

Intercorp Financial Services Inc. Third Quarter 2015 Earnings

Lima, Peru, November 11, 2015. Intercorp Financial Services Inc. (Bolsa de Valores de Lima: IFS) announced today its unaudited results for the third quarter 2015. These results are reported on a consolidated basis under IFRS in nominal Peruvian Nuevos Soles.

Intercorp Financial Services:

- 3Q15 net profit was S/. 408.6 million, a 48.6% increase YoY and 18.0% QoQ. Both yearly and quarterly increases were driven by strong operating performance at Interbank and Interseguro. At Interseguro there was a strong positive impact YoY and QoQ attributable to higher releases of technical reserves due to a higher discount rate
- 3Q15 annualized ROAE was 39.2%

Interbank:

- 3Q15 net profit was S/. 242.4 million, a 29.4% growth YoY and 20.6% QoQ. The yearly performance was attributed to increases of 17.9% in net interest and similar income, 67.1% in other income and 21.8% in fee income, factors which were partially offset by a 44.0% growth in provisions. The quarterly increase was attributed to higher fees and other income, and lower provision expenses, partly offset by an increase in other expenses
- Performing loans and deposits grew 12.9% and 15.9% YoY, respectively, while retail deposits increased 18.4% YoY
- NIM improved 30 bps YoY, to 6.7% in 3Q15, while the efficiency ratio improved 610 bps YoY, to 40.5%
- 3Q15 annualized ROAE was 28.2%

Interseguro:

- 3Q15 net profit¹ was S/. 156.2 million, a 124.9% increase YoY and 33.0% QoQ. The bottom-line result was supported by strong growth in premiums and a positive discount rate impact on technical reserves
- Net premiums increased 27.3% YoY and 19.1% QoQ due to a market recovery in annuities, where Interseguro remained as market leader with a 24.2% share
- 3Q15 annualized ROAE was 152.7%

Inteligo:

- 3Q15 net profit was S/. 16.7 million, down 40.4% YoY and 66.5% QoQ due to lower results on the investment portfolio
- Core business continued to perform strongly, as net interest and similar income grew 69.4% YoY, and fee income increased 49.9% YoY
- AuM + deposits increased 14.1% YoY and 3.1% QoQ
- 3Q15 annualized ROAE was 12.6%

¹ Attributable to shareholders

Intercorp Financial Services

Net profit was S/. 408.6 million in 3Q15, a 18.0% increase QoQ and 48.6% YoY. IFS annualized ROAE was 39.2% in 3Q15, above the 32.0% registered in 2Q15 and the 28.3% reported in 3Q14.

Intercorp Financial Services' P&L statement					
S/. million	3Q14	2Q15	3Q15	%chg QoQ	%chg YoY
Interest and similar income	716.2	817.1	860.1	5.3%	20.1%
Interest and similar expense	-200.4	-218.0	-236.1	8.3%	17.8%
Net interest and similar income	515.7	599.1	623.9	4.1%	21.0%
Provision for loan losses, net of recoveries	-97.5	-172.2	-142.2	-17.4%	45.9%
Net interest and similar income after provision for loan losses	418.3	426.9	481.7	12.8%	15.2%
Fee income from financial services, net	168.6	194.0	214.8	10.8%	27.4%
Other income	116.9	178.7	191.4	7.1%	63.8%
Total premiums earned less claims and benefits	47.1	62.9	98.5	56.7%	109.0%
Net Premiums	168.1	179.6	214.0	19.1%	27.3%
Adjustment of technical reserves	-74.1	-56.5	-46.7	-17.3%	-37.0%
Net claims and benefits incurred	-46.8	-60.3	-68.8	14.1%	47.0%
Other expenses	-389.8	-427.3	-472.0	10.5%	21.1%
Income before translation result and income tax	361.1	435.1	514.4	18.2%	42.5%
Translation result	-16.1	-8.3	2.5	n.m.	n.m.
Income tax	-70.0	-80.4	-108.3	34.7%	54.7%
Profit for the period	275.0	346.4	408.6	18.0%	48.6%
Attributable to equity holders of the group	273.8	345.2	405.8	17.5%	48.2%
EPS	2.50	3.16	3.72		
ROAE	28.3%	32.0%	39.2%		
ROAA	2.9%	3.2%	3.6%		

Intercorp Financial Services' Statement of financial position					
S/. million	3Q14	2Q15	3Q15	%chg QoQ	%chg YoY
Assets					
Cash and due from banks and inter-bank funds	6,150.7	8,027.3	9,746.6	21.4%	58.5%
Trading securities and investments available for sale	7,537.4	8,023.7	8,934.4	11.4%	18.5%
Loans, net of unearned income	23,127.4	25,485.5	26,412.0	3.6%	14.2%
Allowance for loan losses	-791.0	-960.2	-989.3	3.0%	25.1%
Property, furniture and equipment, net	571.6	570.0	565.4	-0.8%	-1.1%
Other assets	1,967.6	2,034.0	2,225.6	9.4%	13.1%
Total assets	38,563.7	43,180.3	46,894.7	8.6%	21.6%
Liabilities and equity					
Deposits and obligations	22,419.4	23,283.0	25,715.0	10.4%	14.7%
Due to banks and correspondents	2,951.4	5,616.7	6,584.4	17.2%	123.1%
Bonds, notes and other obligations	4,469.3	4,697.8	4,756.2	1.2%	6.4%
Insurance contract liabilities	3,581.5	4,123.9	4,218.0	2.3%	17.8%
Other liabilities	1,114.2	1,271.9	1,472.6	15.8%	32.2%
Total liabilities	34,535.9	38,993.3	42,746.1	9.6%	23.8%
Equity					
Equity holders of IFS	3,920.8	4,020.3	4,034.5	0.4%	2.9%
Non-controlling interest	107.0	166.7	114.0	-31.6%	6.5%
Total equity	4,027.8	4,187.0	4,148.5	-0.9%	3.0%
Total liabilities and equity	38,563.7	43,180.3	46,894.7	8.6%	21.6%

Quarter-on-quarter performance

Profits increased 18.0% QoQ mainly due to increases of 19.1% in net premiums and 4.1% in net interest and similar income, in addition to a 17.4% decrease in provision for loan losses. Such effects were partially offset by a 10.5% growth in other expenses.

Net interest and similar income increased 4.1% QoQ mainly explained by increases in interest on loans of 5.8% and 5.4% in our banking and wealth management segments, respectively.

Provision expenses decreased 17.4% mainly as a result of lower provisions related to the retail portfolio, especially in credit cards. This effect was partially offset by an increase in provision requirements related to small and medium enterprises loans.

Fee income from financial services increased 10.8% QoQ supported by a 9.4% increase in fee income at Interbank and a 23.6% increase at Inteligo. The higher fee income at Interbank was related to an increase in fees associated with maintenance of accounts and credit cards, while the higher fee income at Inteligo was explained by an increase in funds management services.

Interseguro's total premiums earned less claims and benefits increased by S/. 35.6 million QoQ, mostly explained by a S/. 34.4 million increase in net premiums.

Other income grew by S/. 12.7 million QoQ mainly due to increases of S/. 29.2 million and S/. 20.0 million at Interbank and Interseguro, respectively. These factors were partially offset by a reduction of other income at Inteligo, attributable to a

lower net gain on sale of investable securities, together with a higher mark to market loss on valuation of securities held for trading in 3Q15.

Other expenses grew 10.5% QoQ mainly explained by a higher impairment loss on available-for-sale investments at Interseguro and Inteligo, in addition to a 6.0% increase in administrative expenses at Interbank.

IFS effective tax rate increased QoQ, from 18.8% in 2Q15 to 21.0% in 3Q15, as a result of a higher profit contribution from Interbank.

Year-on-year performance

Profits increased 48.6% YoY mainly due to increases of 63.8% in other income, 27.4% in fee income from financial services, 27.3% in net premiums and 21.0% in net interest and similar income; in addition to a 37.0% decrease in adjustment of technical reserves. These effects were partially offset by increases of 45.9% in provisions and 21.1% in other expenses.

Net interest and similar income rose 21.0% YoY mainly explained by growths of 17.1% and 23.5% in interest on loans at Interbank and Inteligo, respectively. These factors were partially offset by a 61.0% increase in interest and fees on due to banks and correspondents at Interbank.

Provision expenses increased 45.9% mainly as a result of higher provisioning in retail and commercial loans at Interbank. In retail loans, the increase was mainly explained by loan growth in credit cards and other consumer loans, in addition to asset quality deterioration in mortgages; whereas the increase in provisions related to commercial loans was mainly due to asset quality deterioration in SME and micro enterprises loans.

Fee income from financial services increased 27.4% YoY as a result of increases of 49.9% at Inteligo and 21.8% at Interbank. The increase in fee income from Inteligo was mainly attributable to higher income from funds management services; while the increase at Interbank was driven by higher fees from maintenance and mailing of accounts, interchange fees, transfers and credit and debit card services, as well as higher commissions from banking services.

Interseguro's total premiums earned less claims and benefits increased by S/. 51.4 million, mainly explained by a higher increase in annuities' discount rate which led to a S/. 60.5 million release of technical reserves, partially offset by a S/. 22.0 million increase in net claims and benefits incurred.

Other income increased 63.8% YoY mainly explained by a more than two-fold increase in net gain on foreign exchange transactions at Interbank and higher gains on sale of securities at Interseguro; partially offset by lower results in this area at Inteligo.

Other expenses grew 21.1% YoY due to increases of 74.7%, 63.9% and 13.9% at Inteligo, Interseguro and Interbank, respectively, in such accounts. The higher expenses at Inteligo and Interseguro were mainly a result of impairment losses on available-for-sale investments registered in 3Q15; whereas at Interbank, the annual growth was related to higher administrative expenses, salaries and employee benefits.

IFS effective tax rate was 21.0% in 3Q15, compared to 20.3% in 3Q14.

CONTRIBUTION BY SEGMENTS

The following table shows the contribution of Interbank, Interseguro and Inteligo to Intercorp Financial Services' net profit. The performance of each of the three segments is discussed in detail in the following sections.

Intercorp Financial Services' Profit by segment					
S/. million	3Q14	2Q15	3Q15	%chg QoQ	%chg YoY
Interbank	187.3	201.0	242.4	20.6%	29.4%
Interseguro	69.4	117.2	157.4	34.3%	126.9%
Inteligo	28.1	50.0	16.7	-66.5%	-40.4%
Corporate and eliminations	-9.7	-21.9	-7.9	-63.9%	-19.0%
IFS profit for the period	275.0	346.4	408.6	18.0%	48.6%

Interbank

SUMMARY

Interbank's profits reached S/. 242.4 million in 3Q15, a S/. 41.4 million increase QoQ and a S/. 55.1 million growth YoY. The quarterly increase was explained by a reduction of S/. 31.8 million in provisions, as well as growths of S/. 29.2 million in other income, S/. 16.1 million in fee income from financial services and S/. 7.9 million in net interest and similar income. These factors were partially offset by a S/. 20.2 million increase in other expenses.

The annual growth in net profit was due to increases of S/. 81.6 million in net interest and similar income, S/. 56.7 million in other income and S/. 33.6 million in fee income from financial services, which were partially offset by growths of S/. 45.9 million in other expenses and S/. 42.9 million in provisions.

Interbank's ROAE was 28.2% in 3Q15, higher than the 24.6% registered in 2Q15 and the 25.2% reported in 3Q14.

Banking Segment's P&L Statement					
S/. million	3Q14	2Q15	3Q15	%chg QoQ	%chg YoY
Interest and similar income	642.7	732.8	757.4	3.4%	17.9%
Interest and similar expenses	-187.4	-203.8	-220.5	8.2%	17.7%
Net interest and similar income	455.3	529.0	536.9	1.5%	17.9%
Provision for loan losses, net of recoveries	-97.5	-172.2	-140.4	-18.5%	44.0%
Net interest and similar income after provision for loan losses	357.9	356.7	396.6	11.2%	10.8%
Fee income from financial services, net	153.9	171.4	187.5	9.4%	21.8%
Other income	84.4	111.9	141.1	26.2%	67.1%
Other expenses	-330.1	-355.8	-376.0	5.7%	13.9%
Income before translation result and income tax	266.1	284.2	349.2	22.9%	31.2%
Translation result	-12.8	-10.0	-6.6	-34.0%	-48.3%
Income tax	-66.1	-73.2	-100.2	36.8%	51.6%
Profit for the period	187.3	201.0	242.4	20.6%	29.4%
ROAE	25.2%	24.6%	28.2%		
Efficiency ratio	46.6%	41.7%	40.5%		
NIM	6.4%	6.8%	6.7%		
NIM on loans	8.8%	9.1%	9.2%		

INTEREST-EARNING ASSETS

Interbank's interest-earning assets reached S/. 33,642.5 million in 3Q15, an increase of 9.4% QoQ and 16.4% YoY.

The quarterly increase was due to growths of 30.4% in investments available for sale, 27.6% in cash and 3.7% in loans. The increase in investments was mainly due to higher volumes of short term notes issued by the Central Bank, whereas the growth in cash and due from banks was mainly a result of higher reserve funds in the Central Bank. The growth in loans was explained by increases in both retail and commercial portfolios.

The annual growth in interest-earning assets was attributed to increases of 36.2% in investments available for sale, 16.1% in cash and 13.5% in loans. The increase in investments was mainly due to higher volumes of fixed income investments, while growth in cash was explained by higher reserve funds in the Central Bank. Loan growth was mostly focused in credit cards and other consumer loans.

Interest-earning assets					
S/. million	3Q14	2Q15	3Q15	%chg QoQ	%chg YoY
Cash and due from banks and inter-bank funds	3,922.3	3,566.5	4,552.4	27.6%	16.1%
Investments available for sale	3,171.3	3,314.1	4,320.4	30.4%	36.2%
Loans	21,816.1	23,883.8	24,769.7	3.7%	13.5%
Total Interest-earning assets	28,909.7	30,764.4	33,642.5	9.4%	16.4%

Loan portfolio					
S/. million	3Q14	2Q15	3Q15	%chg QoQ	%chg YoY
Performing loans					
Retail	10,448.3	11,831.3	12,225.6	3.3%	17.0%
Commercial	10,585.3	11,092.0	11,531.0	4.0%	8.9%
Total Performing loans	21,033.6	22,923.3	23,756.5	3.6%	12.9%
Restructured and refinanced loans	138.3	166.4	231.0	38.8%	67.1%
Past due loans	430.0	568.9	567.9	-0.2%	32.1%
Total gross loans	21,601.9	23,658.6	24,555.5	3.8%	13.7%
Add (less)					
Accrued and deferred interest	214.2	225.2	214.2	-4.9%	0.0%
Allowance for loan losses	-789.6	-958.7	-985.8	2.8%	24.9%
Total direct loans, net	21,026.6	22,925.1	23,783.9	3.7%	13.1%

Performing loans grew 3.6% QoQ as a result of a 4.0% increase in commercial loans and a 3.3% growth in retail loans. Commercial loans grew in volume mainly driven by increases in short and medium-term loans and trade finance loans, partially offset by a reduction in leasing facilities. Retail loans increased due to growths of 4.9% in other consumer loans, 3.7% in mortgages and 1.2% in credit cards. In credit cards, 3Q15 was the tenth consecutive quarter of growth; while the past-due-loan ratio remained below the system's average in such product.

Performing loans grew 12.9% YoY due to increases of 17.0% in retail loans and 8.9% in commercial loans. Retail loans grew driven by growths of 20.9% in credit cards, 19.4% in other consumer loans and 11.9% in mortgages. Commercial loans grew mainly due to increases in short and medium-term loans within the corporate and middle market businesses.

Breakdown of retail loans					
S/. million	3Q14	2Q15	3Q15	%chg QoQ	%chg YoY
Consumer loans:					
Credit cards	3,040.9	3,632.7	3,677.3	1.2%	20.9%
Other consumer	3,447.7	3,924.4	4,117.6	4.9%	19.4%
Total consumer loans	6,488.6	7,557.2	7,794.9	3.1%	20.1%
Mortgages	3,959.8	4,274.1	4,430.7	3.7%	11.9%
Total retail loans	10,448.3	11,831.3	12,225.6	3.3%	17.0%

FUNDING STRUCTURE

Funding structure					
S/. million	3Q14	2Q15	3Q15	%chg QoQ	%chg YoY
Deposits	20,302.4	21,061.9	23,528.9	11.7%	15.9%
Due to banks and inter-bank funds	3,060.6	5,649.6	6,558.9	16.1%	114.3%
Bonds	4,116.6	4,400.3	4,488.5	2.0%	9.0%
Total	27,479.6	31,111.8	34,576.4	11.1%	25.8%
% of funding					
Deposits	73.9%	67.7%	68.0%		
Due to banks and inter-bank funds	11.1%	18.2%	19.0%		
Bonds	15.0%	14.1%	13.0%		

Interbank's funding base grew 11.1% QoQ, above the growth in interest-earning assets. This was mainly due to increases of 16.1% in due to banks, 11.7% in deposits and 2.0% in bonds.

The increase in due to banks and inter-bank funds was driven by higher funding provided by the Central Bank; while deposits growth was explained by increases of 22.1% in commercial deposits, 14.6% in institutional deposits and 3.6% in retail deposits.

The bank's total funding base increased 25.8% YoY, above interest-earning assets' growth. The increase was due to growths of 114.3% in due to banks and inter-bank funds, 15.9% in deposits and 9.0% in bonds.

The yearly growth in due to banks and inter-bank funds was mainly due to a sharp increase in the funding provided by the Central Bank, while the increase in bonds was mainly explained by a 11.5% depreciation of the exchange rate during the last 12 months, which originated an increase in the value of bonds issued in dollars.

The YoY growth in deposits was attributed to increases of 30.1% in commercial deposits and 18.4% in retail deposits, partially offset by a 0.8% decrease in institutional deposits. As a result, the proportion of retail deposits to total deposits increased from 41.5% in 3Q14 to 42.4% in 3Q15.

Breakdown of deposits					
S/. million	3Q14	2Q15	3Q15	%chg QoQ	%chg YoY
By customer service:					
Retail	8,427.5	9,625.6	9,975.4	3.6%	18.4%
Commercial	6,198.9	6,609.3	8,067.5	22.1%	30.1%
Institutional	5,274.4	4,564.1	5,232.2	14.6%	-0.8%
Other	401.6	262.9	254.0	-3.4%	-36.8%
Total	20,302.4	21,061.9	23,528.9	11.7%	15.9%
By type:					
Demand	5,524.2	5,369.9	6,312.2	17.5%	14.3%
Savings	5,921.4	7,170.7	7,919.2	10.4%	33.7%
Time	8,843.8	8,515.9	9,284.5	9.0%	5.0%
Other	12.9	5.5	13.0	137.4%	0.8%
Total	20,302.4	21,061.9	23,528.9	11.7%	15.9%

NET INTEREST AND SIMILAR INCOME

Net interest and similar income					
S/. million	3Q14	2Q15	3Q15	%chg QoQ	%chg YoY
Interest and similar income	642.7	732.8	757.4	3.4%	17.9%
Interest and similar expense	-187.4	-203.8	-220.5	8.2%	17.7%
Net interest and similar income	455.3	529.0	536.9	1.5%	17.9%
NIM	6.4%	6.8%	6.7%	-10 bps	30 bps

Interest and similar income					
S/. million	3Q14	2Q15	3Q15	%chg QoQ	%chg YoY
Interest and similar income					
Due from banks and inter-bank funds	2.4	1.4	2.3	65.5%	-2.9%
Investments available for sale	19.2	44.3	27.9	-37.0%	45.1%
Loans	621.0	687.1	727.2	5.8%	17.1%
Total Interest and similar income	642.7	732.8	757.4	3.4%	17.9%
Average interest-earning assets	28,630.0	30,971.9	32,203.4	4.0%	12.5%
Average yield on assets (annualized)	9.0%	9.5%	9.4%	-10 bps	40 bps

Interest and similar expense					
S/. million	3Q14	2Q15	3Q15	%chg QoQ	%chg YoY
Interest and similar expense					
Deposits and obligations	-83.0	-79.6	-85.9	8.0%	3.5%
Due to banks and correspondents	-36.8	-50.3	-59.2	17.8%	61.0%
Bonds, notes and other obligations	-67.6	-74.0	-75.4	1.8%	11.5%
Total Interest and similar expense	-187.4	-203.8	-220.5	8.2%	17.7%
Average interest-bearing liabilities	22,835.9	26,157.5	29,121.0	11.3%	27.5%
Average cost of funding (annualized)	-3.3%	-3.1%	-3.0%	10 bps	30 bps

QoQ Performance

Net interest and similar income increased 1.5% QoQ as the result of a 3.4% growth in interest and similar income, which was partially offset by a 8.2% increase in interest and similar expense.

The rise in interest and similar income was due to increases of 5.8% in interest on loans and 65.5% in interest due from banks and inter-bank funds, partially offset by a 37.0% decrease in income from investments available for sale.

The growth in interest on loans was due to a 4.1% increase in the average volume of the loan portfolio and a 20 basis point increase in the average yield, from 11.8% in 2Q15 to 12.0% in 3Q15. The higher average volume of loans was attributed to increases of 4.3% in retail loans and 3.6% in commercial loans. In the retail portfolio, higher volume was due to growths of 4.7% in credit cards, 4.9% in other consumer loans and 3.3% in mortgages. In the commercial portfolio, volumes increased 9.7% in trade finance loans and 5.9% in short and medium-term loans, partially offset by a

3.3% decrease in leasing. The higher average rate was explained by an increase of 40 basis points in the retail portfolio, partially offset by a 20 basis point decline in the average yield on the commercial portfolio. The yield growth on retail loans was mainly due to higher rates on credit cards and other consumer loans. In the commercial portfolio, the lower average rate was mainly driven by decreases in yields on trade finance and short and medium-term loans.

The increase in interest due from banks and inter-bank funds was mainly explained by a 10 basis points increase in the nominal average interest rate which was attributable to higher rates in nuevos soles. Important to note, in 3Q15 a higher portion of balances due from banks was accounted as non interest-earning assets, particularly such funds in foreign currency that correspond to the repo operations held with the Central Bank in exchange of local currency funding.

Interest on investments available for sale decreased by S/. 16.4 million, or 37.0%, as a result of a lower average rate on the investment portfolio, which was partially offset by a higher average volume. The decline in the nominal average rate, from 5.3% in 2Q15 to 2.9% in 3Q15, was the result of two effects: the fact that during 2Q15 interbank received dividends from investments which were not repeated in 3Q15, and the lower return on investments in corporate bonds and CDDBC. The lower average rate accounted for a S/. 20.1 million decrease in interest income, while the higher average volume accounted for a S/. 3.7 million increase in interest income and was attributable to higher investments in sovereign and global bonds and CDDBC.

The nominal average rate on interest-earning assets decreased by 10 basis points QoQ, from 9.5% in 2Q15 to 9.4% in 3Q15, mainly due to a lower yield on the investment portfolio, and its greater proportion over total interest-earning assets.

Interest and similar expense rose 8.2% QoQ due to increases of 17.8% in interest due to banks and correspondents, 8.0% in interest on deposits and obligations, and 1.8% in interest on bonds, notes and other obligations.

The increase in interest due to banks and correspondents was explained by a 26.9% increase in the average volume, partially offset by a 30 basis point reduction in the nominal average cost. The higher average volume was the result of a 54.6% increase in local funding from Central Bank and a more than two-fold increase in inter-bank funds, while the decrease in the nominal average cost was driven by a decline in the average cost of foreign funding, and a lower proportion of local funding from COFIDE over the total due to banks and correspondents.

Interest on deposits and obligations rose by S/. 6.4 million mainly due to a 9.5% increase in the average volume, while the nominal average cost remained relatively stable. The rise in average volumes was mainly explained by growth in retail and commercial deposits. By currency, deposits in nuevos soles accounted for a S/. 5.1 million increase in interest expense, while deposits in dollars accounted for a S/. 1.2 million increase in interest expense.

Interest on bonds, notes and other obligations increased by S/. 1.4 million in 3Q15 as a result of a 1.3% growth in the average volume, while the nominal average cost remained relatively stable. The higher average volume was attributable to a 1.4% depreciation of the nuevo sol against the U.S. dollar that resulted in a higher value of bonds denominated in dollars, which represented 90.3% of total bonds.

The average cost of funds declined by 10 basis points QoQ, from 3.1% in 2Q15 to 3.0% in 3Q15, mainly due to a lower average cost on due to banks and correspondents and its greater proportion over the total funding base.

YoY Performance

Net interest and similar income grew 17.9% YoY due to an increase of 17.9% in interest and similar income, partially offset by a 17.7% rise in interest and similar expense.

The growth in interest and similar income was due to increases of 17.1% in interest on loans and 45.1% in interest on investments available for sale, partially offset by a 2.9% reduction in interest due from banks and inter-bank funds.

The S/. 106.2 million growth in interest on loans was explained by increases of 12.2% in the average loan volume and 50 basis points in the average yield, from 11.5% in 3Q14 to 12.0% in 3Q15. Growth in average volume was due to increases of 17.5% in the retail portfolio and 6.0% in the commercial portfolio. The higher average volume of retail loans was due to growths of 24.4% in credit cards, 18.5% in other consumer loans and 11.4% in mortgages. In the commercial portfolio, volumes grew 18.7% in short and medium-term loans, partially offset by decreases of 10.2% in leasing and 2.6% in trade finance loans. The higher average yield was explained by increases of 40 basis points in the average rate of the retail portfolio and 10 basis points in the commercial portfolio, as well as a higher proportion of retail loans within the total loan portfolio. The increased yield on the retail portfolio was mainly attributed to higher rates on credit cards, while the higher average rate on the commercial portfolio was a result of higher returns in trade finance loans and leasing.

Interest on investments available for sale increased by S/. 8.7 million YoY, or 45.1%, as a result of a 35.2% growth in the average volume and a 20 basis points increase in the nominal average rate. The growth in volume accounted for S/. 7.3 million of the increase and was a result of higher investments in CDBCR, global and sovereign bonds. The increase in the average rate on investments was due to higher returns in sovereign and global bonds portfolios and their larger proportion over total investments.

The 2.9% reduction in interest due from banks and inter-bank funds was explained by a 1.7% decline in the average volume, while the nominal average rate remained relatively stable. The lower volume was attributable to a decrease in interest-earning deposits in the Central Bank.

The nominal average rate on interest-earning assets was 9.4% in 3Q15, a 40 basis point increase with respect to the 9.0% registered in 3Q14, mainly as a result of the higher yields on loans and investments, and the greater proportion of the latter within total interest-earning assets.

Interest and similar expense increased 17.7% YoY due to growths of 61.0% in interest due to banks and correspondents, 11.5% in interest on bonds, notes and other obligations, and 3.5% in interest on deposits and obligations.

The 61.0% increase in interest due to banks and correspondents was explained by a more than two-fold growth in the average volume, partly offset by a 110 basis point decline in the average cost. The higher average volume accounted for a S/. 30.4 million increase in interest expense and was due to a significant increase in local

funding from the Central Bank through repo operations. The lower nominal average cost accounted for a S/. 8.0 million decrease in interest expense and was explained by a decline in the proportion of funding from COFIDE, which bears a higher average cost within total due to banks and correspondents, as well as by a decline in the nominal average cost of foreign funding.

Interest on bonds, notes and other obligations increased by S/. 7.8 million YoY, or 11.5%, mainly as a result of a 10.0% increase in the average volume. The growth in average volume was explained by a 11.5% depreciation of the exchange rate that resulted in a higher value of bonds issued in dollars, which represent the majority of total bonds.

Interest on deposits and obligations increased by S/. 2.9 million YoY. Such increase was mainly attributable to a 17.3% growth in the average volume, partially offset by a 20 basis point decline in the nominal average cost. The higher average volume accounted for a S/. 12.7 million increase in interest expense and was a result of growth in retail and commercial deposits. The lower average cost accounted for a S/. 9.8 million decrease in interest expense and was a result of lower average cost of institutional and retail deposits, and the greater proportion of the latter within total deposits.

The average cost of funds decreased from 3.3% in 3Q14 to 3.0% in 3Q15, mainly as a result of lower average cost on deposits and on due to banks and correspondents; together with a lower proportion of bonds, which bear a higher cost, over the total funding base.

Net Interest Margin

As a result of the above, net interest margin was 6.7% in 3Q15, 10 basis points lower than the 6.8% reported in 2Q15, but 30 basis points higher than the 6.4% registered in 3Q14.

PROVISION FOR LOAN LOSSES, NET OF RECOVERIES

Provision for loan losses, net of recoveries decreased 18.5% QoQ, but increased 44.0% YoY. As a result, the annualized ratio of provision expense to average loans was 2.3% in 3Q15, below the 3.0% reported in 2Q15 but above the 1.8% registered in 3Q14.

The quarterly decrease was mainly a result of lower provisions related to the retail portfolio, especially in credit cards. During the quarter, the past-due-loan ratio in credit cards improved from 3.9% in 2Q15 to 3.8% in 3Q15. This effect was partially offset by an increase in provision requirements related to commercial loans.

The yearly growth was mainly a result of higher provisioning in retail and commercial loans. In retail loans, the increase was mainly explained by loan growth in credit cards and other consumer loans, in addition to asset quality deterioration in mortgages; whereas the increase in provisions related to commercial loans was mainly due to asset quality deterioration in SME and micro enterprises loans.

Provision for loan losses, net of recoveries					
S/. million	3Q14	2Q15	3Q15	%chg QoQ	%chg YoY
Provision for loan losses, net of recoveries	-97.5	-172.2	-140.4	-18.5%	44.0%
Past-due-loan ratio (at end of period)	2.0%	2.4%	2.3%	-10 bps	30 bps
Provision for loan losses/average gross loans	1.8%	3.0%	2.3%	-70 bps	50 bps
Coverage ratio (at end of period)	183.6%	168.5%	173.6%	n.m.	n.m.
Allowance for loan losses (at end of period)	789.6	958.7	985.8	2.8%	24.9%

The past-due-loan ratio was 2.3% in 3Q15, 10 basis points below the 2.4% reported in 2Q15 but 30 basis points above the 2.0% registered in 3Q14. The lower past-due-loan ratio QoQ was mainly attributable to a slight improvement in asset quality in retail loans, especially credit cards; partially offset by a higher PDL ratio for small and micro enterprises loans.

The PDL ratio increased YoY due mainly to higher PDL ratios for SME, micro and mortgage loans. As a consequence, the coverage ratio of the past-due loan portfolio was 173.6% in 3Q15, compared to 168.5% in 2Q15 and 183.6% in 3Q14.

FEE INCOME FROM FINANCIAL SERVICES, NET

Fee income from financial services, net increased by S/. 16.1 million QoQ, or 9.4%, and S/. 33.6 million YoY, or 21.8%. The quarterly performance was mainly explained by an increase of S/. 6.5 million in fees from maintenance and mailing of accounts, interchange fees, transfers and credit and debit services; in addition to an increase of S/. 5.8 million in commissions from banking services. Such increases were partially offset by higher expenses due to higher insurance premiums sold.

The YoY increase in fee income from financial services, net was mainly attributable to increases of S/. 25.1 million in fees from maintenance and mailing of accounts, interchange fees, transfers and credit and debit card services, S/. 7.3 million in commissions from banking services, and S/. 0.9 million in fees for indirect loans. The higher fees from maintenance and mailing of accounts, interchange fees, transfers and credit and debit card services was due to higher balances of credit cards, while the increase in commissions from banking services was a result of higher insurance premiums sold, which in turn was partly offset by a S/. 5.2 million increase in insurance related expenses.

Fee income from financial services, net					
S/. million	3Q14	2Q15	3Q15	%chg QoQ	%chg YoY
Income					
Maintenance and mailing of accounts, interchange fees, transfers and credit and debit card services	101.9	120.5	127.0	5.4%	24.6%
Commissions from banking services	62.2	63.7	69.5	9.2%	11.9%
Fees for indirect loans	14.3	14.5	15.2	5.0%	6.1%
Funds management	7.0	7.3	7.5	2.5%	7.1%
Collection services	5.9	6.3	6.8	7.0%	15.3%
Other	5.7	5.6	7.8	38.2%	36.8%
Total income	196.9	217.9	233.7	7.3%	18.7%
Expenses					
Insurance	-33.0	-35.9	-38.2	6.6%	16.0%
Fees paid to foreign banks	-2.6	-2.2	-2.5	12.6%	-6.0%
Other	-7.5	-8.4	-5.5	-34.0%	-25.7%
Total expenses	-43.0	-46.5	-46.2	-0.5%	7.4%
Fee income from financial services, net	153.9	171.4	187.5	9.4%	21.8%

OTHER INCOME

Other income increased by S/. 29.2 million QoQ mainly driven by a S/. 23.2 million higher net gain on foreign exchange transactions and a S/. 13.6 million lower net loss on trading income, partially offset by a S/. 5.3 million reduction in net gain on sale of securities.

Other income grew by S/. 56.7 million YoY mainly as a result of a S/. 75.8 million increase in net gain on foreign exchange transactions, related to swap and forward transactions with clients. Such increase was partially offset by a reduction in net trading income, which was mainly driven by derivative instruments that were negatively affected by the appreciation of the U.S. dollar against the nuevo sol.

Other income					
S/. million	3Q14	2Q15	3Q15	%chg QoQ	%chg YoY
Net gain on foreign exchange transactions	59.3	111.9	135.1	20.7%	127.8%
Net gain on sale of securities	6.9	5.3	0.0	-99.3%	-99.5%
Net trading (loss) income	1.3	-18.1	-4.5	n.m.	n.m.
Other	16.9	12.6	10.5	-17.0%	-38.0%
Total other income	84.4	111.9	141.1	26.2%	67.1%

OTHER EXPENSES

Other expenses increased by S/. 20.2 million QoQ, or 5.7%, and by S/. 45.9 million YoY, or 13.9%. The quarterly growth was mainly due to increases of 6.0% in administrative expenses and 1.5% in salaries and employee benefits, partially offset by a 1.5% reduction in depreciation and amortization expenses.

The annual growth in other expenses was a result of increases of 10.3% in administrative expenses and 9.0% in salaries and employee benefits, partially offset by a 4.6% reduction in depreciation and amortization expenses. The higher administrative expenses were related to maintenance and property leases, while the

increase in salaries and employee benefits was related to a higher headcount in 3Q15 compared to 3Q14, and higher provisions related to employees' profit-sharing.

The efficiency ratio was 40.5% in 3Q15, below the 41.7% reported in 2Q15 and the 46.6% registered in 3Q14.

Other expenses					
S/. million	3Q14	2Q15	3Q15	%chg QoQ	%chg YoY
Salaries and employee benefits	-133.6	-143.4	-145.5	1.5%	9.0%
Administrative expenses	-163.5	-170.0	-180.3	6.0%	10.3%
Depreciation and amortization	-26.1	-25.3	-24.9	-1.5%	-4.6%
Other	-6.9	-17.2	-25.3	47.5%	n.m.
Total other expenses	-330.1	-355.8	-376.0	5.7%	13.9%
Efficiency ratio	46.6%	41.7%	40.5%	-120 bps	-610 bps

REGULATORY CAPITAL

The ratio of regulatory capital to risk-weighted assets (RWA) was 15.6% in 3Q15, below the 16.5% reported in 2Q15 and the 15.8% registered in 3Q14.

The QoQ decrease in the capital ratio was due to a 5.8% increase in RWA and a 0.1% reduction in regulatory capital. The quarterly increase in RWA was explained by growths of 30.4% in investments and 3.7% in loans; whereas the slight decrease in regulatory capital was mainly explained by higher deductions in the Tier I capital due to investments in securities from related companies.

As of 3Q15, Interbank's capital ratio of 15.6% was 380 basis points above its risk-adjusted minimum capital ratio requirement, established at 11.8%. The minimum regulatory capital ratio requirement was 10.0%, while the additional capital requirement for Interbank was 1.8% as of 3Q15.

Regulatory capital					
S/. million	3Q14	2Q15	3Q15	%chg QoQ	%chg YoY
Tier I capital	2,967.7	3,497.6	3,487.2	-0.3%	17.5%
Tier II capital	1,722.8	1,899.0	1,903.7	0.2%	10.5%
Total regulatory capital	4,690.5	5,396.6	5,390.9	-0.1%	14.9%
Risk-weighted assets	29,711.7	32,686.1	34,566.0	5.8%	16.3%
BIS ratio	15.8%	16.5%	15.6%	-90 bps	-20 bps
Tier I capital / risk-weighted assets	10.0%	10.7%	10.1%	-60 bps	10 bps

Interseguro

SUMMARY

Interseguro's profit attributable to shareholders in 3Q15 was S/. 156.2 million, an increase of S/. 38.7 million QoQ and S/. 86.7 million YoY. The annualized ROAE for 3Q15 was 152.7%, above the 95.4% reported in 2Q15 and the 48.7% registered in 3Q14.

The QoQ growth in profits was mainly due to a S/. 35.6 million increase in total premiums earned less claims and benefits and a S/. 24.3 million increase in net gain on sale of securities (other income). These factors were partially offset by a S/. 19.0 million increase in impairment loss on available-for-sale investments (other expenses).

Likewise, the YoY increase was mainly due to a S/. 51.4 million increase in total premiums earned less claims and benefits and a S/. 40.8 million increase in net gain on sale of securities, partially offset by a S/. 29.3 million increase in impairment loss on available-for-sale investments.

Interseguro's profit excluding discount rate impacts increased 12.9% QoQ and more than three-fold YoY due to higher net gain on sale of securities.

Insurance Segment's P&L Statement					
S/. million	3Q14	2Q15	3Q15	%chg QoQ	%chg YoY
Net Interest and similar income	46.7	64.9	64.1	-1.2%	37.4%
Fee income from financial services, net	-0.6	-1.1	-1.0	-7.2%	67.7%
Other income	28.4	44.4	64.4	45.1%	126.5%
Total premiums earned less claims and benefits	47.1	62.9	98.5	56.7%	109.0%
Net premiums	168.1	179.6	214.0	19.1%	27.3%
Adjustment of technical reserves	-74.1	-56.5	-46.7	-17.3%	-37.0%
Net claims and benefits incurred	-46.8	-60.3	-68.8	14.1%	47.0%
Other expenses	-46.3	-53.4	-75.8	42.1%	63.9%
Income before translation result and income tax	75.4	117.7	150.2	27.6%	99.3%
Translation result	-6.0	-0.6	7.6	n.m.	n.m.
Income tax	-0.0	0.1	-0.4	n.m.	n.m.
Profit for the period	69.4	117.2	157.4	34.3%	126.9%
Attributable to non-controlling interest ⁽¹⁾	0.1	0.3	-1.2	n.m.	n.m.
Profit attributable to shareholders	69.5	117.5	156.2	33.0%	124.9%
Discount rate impacts on technical reserves	56.9	83.1	117.4	41.3%	106.3%
Profit excluding discount rate impacts	12.6	34.4	38.9	12.9%	209.1%
ROAE	48.7%	95.4%	152.7%		
Efficiency ratio	14.0%	10.4%	8.6%		

(1) Starting 4Q14, Interseguro began consolidating a real estate investment shared by Interseguro and Intercorp Real Estate Inc., a subsidiary of Intercorp. Intercorp RE's part is then reported as attributable to non-controlling interest.

RESULTS FROM INVESTMENTS

Results from Investments ⁽¹⁾					
S/. million	3Q14	2Q15	3Q15	%chg QoQ	%chg YoY
Interest and similar income	48.8	67.0	67.3	0.5%	37.9%
Interest and similar expenses	-2.1	-2.1	-3.1	52.4%	50.3%
Net interest and similar income	46.7	64.9	64.1	-1.2%	37.4%
Fee income from financial services, net	-0.2	-0.6	-0.4	-35.8%	123.2%
Net gain on sale of securities	12.8	29.3	53.6	83.2%	n.m.
Net trading loss (income)	2.0	-1.6	-1.9	22.9%	n.m.
Rental income	8.1	4.8	4.4	-9.4%	-45.9%
Profit from sale of investment property	0.8	-1.3	-	n.m.	n.m.
Valuation gain from investment property	2.0	9.9	5.0	-49.6%	148.4%
Other ⁽¹⁾	0.2	-0.1	0.9	n.m.	n.m.
Other income	25.6	40.4	61.6	52.4%	140.2%
Expenses related to rental income	-2.0	-0.4	0.0	n.m.	n.m.
Other ⁽¹⁾	-2.8	-11.4	-31.6	177.8%	n.m.
Expenses	-4.8	-11.8	-31.6	167.4%	n.m.
Results from investments	67.5	93.5	94.1	0.7%	39.5%

(1) Only includes transactions related to investments.

NET INTEREST AND SIMILAR INCOME

Net interest and similar income was S/. 64.1 million in 3Q15, a decrease of S/. 0.8 million or 1.2% QoQ and an increase of S/. 17.4 million or 37.4% YoY.

The QoQ decrease was mainly due to an increase in interest and similar expenses as a result of higher interest payments on subordinated debt denominated in dollars.

The YoY growth was mainly due to an increase in interest on investments available-for-sale as a result of a 18.7% increase in the average volume of Interseguro's investment portfolio and a 45 basis point increase in the nominal average rate.

OTHER INCOME

Other income was S/. 61.6 million in 3Q15, an increase of S/. 21.2 million QoQ and S/. 36.0 million YoY.

The QoQ increase was largely explained by an increase of S/. 24.3 million in net gain on sale of securities, partially offset by a S/. 4.9 million decrease in valuation gain from investment property. The increase in net gain on sale of securities was due to higher gains in equity, partially offset by lower profits in fixed income investments. The decrease in valuation gain from investment property was due to real estate appreciation of certain properties recognized in 2Q15.

The YoY increase in other income was mainly explained by increases of S/. 40.8 million in net gain on sale of securities and S/ 3.0 million in valuation gain from investment property, partially offset by a S/. 3.9 decrease in net trading income and

a S/. 3.7 million decrease in rental income. The increase in net gain on sale of securities was related to a partial sale of an equity investment in 3Q15.

TOTAL PREMIUMS EARNED LESS CLAIMS AND BENEFITS

Total Premiums Earned Less Claims And Benefits					
S/. million	3Q14	2Q15	3Q15	%chg QoQ	%chg YoY
Net premiums	168.1	179.6	214.0	19.1%	27.3%
Adjustment of technical reserves	-74.1	-56.5	-46.7	-17.3%	-37.0%
Net claims and benefits incurred	-46.8	-60.3	-68.8	14.1%	47.0%
Total premiums earned less claims and benefits	47.1	62.9	98.5	56.7%	109.0%

Interseguro's total premiums earned less claims and benefits was S/. 98.5 million in 3Q15, an increase of S/. 35.6 million QoQ and S/. 51.4 million YoY.

The QoQ growth was mostly explained by a S/. 34.4 million increase in net premiums.

The YoY growth was related to a higher increase in annuities' discount rate which led to a S/. 60.5 million release of technical reserves, partially offset by a S/. 22.0 million increase in net claims and benefits incurred.

NET PREMIUMS

Net Premiums by Business Line					
S/. million	3Q14	2Q15	3Q15	%chg QoQ	%chg YoY
Annuities	118.1	126.7	158.3	24.9%	34.0%
Individual Life	8.8	9.4	11.3	19.8%	28.7%
Retail Insurance	41.2	43.5	44.4	2.1%	7.9%
Credit Life Insurance	23.2	23.8	27.0	13.3%	16.5%
Mandatory Traffic Accident (SOAT)	7.5	7.1	7.1	-1.2%	-5.3%
Card Protection	3.3	6.1	4.7	-22.4%	43.8%
Other	7.2	6.4	5.6	-12.3%	-22.4%
Net Premiums	168.1	179.6	214.0	19.1%	27.3%

Annuities include premiums from disability and survivorship insurance

Net premiums were S/. 214.0 million in 3Q15, an increase of S/. 34.4 million QoQ and S/. 45.9 million YoY.

The QoQ growth was mainly due to increases of S/. 31.6 million in Annuities and S/. 1.9 million in Individual Life. The increase in Annuities was due to a recovery from a temporary market contraction related to regulatory changes implemented in May, which established new retirement modes.

The YoY growth in net premiums was mainly attributable to S/. 40.2 million higher Annuities and S/. 3.2 million higher Retail Insurance premiums. The increase in Annuities was achieved by Interseguro's leadership position in a market that expanded 32.5% YoY. The increase in Retail Insurance was due to higher Credit Life Insurance and Card Protection premiums.

ADJUSTMENT OF TECHNICAL RESERVES

Adjustment of Technical Reserves					
S/. million	3Q14	2Q15	3Q15	%chg QoQ	%chg YoY
Annuities	-69.0	-51.8	-44.0	-15.0%	-36.2%
Individual Life	-3.6	-3.8	-3.1	-20.5%	-15.6%
Retail Insurance	-1.5	-0.8	0.4	n.m.	n.m.
Adjustment of technical reserves	-74.1	-56.5	-46.7	-17.3%	-37.0%

Annuities include adjustment of technical reserves from disability and survivorship insurance

Interseguro's adjustment of technical reserves was S/. 46.7 million in 3Q15, a decrease of S/. 9.8 million QoQ and S/. 27.4 million YoY.

The QoQ decrease was mainly due to the use of a higher weighted average discount rate to calculate technical reserves for annuities. This rate increased from 4.28% in March 2015 to 4.50% in June 2015, leading to a release of technical reserves during 2Q15. The weighted average discount rate further increased to 4.83% in September 2015 causing an additional release of technical reserves during 3Q15.

Likewise, the YoY decrease was driven by changes in the weighted average discount rates. This rate increased from 3.93% in June 2014 to 4.12% in September 2014, while during 3Q15 such changes led to a release of technical reserves higher than the release occurred in 3Q14.

NET CLAIMS AND BENEFITS INCURRED

Net Claims and Benefits Incurred					
S/. million	3Q14	2Q15	3Q15	%chg QoQ	%chg YoY
Annuities	-35.5	-49.2	-53.5	8.8%	50.8%
Individual Life	-0.5	-0.1	-0.6	n.m.	26.3%
Retail Insurance	-10.8	-11.0	-14.6	32.9%	35.6%
Credit Life Insurance	-7.7	-7.3	-11.8	63.0%	53.2%
Mandatory Traffic Accident (SOAT)	-2.3	-2.3	-2.1	-12.0%	-10.1%
Card Protection	-0.2	-0.2	0.0	n.m.	n.m.
Other	-0.6	-1.2	-0.8	-34.6%	29.5%
Net claims and benefits incurred	-46.8	-60.3	-68.8	14.1%	47.0%

Annuities include net claims and benefits incurred from disability and survivorship insurance

Net claims and benefits incurred were S/. 68.8 million in 3Q15, an increase of S/. 8.5 million QoQ and S/. 22.0 million YoY.

The QoQ growth was due to increases of S/. 4.3 million in claims related to Annuities, S/. 3.6 million in Retail Insurance and S/. 0.5 million in Individual Life. The increase in Annuities was attributed to a higher number of pensioners and higher exchange and inflation rates.

The YoY growth in net claims and benefits was due to increases of S/. 18.0 million in Annuities, S/. 3.8 million in Retail Insurance and S/. 0.1 million in Individual Life.

OTHER EXPENSES

Other Expenses					
S/. million	3Q14	2Q15	3Q15	%chg QoQ	%chg YoY
Salaries and employee benefits	-15.7	-15.4	-16.5	7.2%	5.4%
Administrative expenses	-7.2	-7.6	-7.9	3.5%	9.0%
Depreciation and amortization	-0.8	-1.1	-1.1	4.5%	36.0%
Third-party commissions	-14.4	-14.1	-13.8	-2.1%	-4.5%
Expenses related to rental income	-2.0	-0.4	0.0	n.m.	n.m.
Other	-6.1	-14.8	-36.6	147.3%	n.m.
Other expenses	-46.3	-53.4	-75.8	42.1%	63.9%

Other expenses were S/. 75.8 million in 3Q15, an increase of S/. 22.4 million QoQ and S/. 29.5 million YoY.

The QoQ growth was mostly explained by increases of S/. 19.0 million in impairment loss on available-for-sale investments (other), S/. 0.7 million in Individual Life surrenders (other) and S/. 0.5 million in provisions for uncollectible premiums (other).

The YoY growth was explained by increases of S/. 29.3 million in impairment loss on available-for-sale investments, S/. 0.8 million in salaries and employee benefits and S/. 0.7 million in administrative expenses, partially offset by a S/. 2.0 million decrease in expenses related to rental income.

Inteligo

SUMMARY

Inteligo's net profit in 3Q15 was S/. 16.7 million, a S/. 33.3 million or 66.5% decrease QoQ and a S/. 11.4 million or 40.4% decrease YoY. This result was mainly attributable to a decline in investment-related income and higher other expenses, despite rather strong net interest and similar income and fee income in 3Q15.

AuMs plus client deposits reached S/. 12,355.3 million in 3Q15, higher by S/. 375.0 million or 3.1% when compared to the previous quarter, and also higher by S/. 1,525.2 million or 14.1% when compared to 3Q14.

Inteligo's annualized ROAE for 3Q15 was 12.6%, lower than the 38.2% reported in 2Q15 and the 23.2% registered in 3Q14.

Wealth Management Segment's P&L Statement					
S/. million	3Q14	2Q15	3Q15	%chg QoQ	%chg YoY
Interest and similar income	24.5	35.9	35.6	-0.6%	45.1%
Interest and similar expenses	-11.1	-12.8	-12.8	0.3%	15.7%
Net interest and similar income	13.5	23.1	22.8	-1.2%	69.4%
Provision for loan losses, net of recoveries	0.0	0.0	-1.9	n.m.	n.m.
Net interest and similar income after provision for loan losses	13.5	23.1	20.9	-9.3%	55.4%
Fee income from financial services, net	24.9	30.1	37.3	23.6%	49.9%
Other income	5.0	18.8	-13.8	n.m.	n.m.
Other expenses	-15.8	-22.2	-27.5	24.2%	74.7%
Income before translation result and income tax	27.6	49.9	16.8	-66.3%	-39.0%
Translation result	0.5	0.2	0.2	20.3%	-56.1%
Income tax	0.0	0.0	-0.3	n.m.	n.m.
Profit for the period	28.1	50.0	16.7	-66.5%	-40.4%
ROAE	23.2%	38.2%	12.6%		
Efficiency ratio	36.3%	30.8%	46.3%		

ASSETS UNDER MANAGEMENT & DEPOSITS

Inteligo's Assets Under Management (AuMs) reached S/. 10,056.6 million in 3Q15, a S/. 424.5 million or 4.4% increase QoQ and a S/. 1,420.9 million or 16.5% increase YoY.

Client deposits reached S/. 2,298.7 million in 3Q15, a S/. 49.5 million or 2.1% decrease QoQ but a S/. 104.3 million or 4.8% increase YoY. As in the previous quarter, the QoQ decrease was mainly attributable to clients allocating a larger portion of their portfolios into capital market investments.

NET INTEREST AND SIMILAR INCOME

Net interest and similar income					
S/. million	3Q14	2Q15	3Q15	%chg QoQ	%chg YoY
Interest and similar income					
Due from banks and inter-bank funds	0.1	0.2	0.1	n.m.	n.m.
Investments available for sale	7.4	15.7	14.4	-7.9%	96.3%
Loans	17.1	20.0	21.1	5.4%	23.5%
Total interest and similar income	24.5	35.9	35.6	-0.6%	45.1%
Interest and similar expense					
Deposits and obligations	-11.9	-12.8	-12.7	-0.9%	6.1%
Due to banks and correspondents	0.9	0.0	-0.1	n.m.	n.m.
Total interest and similar expense	-11.1	-12.8	-12.8	0.3%	15.7%
Net interest and similar income	13.5	23.1	22.8	-1.2%	69.4%

Inteligo's net interest and similar income in 3Q15 was S/. 22.8 million, a S/. 0.3 million or 1.2% decrease when compared to 2Q15. Net interest and similar income increased by S/. 9.3 million or 69.4% when compared to the same period in the previous year.

Interest and similar income decreased by S/. 0.3 million or 0.6% QoQ. This was mainly attributable to a S/. 1.3 million or 7.9% decrease in interest on investments available for sale, partially offset by an increase of S/. 1.1 million or 5.4% in interest on loans.

Interest and similar expense remained rather stable QoQ.

Interest and similar income increased by S/. 11.1 million or 45.1% YoY in 3Q15, attributable to higher income on available for sale investments and higher interest on loans as a result of an increase in the volume of Inteligo's loan portfolio.

Interest and similar expense increased by S/. 1.7 million or 15.7% when compared to 3Q14. This was mainly explained by higher interest on deposits and obligations.

FEE INCOME FROM FINANCIAL SERVICES

Fees from financial services reached S/. 38.9 million in 3Q15, an increase of S/. 7.3 million or 23.2% QoQ, mainly due to higher funds management services, which increased by S/. 6.1 million or 20.5% when compared to the previous quarter. This was explained by a higher activity in the rebalancing of clients' portfolios.

Expenses related to fee income from financial services increased by S/. 0.2 million or 13.9% QoQ.

Inteligo's net fee income from financial services reached S/. 37.3 million, a S/. 7.2 million or 23.6% increase when compared to the previous quarter.

When compared to 3Q14, fees from financial services increased by S/. 12.7 million or 48.3%. Such growth was mainly attributable to income from funds management services which increased S/. 14.4 million or 67.0%.

Expenses related to fee income from financial services increased by S/. 0.2 million or 18.6% YoY in 3Q15.

As a result of the above, net fee income from financial services increased by S/. 12.4 million or 49.9% YoY in 3Q15.

Fee income from financial services, net					
S/. million	3Q14	2Q15	3Q15	%chg QoQ	%chg YoY
Income					
Brokerage and custody services	4.7	1.7	2.9	68.8%	-37.4%
Funds management	21.5	29.8	35.9	20.5%	67.0%
Total income	26.2	31.6	38.9	23.2%	48.3%
Expenses					
Brokerage and custody services	-0.5	-0.3	-0.8	n.m.	68.9%
Others	-0.9	-1.1	-0.8	-28.3%	-8.4%
Total expenses	-1.4	-1.4	-1.6	13.9%	18.6%
Fee income from financial services, net	24.9	30.1	37.3	23.6%	49.9%

OTHER INCOME

Inteligo's other income in 3Q15 reverted negatively from S/. 18.8 million in 2Q15 and S/. 5.0 million in 3Q14, to S/. -13.8 million in 3Q15. This result was attributable to a lower net gain on sale of securities on the investment portfolio, together with a higher mark to market loss on valuation of securities held for trading in 3Q15.

Other income					
S/. million	3Q14	2Q15	3Q15	%chg QoQ	%chg YoY
Net gain on sale of securities	6.0	23.6	-6.2	n.m.	n.m.
Net trading gain (loss)	-1.0	-4.9	-7.7	57.9%	n.m.
Other	0.0	0.1	0.0	n.m.	n.m.
Total other income	5.0	18.8	-13.8	n.m.	n.m.

OTHER EXPENSES

Other expenses in 3Q15 increased by S/. 5.3 million or 24.2% when compared to 2Q15. The result was mainly due to a S/. 6.1 million impairment loss on available for sale investments in 3Q15.

Inteligo's other expenses reached S/. 27.5 million in 3Q15, an increase of S/. 11.7 million or 74.7% YoY. The result was mainly due to the previously mentioned impairment loss and to higher salaries and employee benefits, as well as administrative expenses.

Other expenses					
S/. million	3Q14	2Q15	3Q15	%chg QoQ	%chg YoY
Salaries and employee benefits	-9.5	-12.3	-12.1	-1.9%	26.7%
Administrative expenses	-5.5	-8.2	-7.6	-7.1%	39.1%
Depreciation and amortization	-0.8	-1.6	-1.6	4.0%	n.m.
Impairment loss on available for sale investments	0.0	0.0	-6.1	n.m.	n.m.
Other	0.1	-0.1	0.0	n.m.	n.m.
Total other expenses	-15.8	-22.2	-27.5	24.2%	74.7%
Efficiency ratio	36.3%	30.8%	46.3%		