Intercorp Financial Services Inc.
Reports Third Quarter 2012 Earnings

Lima, Peru, October 30, 2012. Intercorp Financial Services Inc. (Bolsa de Valores de Lima: IFS) announced today its unaudited results for the third quarter 2012. 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/. 158.5 million in 3Q12, a decrease of 34.8% QoQ and 21.0% YoY. Excluding non-recurring items, net earnings would have been S/. 166.8 million in 3Q12, an increase of 27.7% QoQ and 15.2% YoY
- In 2Q12, Interseguro reported S/. 106.3 million non-recurring gains in real estate property sales
- In 3Q11, non recurring items included a recovery from a loan write-off at Interbank and extraordinary investment income at Interbank, Interseguro and IFS
- Recurring ROE at IFS was 26.3% in 3Q12, above the 22.6% in 2Q12, but below the 28.8% in 3Q11

Interbank:

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

Interseguro:

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

Intercorp Financial Services

Net earnings (attributable to IFS shareholders) were S/. 158.5 million in 3Q12, a 34.8% decrease QoQ and a 21.0% decline YoY. When excluding non-recurring items, net earnings increased 27.7% QoQ and 15.2% YoY. IFS recurring ROE was 26.3% in 3Q12, above the 22.6% in 2Q12, but below the 28.8% in 3Q11.

Intercorp Financial Services' Profit and Loss Statement Summary

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

Intercorp Financial Services' Recurring Profit and Loss Statement Summary

S/. million	3Q11	2Q12	3Q12	%chg QoQ	%chg YoY
Reported net eanings	**200.5**	**243.0**	**158.5**	**-34.8%**	**-21.0%**
Non-recurring income:					
IFS	-16.3	0.0	15.5	n.m.	n.m.
Interbank	-37.2	-6.1	-7.2	18.1%	-80.6%
Interseguro	-2.2	-106.3	0.0	n.m.	n.m.
Total non-recurring income	**-55.8**	**-112.4**	**8.3**	**n.m.**	**n.m.**
Recurring net earnings	**144.8**	**130.6**	**166.8**	**27.7%**	**15.2%**
Recurring ROE	28.8%	22.6%	26.3%		

In 3Q11, 2Q12 and 3Q12, net earnings were affected by non-recurring factors. In 3Q11, these factors totaled S/. 55.8 million and were explained mainly by S/. 34.3 million after tax-investment income at Interbank, Interseguro and IFS, as well as a loan write-off recovery at Interbank for S/. 19.5 million in after-tax income. In 2Q12, these factors included S/. 106.3 million investment income at Interseguro due to real estate property sales and S/. 6.1 million after-tax investment income at Interbank. In 3Q12, a S/. 15.5 million reversal in gains from the sale of investments from Interbank to IFS was considered non-recurring, as well as S/. 7.3 million after-tax investment income at Interbank.

Intercorp Financial Services' Balance Sheet Summary					
S/. million				%chg	%chg
	3Q11	2Q12	3Q12	QoQ	YoY
Cash and due from banks	3,165.2	5,031.3	5,560.2	10.5%	75.7%
Investments, net	4,703.5	5,435.6	4,635.2	-14.7%	-1.5%
Loan portfolio, net	12,732.8	14,097.3	14,546.9	3.2%	14.2%
Fixed assets, net	453.5	439.9	441.0	0.2%	-2.7%
Other assets	918.4	905.3	917.8	1.4%	-0.1%
Total Assets	**21,973.4**	**25,909.5**	**26,101.1**	**0.7%**	**18.8%**
Deposits and obligations	12,145.7	15,117.2	14,601.5	-3.4%	20.2%
Due to banks	1,984.1	2,446.4	2,485.9	1.6%	25.3%
Bonds and obligations	2,929.1	2,731.4	3,266.7	19.6%	11.5%
Technical reserves for premiums and claims	2,136.2	2,345.7	2,402.2	2.4%	12.5%
Other liabilities	663.4	811.0	700.5	-13.6%	5.6%
Total Liabilities	**19,858.4**	**23,451.7**	**23,456.8**	**0.0%**	**18.1%**
IFS shareholders' equity	2,102.3	2,443.1	2,628.1	7.6%	25.0%
Minority interest	12.6	14.6	16.1	10.3%	27.5%
Total shareholders' equity	**2,115.0**	**2,457.8**	**2,644.3**	**7.6%**	**25.0%**

Quarter-on-quarter performance

Net earnings decreased 34.8% QoQ, mainly due to strong non-recurring investment income reported by Interseguro in 2Q12. When excluding non-recurring items, net earnings rose 27.7% as a result of higher financial income, lower provisions and lower administrative expenses at Interbank, partially offset by a decline in other income.

Financial income declined 13.4%, explained by decreases of S/. 103.8 million in net investment income at Interseguro and S/. 8.6 million in investment income at Interbank, partially offset by increases of S/. 5.4 million in exchange gains and S/. 4.4 million in interest on loans at Interbank. The decrease in net investment income at Interseguro was due to a S/. 106.3 million non-recurring gain on the sale of real estate investments registered in 2Q12.

Financial expenses decreased 1.1% QoQ as a result of declines in interest paid on deposits and due to banks, partially offset by an increase in interest on bonds.

Provision expenses declined 26.9%, mainly due to the reversal of provisions for internal alignment of client ratings.

Fee income decreased 5.0% QoQ, due to lower fees from credit and debit cards.

Interseguro's loss from insurance underwriting decreased 12.2% as a result of S/. 3.4 million increase in the elimination of fees paid by Interseguro to Interbank related to the sale of premiums, partially offset by higher reserves linked to an increase in annuity sales. The rise in annuity sales was attributed to an estimated 26.5% market growth.

Administrative expenses declined 7.4% QoQ mainly due to the transfer of two subsidiaries of Interseguro, Real Plaza S.R.L. and Interproperties Peru S.A., to InRetail Real Estate Corp., a subsidiary of InRetail Peru Corp., as a result of a reorganization plan implemented in August 2012. Due to this reorganization, S/.

15.3 million in administrative expenses related to these subsidiaries were not accounted for in 3Q12.

Other income decreased 90.4% mainly due to the elimination of other income from the transferred subsidiaries.

Intercorp's effective tax rate rose from 13.9% in 2Q12 to 25.4% in 3Q12, 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 the normalization of Interbank's effective tax rate, which was unusually low in 2Q12, increasing from 21.0% in 2Q12 to 24.5% in 3Q12.

Year-on year performance

Net earnings decreased 21.0% YoY due to a decline in other income, partially offset by a higher gross financial margin. When excluding non-recurring items net earnings rose 15.2%. Non-recurring items were related to a recovery from a loan write-off in 3Q11 and extraordinary investment income at Interbank, Interseguro and IFS.

Financial income rose 4.4% driven by increases of 8.4% in interest on loans and 96.9% in exchange gains at Interbank, partially offset by decreases in investment income of 23.5% at Interbank and 9.9% at Interseguro.

Financial expenses increased 4.1% YoY due to growth in interest on deposits, partially offset by decreases in interest on due to banks and other financial expenses at Interbank.

Provision expenses increased 4.0% due to growth in the loan portfolio.

Fee income declined 3.9% YoY as a result of higher expenses associated with fee generation and a reduction in commissions from credit and debit cards, partially offset by growth in loan structuring and account maintenance fees at Interbank.

Interseguro's loss from insurance underwriting increased 39.0% driven by higher claims and reserves, partially offset by higher group life premiums.

Administrative expenses increased 2.2% YoY due to higher advertising costs, property leases and personnel at Interbank, and the implementation of technology projects at Interseguro.

Other income decreased 94.6% due to lower income from recoveries at Interbank and the elimination of other income from the transferred subsidiaries. In 3Q11, income from recoveries was unusually high as a result of a S/. 26.3 million recovery from a loan write-off at Interbank.

Intercorp's effective tax rate rose from 24.5% in 3Q11 to 25.4% in 3Q12 due to a lower contribution to net earnings from Interseguro, whose investment income is tax-exempt.

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				%chg	%chg
	3Q11	**2Q12**	**3Q12**	**QoQ**	**YoY**
Interbank	162.5	141.9	158.1	11.4%	-2.7%
Interseguro	33.9	122.4	17.2	-86.0%	-49.4%
IFS accounts:					
Return on investment portfolio	17.8	2.3	7.6	232.5%	-57.1%
Exchange gains (loss)	-5.9	1.3	4.2	220.2%	n.m.
Taxes on dividends	-3.1	-3.3	-3.8	16.0%	23.7%
Other income (expenses)	-6.0	-8.8	-10.0	14.1%	65.5%
Consolidation adjustments	1.4	-12.9	-14.8	14.6%	n.m.
Total	**200.5**	**243.0**	**158.5**	**-34.8%**	**-21.0%**

Interbank

SUMMARY

Interbank's net earnings were S/. 159.2 million in 3Q12, an 11.4% growth QoQ and a 2.7% decline YoY. The QoQ growth was due to a 1.8% increase in gross financial margin and a 26.9% decrease in provision expenses, partially offset by a 4.4% increase in administrative expenses and a higher effective tax rate, which was unusually low in 2Q12.

The YoY decline was due to a 12.0% growth in administrative expenses and a 59.1% decrease in other income, despite a 12.2% increase in gross financial margin. In 3Q11, non-recurring gains were realized as the result of a recovery from a loan write-off and the sale of investments, resulting in after-tax income of S/. 37.5 million. In 3Q12, extraordinary gains on the sale of investments totaled S/. 7.3 million after taxes. Excluding such non-recurring items, net earnings would have grown 20.5% YoY.

Interbank's ROE was 29.8% in 3Q12, above the 28.6% reported in 2Q12, but below the 38.7% reported in 3Q11.

Interbank's Profit and Loss Statement Summary

S/. million	3Q 11	2Q 12	3Q 12	% chg QoQ	% chg YoY
Financial income	521.7	568.9	571.2	0.4%	9.5%
Financial expenses	-129.4	-136.5	-130.8	-4.1%	1.2%
Gross financial margin	**392.3**	**432.4**	**440.3**	**1.8%**	**12.2%**
Provisions	-99.9	-142.0	-103.9	-26.9%	4.0%
Net financial margin	**292.4**	**290.4**	**336.5**	**15.9%**	**15.1%**
Fee income from financial services, net	135.2	134.4	132.6	-1.3%	-1.9%
Administrative expenses	-224.9	-241.3	-251.9	4.4%	12.0%
Net operating margin	**202.7**	**183.4**	**217.2**	**18.4%**	**7.2%**
Depreciation and amortization	-22.6	-24.3	-24.8	2.2%	9.9%
Other income (expenses)	45.5	21.7	18.6	-14.4%	-59.1%
Income before taxes	**225.6**	**180.9**	**211.0**	**16.7%**	**-6.5%**
Income tax	-62.0	-38.0	-51.8	36.4%	-16.4%
Net income	**163.7**	**142.9**	**159.2**	**11.4%**	**-2.7%**
ROE	**38.7%**	**28.6%**	**29.8%**	**120 bps**	**-890 bps**

Summary of Non-Recurring Items					
S/. million				% chg	% chg
Net of taxes	3Q 11	2Q 12	3Q 12	QoQ	YoY
Net Income	**163.7**	**142.9**	**159.2**	**11.4%**	**-2.7%**
Less Non-Recurring Items:					
Investment Income	-15.9	-6.2	-7.3	18.1%	-54.4%
Fee Income	-1.9	0.0	0.0	n.m.	n.m.
Recoveries	-19.7	0.0	0.0	n.m.	n.m.
Total Non-Recurring Items	**-37.5**	**-6.2**	**-7.3**	**18.1%**	**-80.6%**
Recurring Net Income	**126.2**	**136.8**	**152.0**	**11.1%**	**20.5%**
Recurring ROE	**29.8%**	**27.4%**	**28.4%**	**100 bps**	**-140 bps**

INTEREST-EARNING ASSETS

Interbank's interest-earning assets reached S/. 22,092.6 million in 3Q12, an increase of 0.5% QoQ and 22.1% YoY.

The QoQ increase was due to growth rates of 12.8% in cash and 3.2% in loans, partially offset by a 32.8% decline in investments. The rise in cash was the result of two factors. The first was an increase in Central Bank deposits, as a result of a 50 basis point increase in reserve requirements on local and foreign currency, effective September 2012. The second was the replacement of certificates of deposit from the Central Bank, which are registered as investments, with overnight deposits in the same institution, which are registered as cash. Furthermore, US$250 million in senior bonds were issued in late September 2012, which contributed to a temporary excess of liquidity. The decrease in investments was explained by three factors. The first was the replacement of CDBCRP with overnight deposits at the BCRP. The second was the redemption of a fixed income investment held by the bank. The third was the sale of equity investments.

The YoY growth in interest-earnings assets was mainly due to increases of 75.1% in cash and 14.2% in loans. The increase in cash was the result of higher reserve requirements enacted in 2012 and an increase in overnight deposits in the Central Bank.

Interest-Earning Assets					
S/. million				% chg	% chg
	3Q 11	2Q 12	3Q 12	QoQ	YoY
Cash and due from banks	3,126.7	4,855.9	5,475.2	12.8%	75.1%
Investments, net	2,124.9	2,908.6	1,955.2	-32.8%	-8.0%
Loan portfolio, net	12,740.5	14,097.4	14,546.9	3.2%	14.2%
Other interest earning assets	106.7	116.3	115.4	-0.8%	8.1%
Total interest earnings assets	**18,098.8**	**21,978.3**	**22,092.6**	**0.5%**	**22.1%**

Loan Portfolio					
S/. million				**% chg**	**% chg**
	3Q 11	**2Q 12**	**3Q 12**	**QoQ**	**YoY**
Performing loans:					
Retail	6,603.0	7,533.8	7,713.2	2.4%	16.8%
Commercial	6,509.4	6,953.5	7,197.8	3.5%	10.6%
Total performing loans	**13,112.4**	**14,487.3**	**14,911.0**	**2.9%**	**13.7%**
Restructured and refinanced loans	82.2	87.5	96.2	10.0%	17.0%
Past due loans	210.5	270.5	280.2	3.6%	33.1%
Gross loans	**13,405.1**	**14,845.3**	**15,287.4**	**3.0%**	**14.0%**
Add (less)					
Accrued and deferred interest	-110.7	-89.2	-82.1	-7.9%	-25.8%
Allowance for loan losses	-554.0	-658.7	-658.4	-0.1%	18.8%
Total direct loans, net	**12,740.5**	**14,097.4**	**14,546.9**	**3.2%**	**14.2%**

Performing loans increased 2.9% QoQ. Commercial loans grew 3.5% in 3Q12, the second consecutive quarter of growth after having decreased in 1Q12. By the end of 3Q12, the commercial portfolio had fully recovered from this decline, reaching a record volume in terms of outstanding balances. Retail loans rose 2.4%, mainly due to an increase of 6.7% in mortgages. Growth in mortgage loans was the result of continued demand for new housing and successful commercial efforts at Interbank, which drove our market share to continue expanding, from 12.4% in 2Q12 to 12.6% in 3Q12. Other consumer loans increased 3.6% driven mainly by payroll-deduction loans. Credit cards loans decreased 4.2% as a result of higher competition in the segment and tighter credit policies at Interbank.

Performing loans grew 13.7% YoY. Retail loans increased 16.8%, mainly due to growth rates of 27.4% in mortgages, 15.7% in other consumer loans, and 6.5% in credit cards. Commercial loans increased 10.6% YoY as a result of growth in a wide range of products, such as medium-term loans, leasing, discounts, and factoring.

Breakdown of Performing Retail Loans					
S/. million				**% chg**	**% chg**
	3Q 11	**2Q 12**	**3Q 12**	**QoQ**	**YoY**
Consumer loans:					
Credit cards	1,993.8	2,217.9	2,124.4	-4.2%	6.5%
Other consumer	2,409.1	2,689.0	2,786.8	3.6%	15.7%
Total consumer loans	**4,402.9**	**4,906.9**	**4,911.2**	**0.1%**	**11.5%**
Mortgages	2,200.1	2,626.9	2,802.0	6.7%	27.4%
Total retail loans	**6,603.0**	**7,533.8**	**7,713.2**	**2.4%**	**16.8%**

FUNDING STRUCTURE

Funding Structure					
S/. million				% chg	% chg
	3Q 11	2Q 12	3Q 12	QoQ	YoY
Deposits and obligations	12,176.0	15,322.4	14,701.2	-4.1%	20.7%
Due to banks	2,262.8	2,906.6	2,814.8	-3.2%	24.4%
Bonds	2,124.0	2,166.3	2,752.6	27.1%	29.6%
Inter-bank funds	271.0	57.8	105.8	82.9%	-61.0%
Total	**16,833.8**	**20,453.1**	**20,374.4**	**-0.4%**	**21.0%**
AUM (Interfondos)	2,089.5	2,269.8	2,550.0	12.3%	22.0%
% of funding					
Deposits and obligations	72.3%	74.9%	72.2%		
Due to banks and inter-bank funds	15.1%	14.5%	14.3%		
Bonds	12.6%	10.6%	13.5%		

Interbank's total funding remained stable QoQ, in line with interest-earning assets. However, there were significant changes in 3Q12 which strengthened the bank's funding structure. This was reflected by a S/. 586.4 million increase in bonds, which was offset by a S/. 621.2 million decrease in deposits.

Interbank issued US$250 million in senior bonds in late September 2012. The transaction consisted of the reopening of a US$400 million bond issue placed in October 2010. The additional funding was priced at a rate of 4.80% and was used to replace deposits, mainly institutional, as well as funding from correspondent banks. In addition, the new issue allowed the bank to more closely match maturities of dollar-denominated assets and liabilities, and will help finance loan growth in following months.

Due to banks decreased 3.2% QoQ as a result of an 8.1% decline in funding from correspondent banks, partially offset by an 8.5% growth in local funding. Local funding was mainly used to fund mortgage loans granted under government-sponsored housing programs.

The bank's funding base grew 21.0% YoY due to increases of 20.7% in deposits, 29.6% in bonds and 24.4% in due to banks. The growth in deposits was attributed to increases of 82.9% in institutional deposits, 6.9% in retail deposits, and 4.0% in commercial deposits. Before 3Q12, institutional deposits had been growing at a higher rate than retail and commercial deposits since 3Q11. As a result, the proportion of institutional deposits to total deposits increased from 19.5% in 3Q11 to 29.6% in 3Q12, but decreased from the 31.8% reported in 2Q12.

The increase in bonds was explained by two new bond issues, including the US$250 million senior bond issue previously mentioned and a S/. 137.9 million subordinated bond issue placed in June 2012. The increase in outstanding bond volume was partially offset by two factors. The first was a 6.7% appreciation in the Nuevo Sol against the U.S. dollar, which caused a decrease in the value of bonds issued in dollars. Dollar-denominated bonds represented 85.5% of total bonds. The second factor was the payment of US$5.0 million in subordinated bonds and US$2.2 million in mortgage bonds over the last 12 months.

The 24.4% YoY increase in due to banks was explained by growth rates of 23.5% in funding from correspondent banks and 26.3% in local funding.

Breakdown of Deposits					
S/. million				% chg	% chg
	3Q 11	2Q 12	3Q 12	QoQ	YoY
By Customer Segment					
Retail	5,602.3	6,061.7	5,990.2	-1.2%	6.9%
Commercial	4,196.3	4,388.8	4,363.8	-0.6%	4.0%
Institutional	2,377.4	4,871.9	4,347.2	-10.8%	82.9%
Total	**12,176.0**	**15,322.4**	**14,701.2**	**-4.1%**	**20.7%**
By Type:					
Demand	3,433.3	3,590.5	3,546.2	-1.2%	3.3%
Savings	3,981.2	4,186.5	4,225.0	0.9%	6.1%
Time	4,761.5	7,545.5	6,930.0	-8.2%	45.5%
Total	**12,176.0**	**15,322.4**	**14,701.2**	**-4.1%**	**20.7%**

FINANCIAL MARGIN

Financial Margin					
S/. million				% chg	% chg
	3Q 11	2Q 12	3Q 12	QoQ	YoY
Financial income	521.7	568.9	571.2	0.4%	9.5%
Financial expenses	-129.4	-136.5	-130.8	-4.1%	1.2%
Gross financial margin	**392.3**	**432.4**	**440.3**	**1.8%**	**12.2%**

Financial Income					
S/. million				% chg	% chg
	3Q 11	2Q 12	3Q 12	QoQ	YoY
Interest and fees on loans	433.4	465.4	469.8	0.9%	8.4%
Investment income	58.6	53.3	44.8	-16.1%	-23.5%
Interest on due from banks and inter-bank funds	3.9	6.0	6.9	14.6%	77.7%
Financial income before exchange gains	495.8	524.8	521.5	-0.6%	5.2%
Exchange and derivatives gains	23.9	41.7	47.0	12.9%	96.9%
Others	2.0	2.4	2.7	9.4%	33.5%
Total Financial Income	**521.7**	**568.9**	**571.2**	**0.4%**	**9.5%**
Average interest earning assets	18,486.8	20,940.7	22,035.4	5.2%	19.2%
Average yield on assets*	11.1%	10.5%	9.8%	-70 bps	-130 bps

*Annualized. Excludes exchange and derivatives gains

Financial Expenses					
S/. million				% chg	% chg
	3Q 11	2Q 12	3Q 12	QoQ	YoY
Interest and fees on deposits and obligations	51.6	63.8	58.0	-9.0%	12.4%
Interest on due to banks and inter-bank funds	33.2	35.1	32.0	-8.8%	-3.5%
Interest on bonds	36.4	34.3	36.4	6.3%	0.1%
Other financial expenses	8.2	3.3	4.4	32.4%	-46.5%
Financial Expenses	**129.4**	**136.5**	**130.8**	**-4.1%**	**1.2%**
Average interest bearing liabilites	17,272.6	19,353.6	20,394.9	5.4%	18.1%
Average cost of funding*	2.8%	2.7%	2.4%	-30 bps	-40 bps

*Annualized. Excludes exchange and derivatives losses

QoQ Performance

Gross financial margin grew 1.8% QoQ as a result of a 0.4% increase in financial income and a 4.1% decrease in financial expenses.

Financial income increased due to growth in exchange gains and interest on loans, partially offset by a decrease in investment income.

Exchange gains rose 12.9% mainly due to an increase of S/. 8.4 million in gains on Interbank's exchange position.

Interest on loans grew 0.9% QoQ due to a 3.6% increase in the average loan volume, partially offset by a decline of 40 basis points in the average yield, from 13.1% in 2Q12 to 12.7% in 3Q12. The higher average volume was attributed to increases of 4.4% in the commercial portfolio and 2.8% in the retail portfolio. In the commercial portfolio, growth was driven by increases of 15.8% in trade finance and 11.1% in small business lending. In the retail portfolio, volumes grew 6.9% in mortgages and 3.4% in other consumer loans, partially offset by a decrease of 2.7% in credit cards. The yield on retail loans declined 70 basis points, mainly due to lower rates on credit cards and a lower proportion of credit card loans within the retail portfolio. The yield on commercial loans rose 10 basis points in 3Q12, the third consecutive quarter in which the return on this portfolio increased.

Investment income decreased 16.1% as a result of lower interest earned on Central Bank certificates of deposit, which was due to declines of 24.2% in the average volume and 30 basis points in the average yield.

The return on average interest-earning assets was 9.8% in 3Q12, below the 10.5% reported in 2Q12, mainly due to the increase in cash, which has a lower yield than the rest of interest-earning assets.

Financial expenses decreased 4.1% QoQ as a result of decreases in interest paid on deposits, due to banks, and inter-bank funds, partially offset by an increase in interest on bonds.

Interest on deposits decreased 9.0% due to a decline of 30 basis points in the average cost, partially offset by a 4.9% growth in the average volume. The lower cost was attributed to a 90 basis point reduction in the average rate on institutional deposits.

The higher average volume was mainly due to increases of 13.5% in institutional deposits and 3.5% in commercial deposits.

Interest on due to banks and inter-bank funds declined 8.8% explained by decreases of 40 basis points in the average cost and 0.2% in the average volume of due to banks. The reduction in the average rate was attributed to a lower proportion of long-term loans from correspondent banks within the funding mix. Lower volume was the result of a 3.6% decrease in funding from correspondent banks, partially offset by an increase of 7.9% in local funding.

Interest on bonds grew 6.3% due to the full quarter effect of S/. 137.9 million in subordinated bonds issued in late June 2012. As mentioned earlier, during September 2012, the bank issued an additional US$250 million in senior bonds due October 2020. This new issue did not have a significant impact on financial expenses in 3Q12.

The average cost of funding declined from 2.7% in 2Q12 to 2.4% in 3Q12, mainly attributable to the lower cost of deposits.

<u>YoY Performance</u>

Gross financial margin rose 12.2% YoY as a result of a 9.5% increase in financial income, partially offset by a 1.2% growth in financial expenses.

Financial income grew due to increases of 8.4% in interest on loans and 96.9% in exchange gains, partially offset by a 23.5% decline in investment income.

Higher interest on loans was explained by a 13.1% increase in the average volume of loans, partially offset by a 30 basis point reduction in the average yield, from 13.0% in 3Q11 to 12.7% in 3Q12. Average loan volume rose due to increases of 18.3% in the retail portfolio and 7.4% in the commercial portfolio. In the retail portfolio, volume growth was driven by increases of 27.9% in mortgages, 13.2% in payroll-deduction loans and 11.8% in credit cards. In the commercial portfolio, volume growth was due to increases of 9.4% in medium-term loans and 6.8% in leasing. The average yield on retail loans decreased 160 basis points due to lower rates on credit cards and payroll-deduction loans, as well as an increase in the proportion of mortgage loans within the portfolio. This proportion increased from 33.3% in 3Q11 to 36.3% in 3Q12. In the commercial portfolio, the average yield improved 10 basis points mainly due to higher rates within the trade finance segment.

Exchange gains rose due to increases of S/. 13.8 million in gains on Interbank's exchange position, S/. 6.6 million from exchange rate forwards, and S/. 4.3 million from trading activity with clients.

Investment income decreased mainly due to lower non-recurring realized gains on the sale of investments. Non-recurring income from investments amounted to S/. 21.4 million in 3Q11, compared to S/. 8.3 million in 3Q12. Excluding non-recurring items, investment income would have declined 1.6%.

The return on average interest-earning assets was 9.8% in 3Q12, 130 basis points below 3Q11, mainly as a result of the lower yield on the loan portfolio and the increase in the proportion of cash.

Financial expenses rose 1.2% YoY due to a growth of 12.4% in interest on deposits, partially offset by decreases of 46.5% in other financial expenses and 3.5% in interest on due to banks and inter-bank funds.

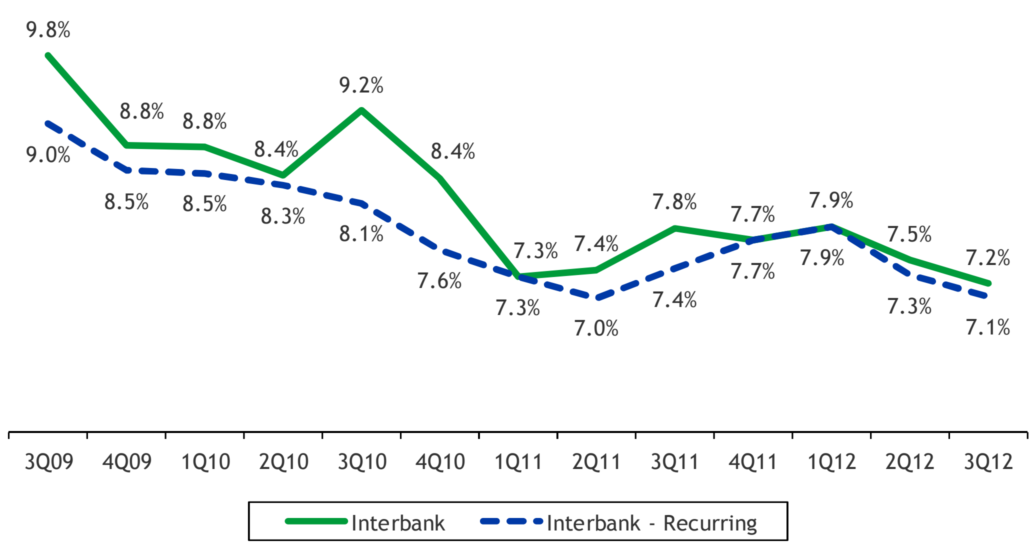
Interest on deposits increased due to a 19.5% growth in the average volume, partially offset by a 10 basis point decrease in the average cost. The rise in volume was due to increases of 62.6% in institutional deposits, 8.3% in retail deposits and 5.7% in commercial deposits. The lower average cost resulted from a 90 basis point decline in the cost of institutional deposits.

Other financial expenses declined as a result of a S/. 4.1 million reduction in losses from derivative products, which are part of the bank's management of the investment portfolio.

Interest on due to banks decreased as a result of an 80 basis point reduction in the average cost, partially offset by a 16.2% growth in the average volume. The decline in average cost was mainly attributed to a 140 basis point reduction in the cost of funding from correspondent banks, partially offset by a 40 basis point rise in the cost of local funding. Higher volume was due to an increase of 29.5% in funding from correspondent banks, as the volume of local funding remained stable.

The average cost of funding fell 40 basis points YoY, from 2.8% in 3Q11 to 2.4% in 3Q12, due to lower rates on due to banks and bonds.

Net Interest Margin*



* Excludes exchange and derivative gains

Net interest margin was 7.2% in 3Q12, below the 7.5% reported in 2Q12 and the 7.8% reported in 3Q11.

PROVISIONS

Provision expenses decreased 26.9% QoQ and increased 4.0% YoY. The QoQ reduction was mainly due to 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. In credit cards, the ratio of past due loans remained stable QoQ at 3.6%, and therefore, the bank reported a lower requirement for new provisions. The YoY increase in provisions was attributed to growth in the loan portfolio. As a result, the ratio of provision expense to average loans was 2.8% in 3Q12, lower than the 3.9% registered in 2Q12 and the 3.0% reported in 3Q11.

Composition of Provision Expense					
S/. million	3Q 11	2Q 12	3Q 12	% chg QoQ	% chg YoY
Provisions recognized as expense	-119.0	-165.1	-125.5	-24.0%	5.5%
Provision recoveries	19.1	23.1	21.7	-6.1%	13.5%
Total provision expense	**-99.9**	**-142.0**	**-103.9**	**-26.9%**	**4.0%**
Provision expense / Average loans	**3.0%**	**3.9%**	**2.8%**	**-110 bps**	**-20 bps**

Provision for Loan Losses					
S/. million	3Q 11	2Q 12	3Q 12	% chg QoQ	% chg YoY
Balance at the beginning of the quarter	-582.7	-669.7	-714.7	6.7%	22.7%
Provision recognized as expense for the period	-119.0	-165.1	-125.5	-24.0%	5.5%
Provision recoveries	19.1	23.1	21.7	-6.1%	13.5%
Write-offs, extinguishment of debt and sales	81.8	97.2	99.0	1.8%	21.1%
Provision of acquired portfolio	0.0	0.0	-0.2	n.m.	n.m.
Exchange result, net	-1.3	-0.2	4.4	n.m.	n.m.
Balance at the end of the quarter	**-602.2**	**-714.7**	**-715.5**	**0.1%**	**18.8%**
Past due loans / Total loans	**1.6%**	**1.8%**	**1.8%**	**0 bps**	**20 bps**
Coverage ratio	**263.1%**	**243.5%**	**234.9%**		

The ratio of past due loans to total loans remained stable at 1.8% in 3Q12. The coverage ratio of the past-due loan portfolio decreased from 243.5% in 2Q12 to 234.9% in 3Q12.

FEE INCOME FROM FINANCIAL SERVICES

Fee income decreased 1.3% QoQ as a result of lower fees from credit and debit cards, partially offset by higher fees from stand-by letters of credit and real estate financing.

Fee income declined 1.9% YoY due to an increase of S /. 5.6 million in expenses associated with fee generation and a reduction of S/. 6.6 million in commissions from credit and debit cards, partially offset by an increase of S/. 7.4 million in loan structuring and account maintenance fees.

Fee Income from Financial Services, Net					
S/. million				% chg	% chg
	3Q 11	2Q 12	3Q 12	QoQ	YoY
Credit and debit cards	54.3	54.2	47.7	-12.1%	-12.2%
Fees from services	55.4	62.5	62.8	0.4%	13.3%
Contingent operations	12.2	11.2	13.1	16.9%	7.2%
Fees from collections and payment services	5.7	4.9	4.8	-3.1%	-17.1%
Other fees	34.0	34.4	36.5	6.0%	7.4%
Total	**161.7**	**167.3**	**164.8**	**-1.5%**	**1.9%**
Expenses relating to financial services	-26.5	-32.9	-32.2	-2.3%	21.3%
Fee income from financial services, net	**135.2**	**134.4**	**132.6**	**-1.3%**	**-1.9%**

ADMINISTRATIVE EXPENSES

Administrative expenses grew 4.4% QoQ and 12.0% YoY. The QoQ increase was due to higher advertising expenses associated with the beginning of renewed marketing efforts and a 3.5% rise in personnel expenses. The higher personnel expenses were due to a 2.8% growth in the average number of employees and higher variable compensation costs.

The YoY growth was attributed to higher costs for advertising and property leases and a 5.0% increase in personnel costs. The rise in personnel expenses was explained by a 4.6% increase in the average number of employees and higher expenses related to social security contributions and variable compensation.

Due to the moderate growth in expenses, the efficiency ratio increased from 46.9% in 3Q11 and 2Q12 to 48.3% in the 3Q12.

Administrative Expenses					
S/. million				% chg	% chg
	3Q 11	2Q 12	3Q 12	QoQ	YoY
Personnel and board of directors expenses	-109.7	-111.4	-115.2	3.5%	5.0%
Services received from third parties	-109.8	-123.9	-130.5	5.3%	18.9%
Taxes and contributions	-5.3	-6.0	-6.1	2.2%	15.3%
Total	**-224.9**	**-241.3**	**-251.9**	**4.4%**	**12.0%**
Efficiency ratio	**46.9%**	**46.9%**	**48.3%**	**140 bps**	**140 bps**

OTHERS

Depreciation and amortization expenses rose 2.2% QoQ and 9.9% YoY. The YoY growth was mainly due to higher amortization for new software systems installed in 2012.

Other income decreased 14.4% QoQ due to higher provisions for foreign exchange risk, partially offset by an increase in income from recoveries.

Other income declined 59.1% YoY due to lower income from recoveries and the higher provisions for foreign exchange risk as previously mentioned. Lower income from recoveries was attributed to an unusually high 3Q11, in which S/. 26.3 million from a loan write-off was recovered.

Other Income (Expenses)					
S/. million				% chg	% chg
	3Q 11	2Q 12	3Q 12	QoQ	YoY
Depreciation	-17.3	-17.0	-17.1	0.5%	-0.8%
Amortization	-5.3	-7.2	-7.7	6.1%	44.8%
Total depreciation and amortization	**-22.6**	**-24.3**	**-24.8**	**2.2%**	**9.9%**
Income (expenses) from recoveries	47.2	18.7	28.3	51.3%	-40.0%
Extraordinary income (expenses)	-3.4	-2.7	-2.6	-2.0%	-22.1%
Provisions for contingencies and other provisions	1.7	5.7	-7.1	n.m.	n.m.
Other Income (Expenses)	**45.5**	**21.7**	**18.6**	**-14.4%**	**-59.1%**
Total	**22.9**	**-2.5**	**-6.2**	**143.4%**	**n.m.**

CAPITALIZATION

The ratio of regulatory capital to risk-weighted assets was 13.9% in 3Q12, below the 14.9% reported in 2Q12 and the 14.6% reported in 3Q11. The quarterly variation was due to a 6.0% increase in risk-weighted assets and a slight decrease of 0.4% in regulatory capital. The growth in risk-weighted assets (RWA) was attributed to 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%.

The yearly decrease in the capital ratio was due to an increase of 24.2% in RWA, partially offset by an 18.5% increase in regulatory capital. The growth in RWA was attributed to loan growth and the regulatory adjustments previously mentioned. The increase in regulatory capital was due to the incorporation of S/. 298.6 million of net earnings in capital and reserves over the past 12 months and the S/. 137.9 million subordinated bond issue completed in June 2012.

As a result of the increase in capital and reserves, the limit on hybrid debt that can qualify as Tier I was raised. Consequently, an additional S/. 52.7 million from a US$200 million junior subordinated bond issued in 2010 was incorporated into Interbank's Tier I capital. As of September 30, 2012, 67.2% of this issuance was considered Tier I capital. The remaining 32.8% of the bond qualified as Tier II capital, and will be incorporated into Tier I gradually, as Interbank's capital and reserves grow.

In July 2012, the bank initiated the process of adapting to the Additional Regulatory Capital Requirement outlined by the Peruvian banking regulator. Under the new regulation, banks must comply with 40% of the Additional Regulatory Capital Requirement stated in such regulation, which will gradually increase to 55% in July 2013, 70% in July 2014, 85% in July 2015, and finally 100% in July 2016.

As of September 30, 2012, Interbank's capital ratio was higher than its risk-adjusted minimum capital ratio, established at 11.12%. The minimum regulatory capital ratio requirement was 10.0% while the additional capital requirement for Interbank was 1.12% as of September 30, 2012.

Capitalization					
S/. million				% chg	% chg
	3Q 11	2Q 12	3Q 12	QoQ	YoY
Tier I capital	1,817.4	2,173.2	2,169.3	-0.2%	19.4%
Tier II capital	547.8	640.0	633.7	-1.0%	15.7%
Total regulatory capital	2,365.2	2,813.2	2,802.9	-0.4%	18.5%
Risk-weighted assets	16,246.0	19,043.6	20,185.1	6.0%	24.2%
BIS ratio	**14.6%**	**14.8%**	**13.9%**	**-90 bps**	**-70 bps**
Tier I capital / risk-weighted assets	**11.2%**	**11.4%**	**10.7%**	**-70 bps**	**-50 bps**

Interseguro

SUMMARY

Interseguro's net income was S/. 17.2 million in 3Q12, an 86.0% decrease QoQ and a 49.4% decline YoY. ROE was 14.8% in 3Q12, while ROA was 2.4% during the same period.

The QoQ decrease was due to a S/. 103.8 million reduction in investment income, explained mainly by a S/. 106.3 million non-recurring gain on the sale of real estate investments reported in 2Q12. Excluding this non-recurring gain, net income would have grown 6.2% QoQ.

The YoY decline in earnings was attributable to a S/. 6.5 million decrease in investment income and a S/. 9.3 million increase in the technical margin loss, which was the result of higher claims and reserves.

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

* Includes exchange rate difference

PREMIUMS

Premiums in 3Q12 reached S/. 118.8 million, an 11.7% increase QoQ and 1.5% YoY.

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

The QoQ growth was attributable to higher sales of annuity premiums as a result of an estimated 26.5% market growth.

The YoY increase was due to higher group life premiums, partially offset by a slight decrease in annuities attributable to a 22.8% market contraction in the early retirement segment. The early retirement regime has been in place since 2010, and applications tend to fall as it reaches its conclusion by year-end 2012.

RESERVES, CLAIMS AND OPERATING EXPENSES

Change in reserves increased 15.1% QoQ and 5.1% YoY as a result of additional annuity sales.

Change in Reserves by Business Line					
S/. million				% chg	% chg
	3Q11	2Q12	3Q12	QoQ	YoY
Individual Life	0.8	1.4	2.8	107.1%	243.3%
Annuities	92.1	84.5	95.9	13.5%	4.1%
Group Life	-0.2	0.0	-0.1	n.m.	-71.8%
Mandatory traffic accident	0.6	-0.3	-0.5	67.0%	0.0%
Non Life Insurance	0.6	0.2	0.5	113.5%	-21.3%
TOTAL	**93.9**	**85.8**	**98.7**	**15.1%**	**5.1%**

Claims declined 3.0% QoQ, but increased 18.0% YoY. The QoQ decrease was due to lower disability and survivor benefits claims, partially offset by an increase in group life claims. Annuity claims remained stable QoQ. The YoY growth was explained by higher group life claims and annuity claims. The increase in group life claims was due to higher credit life insurance claims. The rise in annuity claims was the result of higher pensions, in line with a higher number of affiliates.

Claims by Business Line					
S/. million				% chg	% chg
	3Q11	2Q12	3Q12	QoQ	YoY
Individual Life	0.4	0.5	0.7	30.2%	49.0%
Annuities	24.4	26.5	26.7	0.9%	9.2%
Group Life	2.8	4.1	6.0	48.3%	118.7%
Disability and survivor benefits	3.0	6.8	3.1	-53.8%	3.6%
Mandatory traffic accident	2.3	2.4	2.5	1.3%	5.7%
Non Life Insurance	0.2	0.1	0.1	0.0%	-13.3%
TOTAL	**33.2**	**40.3**	**39.1**	**-3.0%**	**18.0%**

As a result of the factors described above, the technical margin loss was S/. -25.5 million in 3Q12, compared to S/. -24.9 million in 2Q12 and S/. -16.2 million in 3Q11.

Administrative expenses increased 5.2% QoQ and 5.9% YoY, explained by the implementation of technology projects.

INVESTMENT INCOME

Investment income decreased 63.6% QoQ and 9.9% YoY.

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

The QoQ decrease was explained by a 94.9% 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 4.3% QoQ.

The YoY decrease was due to a lower participation in real estate income, totaling S/. 9.3 million, from property sold in 2Q12 and 4Q11, as well as lower realized gains in the equity portfolio attributable to a one-time dividend received in 3Q11.

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

Interseguro’s investment portfolio decreased 1.4% QoQ, but increased 11.0% YoY. The QoQ decline was due to a decrease in fixed income as the portfolio was rebalanced in favor of investment opportunities in equities and real estate property. The YoY increase was driven by funds received from increasing premiums and the price appreciation of Interseguro’s equity and fixed income portfolios.