans and leasing.

Interest on cash decreased 26.6% QoQ due to a 40 basis point reduction in the average yield, partially offset by an 11.4% growth in the average volume. The lower average yield was attributed to a decline in the yield on overnight deposits at the Central Bank. The increase in volume was due to a 19.7% growth in reserve requirement funds. As previously mentioned, the increase in reserve funds was explained by the growth in deposits and a higher average reserve requirement during 2Q13.

The return on interest-earning assets was 9.6% in 2Q13, a 50 basis point decline compared to the 10.1% registered in 1Q13, due to lower yields on the retail loan portfolio and on cash.

Financial expenses grew 3.8% QoQ, due to increases of 12.9% in interest on due to banks and 2.9% in interest on deposits, partially offset by a 1.9% decrease in interest on bonds.

Interest on due to banks rose due to increases of 6.1% in the average volume and 20 basis points in the average cost. The growth in average volume was explained by increases of 7.1% in local funding and 1.8% in foreign funding. The rise in the average cost was attributed to higher rates on both local and foreign funding.

Interest on deposits increased 2.9% due to a 9.8% growth in the average volume, partially offset by a 10 basis point decline in the average cost. The higher volume was due to increases of 19.1% in institutional deposits, 6.2% in retail deposits and 6.1% in commercial deposits. The decrease in the average cost was attributed to a reduction in the cost of institutional deposits, partially offset by higher rates on term deposits from both retail and commercial clients.

Interest on bonds decreased mainly due to the maturity of a S/. 136.5 million leasing bond, which did not generate interest during 2Q13.

As a result of the factors mentioned above, the average cost of funding decreased from 2.6% in 1Q13 to 2.5% in 2Q13, mainly due to the lower cost of deposits.

YoY Performance

Gross financial margin grew 1.3% YoY due to a 3.4% increase in financial income, partially offset by a 10.2% rise in financial expenses.

The growth in financial income was due to increases of 8.9% in interest on loans and 140.0% in interest on cash, partially offset by decreases of 56.0% in investment income and 17.7% in fees on loans.

The growth in interest on loans was explained by a 16.4% increase in the average loan volume, partially offset by a 90 basis point decrease in the average yield, from 13.0% in 2Q12 to 12.1% in 2Q13. The higher average volume was due to increases of 22.7% in the commercial portfolio and 10.5% in the retail portfolio. The higher volume of commercial loans was due to increases of 30.0% in medium-term loans, 15.2% in leasing and 12.7% in trade finance loans. Within the retail portfolio, growth was driven by increases of 28.2% in mortgage loans and 8.8% in other consumer loans, partially offset by a 7.6% decrease in credit cards. The average yield on loans declined as the result of a lower yield on both the retail and the commercial portfolio. The yield on retail loans decreased 110 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 34.9% in 2Q12 to 40.3% in 2Q13. In the commercial portfolio, the yield decreased 20 basis points due to lower rates across most loan segments.

The growth in interest on cash was attributed to increases of 67.5% in the average volume and 20 basis points in the average yield. The higher average volume was explained by increases in reserve requirement funds and overnight deposits, both of which are held at the Central Bank. The increase in the average yield was due to a higher return on said overnight deposits.

The decline in investment income was the result of a 53.2% decrease in interest on Central Bank certificates of deposit, attributed to a 43.0% reduction in the average volume, as these were replaced with higher-yielding overnight deposits at the same institution.

The decrease in fees on loans was due to the elimination of certain fees, including various credit card-related fees, by the Peruvian banking regulator starting January 1, 2013.

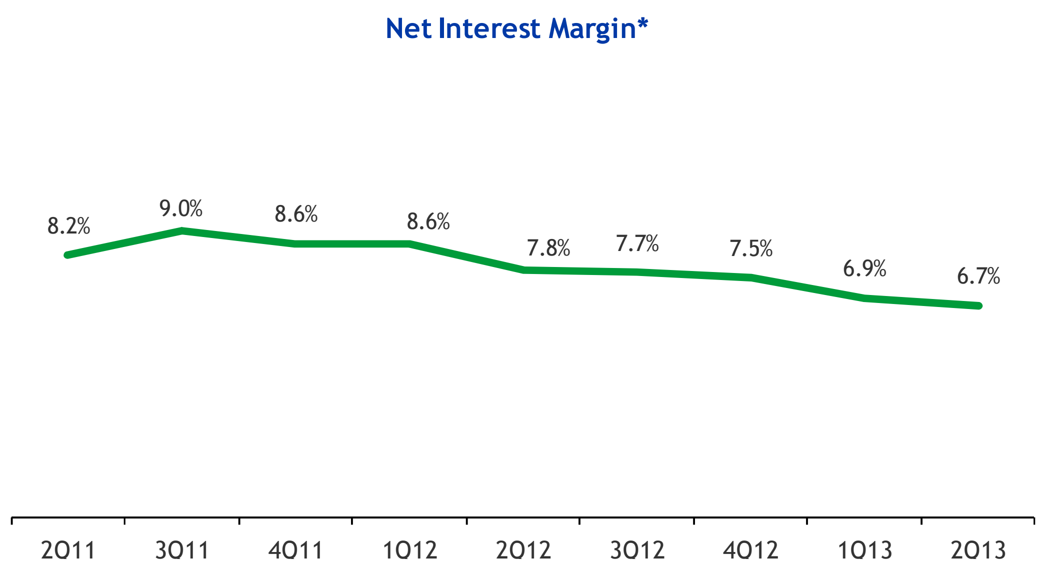
The return on average interest-earning assets was 9.6% in 2Q13, 160 basis points below the 11.2% reported in 2Q12, mainly due to the lower yield on the loan portfolio and the increase in the proportion of cash within total assets.

Financial expenses rose 10.2% YoY, due to increases of 30.4% in interest on bonds and 3.1% in interest on deposits.

The increase in interest on bonds was due to a 36.9% growth in the average volume, partially offset by a 30 basis point reduction in the average yield. The higher average volume was explained by two new bond issues in the last 12 months, the first for US$250 million in senior bonds, placed in September 2012, and the second for S/. 150.0 million in subordinated bonds, placed in January 2013, partially offset by the maturity of S/. 136.5 million in leasing bonds in March 2013 and the payment of US$1.9 million in mortgage bonds over the last 12 months. The lower average cost was due to the fact that the previously mentioned amortizations corresponded to bonds that had a higher average financial cost than that of the newly-issued bonds.

The growth in interest on deposits was attributed to an increase of 17.5% in the average volume, partially offset by a 20 basis point reduction in the average cost. The higher average volume was due to increases of 27.3% in institutional deposits, 12.2% in retail deposits and 15.3% in commercial deposits. The decline in the average cost was due to lower rates on institutional deposits, whereas the cost of retail and commercial deposits remained stable.

The average cost of funding decreased 20 basis points YoY, from 2.7% in 2Q12 to 2.5% in 2Q13, as a result of the lower cost of deposits and bonds.



* Annualized. Gross financial margin / Average interest-earning assets. The gross financial margin includes fees on loans.

Net interest margin was 6.7% in 2Q13, below the 6.9% in 1Q13 and the 7.8% in 2Q12.

PROVISIONS

Provision expenses decreased 6.1% QoQ and 28.0% YoY. As a result, the ratio of provision expense to average loans was 2.1% in 2Q13, below the 3.6% registered in 2Q12 and the 2.4% reported in 1Q13.

The QoQ decrease was due to three factors. The first was a decrease in provision requirements for commercial loans. The second was the reversal of credit card provisions as the result of an improvement in the past due loan ratio of this product, which declined from 4.0% in 1Q13 to 3.8% in 2Q13. The third factor was an increase in the reversal of credit card provisions for customer over-indebtedness.

The YoY decline in provision expenses was mainly due to lower generic provisions, attributed to the decrease in credit card volume and to the fact that provision expenses were unusually high in 2Q12.

Composition of Provision Expense					
S/. million	2Q12	1Q13	2Q13	% chg QoQ	% chg YoY
Provisions recognized as expense	-146.5	-116.1	-113.2	-2.5%	-22.7%
Provision recoveries	23.1	21.5	24.3	13.1%	5.3%
Total provision expense	**-123.4**	**-94.6**	**-88.9**	**-6.1%**	**-28.0%**
Provision expense / Average loans	**3.6%**	**2.4%**	**2.1%**	**-30 bps**	**-150 bps**

Provision for Loan Losses					
S/. million	2Q12	1Q13	2Q13	% chg QoQ	% chg YoY
Balance at the beginning of the quarter	-671.0	-743.1	-765.3	3.0%	14.1%
Provision recognized as expense for the period	-146.5	-116.1	-113.2	-2.5%	-22.7%
Recovery of write-off accounts	-18.7	-25.4	-24.6	-3.5%	31.1%
Provision recoveries	23.1	21.5	24.3	13.1%	5.3%
Write-offs, extinguishment of debt and sales	97.2	100.3	104.1	3.8%	7.1%
Exchange result, net	-0.3	-2.5	-13.1	n.m.	n.m.
Balance at the end of the quarter	**-716.2**	**-765.3**	**-787.7**	**2.9%**	**10.0%**
Past due loans / Total loans	**1.9%**	**1.9%**	**1.9%**	**0 bps**	**0 bps**
Coverage ratio	**244.0%**	**226.2%**	**225.9%**		

The ratio of past due loans to total loans remained stable QoQ and YoY, at 1.9%. The coverage ratio of the past-due loan portfolio decreased, from 244.0% in 2Q12 and 226.2% in 1Q13 to 225.9% in 2Q13.

FEE INCOME FROM FINANCIAL SERVICES

Fee income increased 5.7% QoQ due to higher fees from services and other fees, partially offset by higher expenses relating to financial services. The increases in service fees and related expenses were due to a higher volume of credit life insurance on credit card loans. The growth in other fees was due to higher loan structuring fees.

Fee income declined 5.8% YoY as the result of higher expenses relating to credit life insurance on credit card loans and lower fees from loan structuring, corporate finance and account statement delivery, partially offset by an increase in fees from credit life insurance.

Fee Income from Financial Services, Net					
S/. million				% chg	% chg
	2Q12	1Q13	2Q13	QoQ	YoY
Fees from services	65.7	68.6	79.2	15.5%	20.6%
Contingent operations	11.2	12.9	11.0	-14.4%	-1.4%
Fees from collections and payment services	4.9	4.9	4.5	-8.8%	-8.7%
Other fees	25.3	16.2	21.3	31.4%	-16.1%
Total	**107.1**	**102.5**	**116.0**	**13.1%**	**8.3%**
Expenses relating to financial services	-38.5	-41.4	-51.4	24.0%	33.3%
Fee income from financial services, net	**68.6**	**61.1**	**64.6**	**5.7%**	**-5.8%**

RESULTS FROM FINANCIAL OPERATIONS

Results from financial operations increased S/. 12.2 million QoQ due to increases of S/. 13.9 million in gains on the sale of investments and S/. 1.7 million in exchange and derivative gains, partially offset by a S/. 3.4 million decrease in income from participation in subsidiaries.

Gains on the sale of investments increased QoQ mainly due to increases of S/. 10.3 million in non-recurring gains on the sale of equity investments and S/. 7.8 million in dividends received on the investment portfolio, partially offset by lower gains on fixed income investments. The lower gains in fixed income were due to a S/. 5.5 million gain on the sale of these investments in 1Q13 that was not repeated in 2Q13.

Exchange and derivative gains increased QoQ due to increases of S/. 18.5 million in income from foreign currency derivatives and S/. 5.0 million from trading activity with clients, partially offset by losses of S/. 11.7 million in forwards and S/. 9.9 million on Interbank's own exchange position.

The QoQ decrease in income from participation in subsidiaries was due to a decrease in results from Interfondos, a subsidiary of Interbank dedicated to mutual fund management. In 1Q13, Interfondos had realized non-recurring gains of S/. 5.5 million that were not repeated in 2Q13.

Results from financial operations grew by S/. 42.4 million YoY as a result of a S/. 43.1 million increase in gains on the sale of investments, partially offset by a S/. 3.1 million decline in exchange and derivative gains.

Gains on the sale of investments increased YoY due to non-recurring gains of S/. 43.5 million from the sale of equity investments and higher dividends received on the investment portfolio in 2Q13.

The decline in exchange gains YoY was due to losses of S/. 32.9 million in forwards and S/. 23.0 million on Interbank's own exchange position, partially offset by a S/. 42.5 million increase in income from foreign currency derivatives.

Result from Financial Operations, Net					
S/. million				**% chg**	**% chg**
	2Q12	**1Q13**	**2Q13**	**QoQ**	**YoY**
Gains on sale of investments, net	18.6	47.8	61.7	29.0%	n.m.
Exchange and derivative gains (losses)	41.7	36.8	38.5	4.7%	-7.5%
Income from participation in subsidiaries	8.0	13.9	10.4	-24.8%	30.4%
Other	-0.1	-0.1	-0.1	7.3%	-12.9%
Result from financial operations, net	**68.1**	**98.4**	**110.6**	**12.3%**	**62.3%**

ADMINISTRATIVE EXPENSES

Administrative expenses increased 7.5% QoQ and 9.2% YoY. The QoQ growth was due to increases of 10.4% in expenses for services received from third parties and 4.8% in personnel expenses. The growth in expenses for third party services was due to higher expenses related to advertising, maintenance and technology projects. The increase in personnel expenses was explained by higher variable compensation costs.

The YoY increase was mainly attributed to growths of 12.3% in personnel expenses and 6.5% in expenses for third party services. The increase in personnel expenses was due to higher expenses for wages and salaries, which were explained by a rise in total headcount, and to higher variable compensation costs. The increase in third party services was mainly due to lower expenses related to advertising, maintenance, and property leases.

The efficiency ratio was 47.9% in 2Q13, above the 47.2% reported in 1Q13 and the 47.5% registered in 2Q12.

Administrative Expenses					
S/. million				**% chg**	**% chg**
	2Q12	**1Q13**	**2Q13**	**QoQ**	**YoY**
Personnel and board of directors expenses	-111.4	-119.4	-125.0	4.8%	12.3%
Services received from third parties	-123.9	-119.5	-132.0	10.4%	6.5%
Taxes and contributions	-6.0	-6.1	-6.5	5.6%	7.8%
Total	**-241.3**	**-245.0**	**-263.5**	**7.5%**	**9.2%**
Efficiency ratio	**47.5%**	**47.2%**	**47.9%**	**70 bps**	**40 bps**

OTHERS

Depreciation and amortization expenses remained stable QoQ and increased 5.8% YoY. The YoY increase was mainly due to higher amortization costs for new software systems.

Other income decreased 19.3% QoQ due to a decrease in extraordinary income, partially offset by the voluntary constitution of provisions for doubtful commercial loans in 1Q13, which was not repeated in 2Q13.

Other income decreased 36.8% YoY mainly due to lower reversals of voluntary provisions for doubtful retail loans and for foreign exchange risk.

Other Income (Expenses)					
S/. million	2Q12	1Q13	2Q13	% chg QoQ	% chg YoY
Depreciation	-17.0	-17.9	-17.3	-3.1%	1.6%
Amortization	-7.2	-7.9	-8.4	5.8%	15.6%
Total depreciation and amortization	**-24.3**	**-25.8**	**-25.7**	**-0.4%**	**5.8%**
Income (expenses) from recoveries	4.6	14.6	5.8	-60.5%	24.8%
Provisions for contingencies and other provisions	5.8	-6.5	0.8	n.m.	-86.0%
Other Income (Expenses)	**10.4**	**8.2**	**6.6**	**-19.3%**	**-36.8%**
Total	**-13.9**	**-17.6**	**-19.1**	**8.4%**	**37.8%**

CAPITALIZATION

The ratio of regulatory capital to risk-weighted assets was 14.5% in 2Q13, below the 15.0% reported in 1Q13 and the 14.8% registered in 2Q12. The QoQ decrease was due to a 5.6% increase in risk-weighted assets (RWA), which was driven by loan growth, partially offset by a 2.0% increase in regulatory capital. The growth in regulatory capital was explained by a 7.5% depreciation of the Nuevo Sol against the U.S. dollar, which led to an increase in the value of hybrid and subordinated bonds issued in dollars, and by the growth in the stock of provisions.

The YoY decrease in the capital ratio was due to a 17.4% increase in RWA, partially offset by a 15.4% growth in regulatory capital. The YoY increase in RWA was explained by sustained loan growth and by scheduled regulatory adjustments to the calculation of RWA. 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%.

The YoY increase in regulatory capital was the result of two factors. The first was the capitalization of S/. 221.5 million in earnings over the last 12 months. The second factor was the issuance of a S/. 150.0 million subordinated bond in January 2013.

As a result of the YoY increase in core capital, the limit on hybrid debt that can qualify as Tier I was raised. Consequently, an additional S/. 39.0 million from a US$200 million junior subordinated bond issued in 2010 was incorporated into Interbank's Tier I capital. As of June 30, 2013, 70.0% of this issuance was considered Tier I capital. The remaining 30.0% of the bond qualified as Tier II capital, and will be incorporated into Tier I gradually, in line with the growth in Interbank's core capital.

As of June 30, 2013, Interbank's capital ratio of 14.5% was 340 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 June 30, 2013.

Capitalization					
S/. million				**% chg**	**% chg**
	2Q12	**1Q13**	**2Q13**	**QoQ**	**YoY**
Tier I capital	2,173.2	2,433.5	2,433.7	0.0%	12.0%
Tier II capital	640.0	748.2	812.2	8.6%	26.9%
Total regulatory capital	2,813.2	3,181.7	3,245.9	2.0%	15.4%
Risk-weighted assets	19,043.6	21,161.7	22,354.5	5.6%	17.4%
BIS ratio	**14.8%**	**15.0%**	**14.5%**	**-50 bps**	**-30 bps**
Tier I capital / risk-weighted assets	**11.4%**	**11.5%**	**10.9%**	**-60 bps**	**-50 bps**

Interseguro

SUMMARY

Interseguro's net earnings reached S/. 17.1 million in 2Q13, a 69.3% decrease QoQ and a 86.0% decrease YoY. The annualized ROE was 15.6% in 2Q13, below the 40.0% reported in 1Q13 and the 138.0% registered in 2Q12.

The QoQ decrease in net earnings was attributable to a S/. 44.6 million decrease in investment income, partially offset by a S/. 3.7 million reduction in the technical margin loss and a S/. 2.3 million decline in administrative expenses. The decrease in investment income was mostly explained by a S/. 40.8 million non-recurring gain on the sale of real estate investments reported in 1Q13, which included the Piura Mall and New Chimbote property. In 2Q13 investment income was also affected by a S/. 13.3 million exchange loss, partially offset by a S/. 11.7 million increase in returns on equity and mutual fund investments.

The YoY decline in net earnings was due to a S/. 105.9 million reduction in investment income, explained by a S/. 106.3 million non-recurring gain on the sale of real estate investments reported in 2Q12, which included the Real Plaza Mall in Chiclayo and the north wing of Real Plaza Primavera Mall in Lima.

Profit and Loss Statement Summary

S/. million	2Q12	1Q13	2Q13	% chg QoQ	% chg YoY
Premiums	106.3	134.0	136.8	2.1%	28.7%
Premiums ceded	-1.2	-1.2	-1.4	16.8%	22.3%
Fees	-3.6	-4.1	-11.7	188.7%	226.6%
Claims	-40.3	-39.1	-42.6	8.9%	5.6%
Change in reserves	-85.8	-113.8	-101.5	-10.8%	18.4%
Diverse Income, net	-0.3	0.1	0.1	n.m.	m.m.
Technical margin	**-24.9**	**-24.0**	**-20.3**	**-15.4%**	**-18.2%**
Administrative expenses	-15.9	-22.1	-19.8	-10.3%	24.8%
Investment income, net*	163.2	101.9	57.3	-43.8%	-64.9%
Net income	**122.5**	**55.8**	**17.1**	**-69.3%**	**-86.0%**
ROE	**138.0%**	**40.0%**	**15.6%**		

* Includes exchange rate difference

PREMIUMS

Premiums in 2Q13 were S/. 136.8 million, a 2.1% increase QoQ and a 28.7 rise% YoY.

The QoQ growth was mainly explained by higher group life premiums as S/. 7.0 million in premiums related to the credit card business accumulated since the beginning of the year were recognized in 2Q13. Annuity sales remained high although slightly below those registered in 1Q13.

The YoY increase was mainly attributable to increases in annuity premiums and group life premiums. Higher annuity sales were due to a 23.1% market expansion as well as a 90 bps increase of Interseguro's market share. The increase in group life premiums was due to the previously mentioned reason.

Premiums by Business Line					
S/. million				% chg	% chg
	2Q12	1Q13	2Q13	QoQ	YoY
Individual Life	6.6	7.9	9.5	19.3%	43.6%
Annuities	76.9	104.6	93.6	-10.5%	21.8%
Group Life	13.7	12.1	24.4	101.6%	77.8%
Disability and survivor benefits	0.1	0.0	0.0	n.m.	n.m.
Mandatory traffic accident	5.9	6.2	5.9	-5.3%	-0.4%
Non Life Insurance	3.2	3.1	3.5	11.5%	10.0%
TOTAL	**106.3**	**134.0**	**136.8**	**2.1%**	**28.7%**

RESERVES, CLAIMS AND OPERATING EXPENSES

Change in reserves decreased 10.8% QoQ but increased 18.4% YoY. This was in line with annuity sales in 2Q13.

Change in Reserves by Business Line					
S/. million				% chg	% chg
	2Q12	1Q13	2Q13	QoQ	YoY
Individual Life	1.4	2.3	1.4	-37.3%	5.7%
Annuities	84.5	110.3	99.2	-10.0%	17.5%
Group Life	0.0	0.5	0.3	-52.0%	n.m.
Mandatory traffic accident	-0.3	0.5	0.1	-68.7%	n.m.
Non Life Insurance	0.2	0.2	0.5	134.8%	113.8%
TOTAL	**85.8**	**113.8**	**101.5**	**-10.8%**	**18.4%**

Claims increased 8.9% QoQ and 5.6% YoY. Both increases were basically explained by higher claims in annuities and higher payments in group life. The rise in annuity claims was due to higher pensions, in line with a higher number of affiliates. The increase in group life payments was due to higher credit life insurance claims.

Claims by Business Line					
S/. million				% chg	% chg
	2Q12	1Q13	2Q13	QoQ	YoY
Individual Life	0.5	0.6	0.8	29.4%	57.6%
Annuities	26.5	28.6	30.4	6.4%	15.1%
Group Life	4.1	4.7	6.9	46.5%	68.5%
Disability and survivor benefits	6.8	2.5	1.9	-22.0%	-71.6%
Mandatory traffic accident	2.4	2.6	2.4	-8.6%	-2.2%
Non Life Insurance	0.1	0.1	0.2	45.5%	81.3%
TOTAL	**40.3**	**39.1**	**42.6**	**8.9%**	**5.6%**

As a result of the factors described above, the technical margin was S/. -20.3 million in 2Q13, compared to S/. -24.0 million in 1Q13 and S/. -24.9 million in 2Q12.

Administrative expenses decreased S/. 2.3 million QoQ but increased S/. 3.9 million YoY. The YoY growth was explained by higher personnel expenses due to an increase of Interseguro's workforce in line with business growth.

INVESTMENT INCOME

Investment income decreased 43.8% QoQ and 64.9% YoY.

The QoQ decrease was explained by a 91.3% decline in real estate income attributable to a S/. 40.8 million non-recurring gain on the sale of property reported in 1Q13. Furthermore, in 2Q13 Interseguro registered a S/. 13.3 million loss due to currency depreciation, partially offset by a S/. 11.7 million increase in returns on equity and mutual fund investments.

The YoY decrease was explained by a 96.3% decline in real estate income, mainly due to a S/. 106.3 million non-recurring gain on the sale of property reported in 2Q12. Excluding non-recurring items, investment income would have increased 0.7% YoY.

Investment Income, Net					
S/. million				**% chg**	**% chg**
	2Q12	**1Q13**	**2Q13**	**QoQ**	**YoY**
Income:					
Fixed Income	38.1	43.7	47.7	9.3%	25.3%
Interest	29.8	33.4	37.2	11.5%	24.9%
Realized Gains	8.3	10.3	10.5	2.2%	26.8%
Equity and Mutual Funds	10.2	10.8	22.5	108.4%	120.1%
Real estate	119.6	51.5	4.5	-91.3%	-96.3%
Total Income	168.0	106.0	74.7	-29.5%	-55.5%
Expenses	-0.7	-0.9	-1.1	24.6%	57.8%
Exchange difference and others	-4.1	-3.1	-16.4	n.m.	n.m.
Net income	**163.2**	**101.9**	**57.3**	**-43.8%**	**-64.9%**

Interseguro's investment portfolio grew 1.2% QoQ and 13.0% YoY driven by higher premium sales and the price appreciation of Interseguro's overall portfolio.

In the case of the real estate portfolio, the QoQ increase was due to a capital contribution in Interproperties' certificates for investments in Pucallpa and an increase of CAPEX in Sullana's property.

Investment Portfolio					
S/. million				**% chg**	**% chg**
	2Q12	**1Q13**	**2Q13**	**QoQ**	**YoY**
Fixed Income	2,218.0	2,388.0	2,461.0	3.1%	11.0%
Equity and Mutual Funds	272.4	481.2	425.0	-11.7%	56.0%
Real estate	385.7	343.3	363.7	5.9%	-5.7%
Other	5.1	4.7	4.9	5.5%	-2.7%
TOTAL	**2,881.1**	**3,217.2**	**3,254.6**	**1.2%**	**13.0%**