

## Intercorp Financial Services Inc. Reports Fourth Quarter 2012 Earnings

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Lima, Peru, January 30, 2013. Intercorp Financial Services Inc. (Bolsa de Valores de Lima: IFS) announced today its unaudited results for the fourth quarter 2012. These results are reported on a consolidated basis in accordance with Peruvian GAAP in nominal Peruvian Nuevos Soles.

### Yearly and Quarterly Highlights:

#### Intercorp Financial Services:

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

#### Interbank:

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

#### Interseguro:

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

## Intercorp Financial Services

### 2012 Performance

Intercorp Financial Services net earnings were S/. 705.7 million in 2012, a 1.0% increase compared to 2011. Higher earnings were driven by an 8.9% growth in gross financial margin, partially offset by increases of 21.3% in provisions and 7.3% in administrative expenses. Higher gross financial margin was due to increasing loan volume at Interbank and strong investment income at Interseguro, partially offset by an increase in interest paid on deposits at the bank. IFS ROE was 28.2% in 2012, below the 34.0% reported in 2011, but above the 26.2% reported in 2010.

Intercorp Financial Services' Profit and Loss Statement Summary					
S/. million	2010	2011	2012	%chg 12/11	%chg 11/10
Financial income	2,147.2	2,459.3	2,632.2	7.0%	14.5%
Financial expenses	-449.7	-561.8	-565.2	0.6%	24.9%
<b>Gross financial margin</b>	<b>1,697.5</b>	<b>1,897.5</b>	<b>2,067.0</b>	<b>8.9%</b>	<b>11.8%</b>
Provisions	-391.4	-402.4	-488.2	21.3%	2.8%
<b>Net financial margin</b>	<b>1,306.1</b>	<b>1,495.2</b>	<b>1,578.8</b>	<b>5.6%</b>	<b>14.5%</b>
Fee income from financial services, net	444.0	500.5	518.1	3.5%	12.7%
Result from insurance underwriting, net	-47.5	-64.1	-72.3	12.9%	34.8%
Administrative expenses	-974.8	-1,015.9	-1,089.9	7.3%	4.2%
<b>Net operating margin</b>	<b>727.8</b>	<b>915.8</b>	<b>934.7</b>	<b>2.1%</b>	<b>25.8%</b>
Depreciation and amortization	-98.4	-92.4	-101.1	9.4%	-6.1%
Other income (expenses)	68.5	102.2	76.4	-25.3%	49.1%
<b>Income before tax</b>	<b>697.9</b>	<b>925.6</b>	<b>909.9</b>	<b>-1.7%</b>	<b>32.6%</b>
Income tax	-195.7	-223.3	-200.1	-10.4%	14.1%
<b>Net income</b>	<b>502.3</b>	<b>702.3</b>	<b>709.8</b>	<b>1.1%</b>	<b>39.8%</b>
<b>Attributable to IFS shareholders</b>	<b>499.1</b>	<b>698.5</b>	<b>705.7</b>	<b>1.0%</b>	<b>39.9%</b>
<b>EPS</b>	<b>5.33</b>	<b>7.43</b>	<b>7.54</b>		
<b>ROE</b>	<b>26.2%</b>	<b>34.0%</b>	<b>28.2%</b>		

Intercorp Financial Services' Recurring Profit and Loss Statement Summary					
S/. million	2010	2011	2012	%chg 12/11	%chg 11/10
<b>Reported net earnings</b>	<b>499.1</b>	<b>698.5</b>	<b>705.7</b>	<b>1.0%</b>	<b>39.9%</b>
Non-recurring items:					
Investment gains	-9.9	-102.6	-104.1	1.5%	n.m.
Provision expenses	16.2	0.0	0.0	n.m.	n.m.
Fee income from financial services	0.0	-1.9	0.0	n.m.	n.m.
Loan recovery income	0.0	-19.5	0.0	n.m.	n.m.
Extraordinary expenses	12.6	0.0	0.0	n.m.	n.m.
<b>Total non-recurring items</b>	<b>18.9</b>	<b>-124.0</b>	<b>-104.1</b>	<b>-16.1%</b>	<b>n.m.</b>
<b>Recurring net earnings</b>	<b>518.0</b>	<b>574.4</b>	<b>601.6</b>	<b>4.7%</b>	<b>10.9%</b>
<b>Recurring ROE</b>	<b>27.2%</b>	<b>27.9%</b>	<b>24.1%</b>		

## 4Q12 Performance

Net earnings (attributable to IFS shareholders) were S/. 144.7 million in 4Q12, a 8.7% decrease QoQ and a 30.7% decline YoY. When excluding non-recurring items reported in 3Q12 and 4Q11, net earnings decreased 13.2% QoQ and 4.0% YoY. IFS ROE was 21.0% in 4Q12, below the 25.0% in 3Q12 and the 37.4% in 4Q11.

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

Intercorp Financial Services' Recurring Profit and Loss Statement Summary					
S/. million	4Q11	3Q12	4Q12	%chg QoQ	%chg YoY
<b>Reported net earnings</b>	<b>208.8</b>	<b>158.5</b>	<b>144.7</b>	<b>-8.7%</b>	<b>-30.7%</b>
Non-recurring items:					
Investment gains	-58.0	8.3	0.0	n.m.	n.m.
<b>Total non-recurring items</b>	<b>-58.0</b>	<b>8.3</b>	<b>0.0</b>	<b>n.m.</b>	<b>n.m.</b>
<b>Recurring net earnings</b>	<b>150.8</b>	<b>166.8</b>	<b>144.7</b>	<b>-13.2%</b>	<b>-4.0%</b>
<b>Recurring ROE</b>	<b>27.0%</b>	<b>26.3%</b>	<b>21.0%</b>		

### InterCorp Financial Services' Balance Sheet Summary

S/. million	4Q11	3Q12	4Q12	%chg QoQ	%chg YoY
Cash and due from banks	2,517.8	5,560.2	5,589.9	0.5%	122.0%
Investments, net	5,166.0	4,635.2	4,614.0	-0.5%	-10.7%
Loan portfolio, net	13,731.3	14,546.9	15,058.7	3.5%	9.7%
Fixed assets, net	444.2	441.0	445.4	1.0%	0.3%
Other assets	852.9	917.8	893.7	-2.6%	4.8%
<b>Total Assets</b>	<b>22,712.2</b>	<b>26,101.1</b>	<b>26,601.7</b>	<b>1.9%</b>	<b>17.1%</b>
Deposits and obligations	13,041.8	14,601.5	14,442.6	-1.1%	10.7%
Due to banks	1,825.0	2,485.9	2,856.4	14.9%	56.5%
Bonds and obligations	2,643.4	3,266.7	3,177.1	-2.7%	20.2%
Technical reserves for premiums and claims	2,178.1	2,402.2	2,456.0	2.2%	12.8%
Other liabilities	650.7	700.5	762.5	8.9%	17.2%
<b>Total Liabilities</b>	<b>20,339.1</b>	<b>23,456.8</b>	<b>23,694.5</b>	<b>1.0%</b>	<b>16.5%</b>
IFS shareholders' equity	2,359.3	2,628.1	2,890.1	10.0%	22.5%
Minority interest	13.9	16.1	17.1	6.2%	23.5%
<b>Total shareholders' equity</b>	<b>2,373.2</b>	<b>2,644.3</b>	<b>2,907.2</b>	<b>9.9%</b>	<b>22.5%</b>

### Quarter-on-quarter performance

Net earnings decreased 8.7% QoQ, mainly due to increases of S/. 38.8 million in administrative expenses and S/. 33.7 million in provisions, partially offset by increases of S/. 26.5 million in other income and S/. 26.0 million in financial income.

Financial income rose 4.1%, partially explained by the elimination of S/. 15.5 million in gains from the sale of investments from Interbank to IFS in 3Q12, which was not repeated in 4Q12. Furthermore, higher financial income was driven by increases in investment income earned on IFS individual investment portfolio and interest on cash, exchange gains, and interest on loans at Interbank, partially offset by a decrease in investment income at Interbank.

Financial expenses increased 9.9% QoQ due to higher interest paid on bonds as a result of a US\$250 million senior bond placed in late September 2012, and an increase in the cost of institutional deposits.

Provision expenses grew 32.5% due to an increase in provisions for internal alignment of client ratings, an increase in the past due loan ratio in the credit card portfolio, and growth in commercial loans.

Fee income rose 4.8% QoQ due to higher fees from credit and debit cards, and mortgage disbursements, partially offset by an increase in foreign bankers' commissions and insurance expenses.

Interseguro's loss from insurance underwriting decreased 52.4% due to a decline in reserves as a result of lower annuity sales. Annuity sales decreased as a result of an estimated 8.1% market contraction.

Administrative expenses grew 15.2% QoQ mainly due to a particularly low level of administrative expenses in 3Q12 resulting from a S/. 26.7 million reversal produced by the transfer of two subsidiaries from Interseguro to InRetail in August 2012. In addition, administrative expenses increased as a result of the expense growth related

to customer incentives, advertising and technology projects at Interbank and a one-time tax provision made in 4Q12 at Interseguro.

Other income increased S/. 26.5 million due to a reversal of provisions for exchange risk at Interbank and the elimination of accumulated other income from the transferred subsidiaries of Interseguro in 3Q12.

IFS effective tax rate rose slightly from 25.4% in 3Q12 to 25.8% in 4Q12.

### Year-on year performance

Net earnings decreased 30.7% YoY, mainly due to strong non-recurring investment income reported by Interseguro in 4Q11. When excluding non-recurring items, net earnings declined 4.0% as a result of higher provision and administrative expenses and a decrease in fee income, partially offset by a higher gross financial margin.

Financial income declined 3.0%, mainly explained by decreases of S/. 68.0 million in investment income at Interseguro and S/. 5.1 million in exchange gains at Interbank, partially offset by increases of S/. 33.4 million in interest on loans and S/. 11.7 million in interest on cash at Interbank. The decrease in investment income at Interseguro was due to a S/. 58.0 million non-recurring gain on the sale of real estate investments reported in 4Q11.

Financial expenses increased 12.5% YoY due to higher interest on deposits and bonds, partially offset by a reduction in losses from derivative products. The rise in interest on deposits was attributed to increases in the average volume and the average cost.

Provision expenses grew 12.0% due to an increase in the past due loan ratio in the credit card portfolio and higher provisions for internal alignment of client ratings.

Fee income declined 6.5% YoY as a result of a S/. 6.4 million increase in the elimination of commissions charged by Interbank to Interseguro, related to the sale of premiums.

Interseguro's loss from insurance underwriting decreased 53.7% as a result of an increase in the elimination of commissions paid by Interseguro to Interbank as previously mentioned, as well as higher premiums of group life and annuities and lower reserves. The decline in reserves was due to higher inflation-indexed, local currency annuity sales, which generate lower accounting losses than nominal Nuevos Soles or Dollar-denominated annuities.

Administrative expenses increased 3.4% YoY, a lower growth rate than that of business volume.

IFS effective tax rate rose from 19.1% in 4Q11 to 25.8% in 4Q12, as a result of a lower contribution to net earnings from Interseguro, whose investment income is tax-exempt.

### CONTRIBUTION OF SUBSIDIARIES

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	4Q11	3Q12	4Q12	%chg QoQ	%chg YoY
Interbank	125.4	158.1	124.9	-21.0%	-0.4%
Interseguro	92.2	17.2	21.5	25.3%	-76.7%
IFS accounts:					
Return on investment portfolio	4.1	7.6	5.7	-25.5%	37.3%
Exchange gains (loss)	1.1	4.2	2.5	-40.3%	123.5%
Taxes on dividends	-7.2	-3.8	-3.6	-6.8%	-50.9%
Other income (expenses)	-7.4	-10.0	-11.7	17.1%	58.1%
Consolidation adjustments	0.6	-14.8	5.5	n.m.	n.m.
<b>Total</b>	<b>208.8</b>	<b>158.5</b>	<b>144.7</b>	<b>-8.7%</b>	<b>-30.7%</b>

## Interbank

### SUMMARY

#### 2012 Performance

Interbank's net earnings were S/. 570.4 million in 2012, a 5.5% increase compared to the previous year. The main factors that contributed to this result were a 10.4% increase in gross financial margin and a 5.0% increase in fee income, partially offset by increases of 21.3% in provision expenses and 9.2% in administrative expenses. Financial income grew 8.9%, mainly driven by a 7.8% increase in interest on loans, partially offset by a 4.5% rise in financial expenses.

Interbank's annual ROE was 27.1% in 2012, below the 31.7% reported in 2011.

Interbank's Profit and Loss Statement Summary					
S/. million	2010	2011	2012	% chg 12/11	% chg 11/10
Financial income	1,965.3	2,095.6	2,282.8	8.9%	6.6%
Financial expenses	-405.9	-525.4	-549.0	4.5%	29.4%
<b>Gross financial margin</b>	<b>1,559.4</b>	<b>1,570.2</b>	<b>1,733.9</b>	<b>10.4%</b>	<b>0.7%</b>
Provisions	-391.4	-402.4	-488.2	21.3%	2.8%
<b>Net financial margin</b>	<b>1,168.0</b>	<b>1,167.8</b>	<b>1,245.6</b>	<b>6.7%</b>	<b>0.0%</b>
Fee income from financial services, net	452.7	508.8	534.0	5.0%	12.4%
Administrative expenses	-875.5	-907.0	-990.7	9.2%	3.6%
<b>Net operating margin</b>	<b>745.2</b>	<b>769.6</b>	<b>788.9</b>	<b>2.5%</b>	<b>3.3%</b>
Depreciation and amortization	-95.8	-90.0	-98.3	9.2%	-6.0%
Other income (expenses)	37.2	75.5	69.9	-7.4%	102.9%
<b>Income before taxes</b>	<b>686.7</b>	<b>755.1</b>	<b>760.6</b>	<b>0.7%</b>	<b>10.0%</b>
Income tax	-189.1	-214.2	-190.1	-11.2%	13.2%
<b>Net income</b>	<b>497.5</b>	<b>540.9</b>	<b>570.4</b>	<b>5.5%</b>	<b>8.7%</b>
<b>ROE</b>	<b>33.8%</b>	<b>31.7%</b>	<b>27.1%</b>	<b>-460 bps</b>	<b>-210 bps</b>

In 2012, as in 2011, net earnings were affected by non-recurring factors. In 2012, the bank received S/. 13.4 million, net of taxes, in extraordinary investment income. In 2011, these factors were mainly comprised of gains on the sale of investments and the recovery of a loan-write off, which contributed a total of S/. 47.8 million in after-tax income. Excluding such non-recurring items, net earnings would have grown 13.0% in 2012.

Summary of Non-Recurring Items					
S/. million				% chg	% chg
Net of taxes	2010	2011	2012	12/11	11/10
<b>Net Income</b>	<b>497.5</b>	<b>540.9</b>	<b>570.4</b>	<b>5.5%</b>	<b>8.7%</b>
Investment income	-69.3	-26.3	-13.4	-48.9%	-62.1%
Fee income	0.0	-1.9	0.0	n.m.	n.m.
Recoveries	0.0	-19.7	0.0	n.m.	n.m.
Provision expense	16.3	0.0	0.0	n.m.	n.m.
<b>Total Non-Recurring Items</b>	<b>-53.0</b>	<b>-47.8</b>	<b>-13.4</b>	<b>-71.9%</b>	<b>-9.8%</b>
<b>Recurring Net Income</b>	<b>444.5</b>	<b>493.1</b>	<b>557.0</b>	<b>13.0%</b>	<b>10.9%</b>
<b>Recurring ROE</b>	<b>30.2%</b>	<b>28.9%</b>	<b>26.4%</b>	<b>-250 bps</b>	<b>-130 bps</b>

Financial income grew 8.9% mainly due to increases of 7.8% in interest on loans and 28.2% in exchange gains. The increase in interest on loans was attributed to a 12.8% growth in the average volume, partially offset by a 40 basis point decrease in the average yield, from 12.4% in 2011 to 12.0% in 2012. The higher loan volume was driven by increases of 17.8% in the retail portfolio and 7.5% in the commercial portfolio. The lower yield was due to lower average rates in both portfolios. The yield on the retail portfolio decreased 120 basis points, mainly attributed to a decline in the average rate on credit cards and payroll-deduction loans, as well as a higher proportion of mortgage loans within the retail portfolio. This proportion increased from 32.8% in 2011 to 37.5% in 2012. The yield on the commercial loan portfolio declined 40 basis points, as the result of increased competition in this segment compared to the previous year. The rise in exchange gains was mainly due to higher income from trading activity with clients and derivative transactions with corporate clients.

Financial expenses rose 4.5% with respect to the previous year. This increase was explained by increases of 21.6% in interest on deposits and 5.6% in interest on bonds, partially offset by decreases of 13.0% in interest on due to banks and 23.0% in other financial expenses. The growth in interest on deposits was due to increases of 13.1% in the average volume and 10 basis points in the average cost. The higher volume was attributed to increases of 23.2% in institutional deposits, 9.8% in retail deposits, and 10.3% in commercial deposits. The rise in the average cost was due to increases of 20 basis points in the cost of institutional deposits and 10 basis points in the cost of retail deposits. The increase in the cost of institutional deposits was the result of a higher average reference rate during 2012 and an increase in the proportion of sol-denominated deposits within the total of institutional deposits, given that these have a higher cost than dollar-denominated deposits. The increase in the cost of retail deposits was mainly due to higher rates paid on time deposits.

The rise in interest on bonds was mainly due to a 10.2% growth in the average volume. This increase was the result of two new bond issues, the first for S/. 137.9 million in subordinated bonds placed in June 2012, and the second for US\$250 million in senior bonds placed in September 2012. The decrease in interest on due to banks was the result of a 120 basis point decline in the average cost, partially offset by a 9.3% growth in average volume. The decline in other financial expenses was mainly due to a S/. 10.8 million decrease in losses from derivative instruments.



Fee income rose 5.0% due to increases in loan structuring fees, account maintenance fees, and fees related to mortgage loan disbursements.

The efficiency ratio remained stable at 48.0% in 2012, despite a 9.2% increase in administrative expenses.

Pre-tax income remained relatively stable in 2012, to the extent that a lower effective tax rate contributed to a 5.5% growth in the bottom line. The effective tax rate declined from 28.4% in 2011 to 25.0% in 2012, as a result of higher non-taxable income and lower non-deductible expenses.

#### 4T12 Performance

Interbank's net earnings were S/. 125.8 million in 4Q12, in line with 4Q11. Gross financial margin grew 6.3% YoY, but was offset by increases of 12.0% in provisions and 5.3% in administrative expenses.

Net earnings decreased 21.0% QoQ due to increases of 9.4% in financial expenses and 32.4% in provisions, despite increases in financial income, fee income, and other income. In 3Q12, Interbank reported S/. 7.3 million in after-tax income due to gains on the sale of investments. Excluding such non-recurring gains, net earnings would have decreased 17.2% QoQ.

Interbank's ROE was 21.9% in 4Q12, below the 29.8% reported in 3Q12 and the 27.1% reported in 4Q11.

Interbank's Profit and Loss Statement Summary					
S/. million	4Q11	3Q12	4Q12	% chg QoQ	% chg YoY
Financial income	538.5	577.7	582.3	0.8%	8.1%
Financial expenses	-132.1	-137.3	-150.2	9.4%	13.7%
<b>Gross financial margin</b>	<b>406.4</b>	<b>440.3</b>	<b>432.0</b>	<b>-1.9%</b>	<b>6.3%</b>
Provisions	-122.9	-103.9	-137.6	32.4%	12.0%
<b>Net financial margin</b>	<b>283.5</b>	<b>336.5</b>	<b>294.4</b>	<b>-12.5%</b>	<b>3.8%</b>
Fee income from financial services, net	140.7	132.6	138.4	4.3%	-1.6%
Administrative expenses	-247.6	-251.9	-260.6	3.5%	5.3%
<b>Net operating margin</b>	<b>176.7</b>	<b>217.2</b>	<b>172.2</b>	<b>-20.7%</b>	<b>-2.5%</b>
Depreciation and amortization	-22.5	-24.8	-25.3	2.1%	12.6%
Other income (expenses)	19.5	18.6	25.7	38.1%	31.5%
<b>Income before taxes</b>	<b>173.7</b>	<b>211.0</b>	<b>172.6</b>	<b>-18.2%</b>	<b>-0.6%</b>
Income tax	-47.4	-51.8	-46.8	-9.7%	-1.3%
<b>Net income</b>	<b>126.3</b>	<b>159.2</b>	<b>125.8</b>	<b>-21.0%</b>	<b>-0.4%</b>
<b>ROE</b>	<b>27.1%</b>	<b>29.8%</b>	<b>21.9%</b>	<b>-790 bps</b>	<b>-520 bps</b>

Summary of Non-Recurring Items					
S/. million				% chg	% chg
Net of taxes	4Q 11	3Q 12	4Q 12	QoQ	YoY
Net Income	126.3	159.2	125.8	-21.0%	-0.4%
Investment Income	0.0	-7.3	0.0	n.m.	n.m.
Total Non-Recurring Items	0.0	-7.3	0.0	n.m.	n.m.
Recurring Net Income	126.3	152.0	125.8	-17.2%	-0.4%
Recurring ROE	27.1%	28.4%	21.9%	-650 bps	-520 bps

## INTEREST-EARNING ASSETS

Interest-earning assets reached S/. 22,388.3 million in 4Q12, an increase of 1.3% QoQ and 18.3% YoY.

The QoQ increase was mainly due to a 3.5% increase in loans, partially offset by a 14.4% decrease in investments. The reduction in investments was explained by the replacement of Central Bank certificates of deposit, which are registered as investments, with overnight deposits at the same institution, which are registered as cash. However, by year-end 2012, these funds were used to fund loan growth, for which cash remained relatively stable QoQ.

The YoY growth in interest-earning assets was due to increases of 123.5% in cash and 9.7% in loans. The increase in cash was attributed to the return of normal levels of surplus liquidity held by the bank, after cash had been used to fund the robust loan growth at the end of 4Q11, and to higher reserve requirements in effect as of May, September, October and November 2012.

Interest-Earning Assets					
S/. million				% chg	% chg
	4Q11	3Q12	4Q12	QoQ	YoY
Cash and due from banks	2,479.2	5,475.2	5,541.8	1.2%	123.5%
Investments, net	2,609.2	1,955.2	1,672.9	-14.4%	-35.9%
Loan portfolio, net	13,731.3	14,546.9	15,058.7	3.5%	9.7%
Other interest-earning assets	109.8	115.4	114.8	-0.5%	4.6%
Total interest-earning assets	18,929.5	22,092.6	22,388.3	1.3%	18.3%

Loan Portfolio					
S/. million	4Q11	3Q12	4Q12	% chg QoQ	% chg YoY
Performing loans:					
Retail	7,042.6	7,713.2	7,890.2	2.3%	12.0%
Commercial	7,082.1	7,197.8	7,544.9	4.8%	6.5%
<b>Total performing loans</b>	<b>14,124.6</b>	<b>14,911.0</b>	<b>15,435.0</b>	<b>3.5%</b>	<b>9.3%</b>
Restructured and refinanced loans	87.1	96.2	108.4	12.7%	24.4%
Past due loans	216.4	280.2	291.2	3.9%	34.5%
<b>Gross loans</b>	<b>14,428.2</b>	<b>15,287.4</b>	<b>15,834.5</b>	<b>3.6%</b>	<b>9.7%</b>
Add (less)					
Accrued and deferred interest	-103.7	-82.1	-93.0	13.2%	-10.3%
Allowance for loan losses	-593.2	-658.4	-682.9	3.7%	15.1%
<b>Total direct loans, net</b>	<b>13,731.3</b>	<b>14,546.9</b>	<b>15,058.7</b>	<b>3.5%</b>	<b>9.7%</b>

Performing loans grew 3.5% QoQ. Commercial loans grew 4.8% in 4Q12, the third consecutive quarter of growth after having decreased in 1Q12. Retail loans increased 2.3%, mainly due to a 5.5% rise in mortgage loans. The growth in mortgage loans was the result of continued demand for new housing and successful commercial efforts at Interbank. Other consumer loans grew 1.3%, driven mainly by increases in auto and personal loans. Credit card loans decreased 0.6%, as the bank maintained a cautious approach in response to a system-wide increase in delinquency.

Performing loans grew 9.3% YoY. Commercial loans increased 6.5%, driven by growth across most segments, including medium-term loans, leasing, and discounts, partially offset by a decrease in trade finance loans. Retail loans grew 12.0%, driven by increases of 27.8% in mortgage loans and 10.1% in other consumer loans, partially offset by a 2.5% decrease in credit cards.

Breakdown of Performing Retail Loans					
S/. million	4Q11	3Q12	4Q12	% chg QoQ	% chg YoY
Consumer loans:					
Credit cards	2,165.8	2,124.4	2,112.1	-0.6%	-2.5%
Other consumer	2,564.6	2,786.8	2,823.1	1.3%	10.1%
<b>Total consumer loans</b>	<b>4,730.4</b>	<b>4,911.2</b>	<b>4,935.2</b>	<b>0.5%</b>	<b>4.3%</b>
Mortgages	2,312.2	2,802.0	2,955.0	5.5%	27.8%
<b>Total retail loans</b>	<b>7,042.6</b>	<b>7,713.2</b>	<b>7,890.2</b>	<b>2.3%</b>	<b>12.0%</b>

## FUNDING STRUCTURE

Funding Structure					
S/. million	4Q11	3Q12	4Q12	% chg QoQ	% chg YoY
Deposits and obligations	13,112.5	14,701.2	14,600.5	-0.7%	11.3%
Due to banks	2,266.1	2,814.8	3,170.6	12.6%	39.9%
Bonds	2,037.9	2,752.6	2,707.3	-1.6%	32.8%
Inter-bank funds	82.8	105.8	58.1	-45.1%	-29.8%
<b>Total</b>	<b>17,499.4</b>	<b>20,374.4</b>	<b>20,536.5</b>	<b>0.8%</b>	<b>17.4%</b>
AUM (Interfondos)	2,161.3	2,550.0	2,839.9	11.4%	31.4%
<u>% of funding</u>					
Deposits and obligations	74.9%	72.2%	71.1%		
Due to banks and inter-bank funds	13.4%	14.3%	15.7%		
Bonds	11.7%	13.5%	13.2%		

Interbank's total funding grew 0.8% QoQ, in line with interest-earning assets. Due to banks rose 12.6%, driven by increases of 16.2% in funding from correspondent banks and 5.8% in local funding. The rise in funding from correspondent banks allowed the bank to replace other, more volatile sources of funding for trade finance. Furthermore, this also led to an improvement in the match between related assets and liabilities. Local funding was mainly used to fund mortgage loans granted under government-sponsored housing programs. Deposits decreased 0.7% due to a 16.4% reduction in institutional deposits, the majority of which were replaced by lower-cost transactional deposits. As a result, the proportion of institutional deposits to total deposits fell from 29.6% in 3Q12 to 24.9% in 4Q12.

The bank's funding base grew 17.4% YoY due to increases of 11.3% in deposits, 39.9% in due to banks and 32.8% in bonds. The growth in deposits was explained by increases of 16.8% in commercial deposits, 17.9% in institutional deposit and 4.1% in retail deposits. During the first half of 2012, institutional deposits grew at a higher rate than retail and commercial deposits. As a result, the proportion of institutional deposits to total deposits increased from 23.5% in 4Q11 to 24.9% in 4Q12, but decreased from the 31.8% reported in 2Q12.

The growth in due to banks was attributed to increases of 49.1% in funding from correspondent banks and 24.5% in local funding.

The increase in bonds was explained by two new bond issues. The first was for S/. 137.9 million in subordinated bonds, placed in June 2012, and the second was for US\$250 million in senior bonds, placed in September 2012. The latter transaction consisted of the reopening of a US\$400 million bond issue placed in October 2010 with a final maturity in 2020. The increase in outstanding bond volume was partially offset by two factors. The first was a 5.7% appreciation of the Nuevo Sol against the U.S. dollar, which drove a decrease in the value of bonds issued in dollars. Dollar-denominated bonds represented 85.0% of total bonds. The second factor was the payment of US\$2.2 million in mortgage bonds over the last 12 months.

Breakdown of Deposits					
S/. million	4Q11	3Q12	4Q12	% chg QoQ	% chg YoY
<b>By Customer Segment</b>					
Retail	5,913.4	5,990.2	6,157.7	2.8%	4.1%
Commercial	4,119.3	4,363.8	4,810.4	10.2%	16.8%
Institutional	3,079.9	4,347.2	3,632.5	-16.4%	17.9%
<b>Total</b>	<b>13,112.5</b>	<b>14,701.2</b>	<b>14,600.5</b>	<b>-0.7%</b>	<b>11.3%</b>
<b>By Type:</b>					
Demand	3,361.2	3,546.2	3,962.5	11.7%	17.9%
Savings	4,140.8	4,225.0	4,363.9	3.3%	5.4%
Time	5,610.5	6,930.0	6,274.1	-9.5%	11.8%
<b>Total</b>	<b>13,112.5</b>	<b>14,701.2</b>	<b>14,600.5</b>	<b>-0.7%</b>	<b>11.3%</b>

## FINANCIAL MARGIN

Financial Margin					
S/. million	4Q11	3Q12	4Q12	% chg QoQ	% chg YoY
Financial income	538.5	577.7	582.3	0.8%	8.1%
Financial expenses	-132.1	-137.3	-150.2	9.4%	13.7%
<b>Gross financial margin</b>	<b>406.4</b>	<b>440.3</b>	<b>432.0</b>	<b>-1.9%</b>	<b>6.3%</b>

Financial Income					
S/. million	4Q11	3Q12	4Q12	% chg QoQ	% chg YoY
Interest and fees on loans	440.5	469.8	473.9	0.9%	7.6%
Investment income	27.8	44.8	31.2	-30.3%	12.3%
Interest on due from banks and inter-bank funds	2.8	6.9	14.5	111.0%	n.m.
Financial income before exchange gains	471.1	521.5	519.7	-0.4%	10.3%
Exchange and derivative gains	65.2	53.5	60.1	12.4%	-7.8%
Others	2.2	2.7	2.5	-6.5%	10.8%
<b>Total Financial Income</b>	<b>538.5</b>	<b>577.7</b>	<b>582.3</b>	<b>0.8%</b>	<b>8.1%</b>

Average interest-earning assets	18,514.1	22,035.4	22,240.5	0.9%	20.1%
Average yield on assets*	10.5%	9.8%	9.7%	-10 bps	-80 bps

\*Annualized. Excludes exchange and derivatives gains

Financial Expenses					
S/. million	4Q11	3Q12	4Q12	% chg QoQ	% chg YoY
Interest and fees on deposits and obligations	50.5	58.0	64.3	10.9%	27.3%
Interest on due to banks and inter-bank funds	33.7	32.0	32.6	1.8%	-3.3%
Interest on bonds	32.5	36.4	44.0	20.8%	35.3%
Other financial expenses	15.3	10.8	9.3	-13.8%	-39.2%
<b>Financial Expenses</b>	<b>132.1</b>	<b>137.3</b>	<b>150.2</b>	<b>9.4%</b>	<b>13.7%</b>

Average interest-bearing liabilities	17,166.6	20,413.7	20,455.4	0.2%	19.2%
Average cost of funding*	2.7%	2.4%	2.7%	30 bps	0 bps

\*Annualized. Excludes exchange and derivatives losses

## QoQ Performance

Gross financial margin decreased 1.9% QoQ as a result of a 9.4% increase in financial expenses, partially offset by a 0.8% rise in financial income.

The growth in financial income was due to increases of 111.0% in interest on cash, 12.4% in exchange gains, and 0.9% in interest on loans, partially offset by a 30.3% decrease in investment income.

Interest on cash grew 111.0%, attributed to increases of 50 basis points in the average yield and 6.6% in the average volume. The increase in the average yield was due to higher returns on overnight deposits in the Central Bank, coupled with higher stability and permanence of these deposits in 4Q12, in contrast to volatility in the previous quarter. The growth in volume was due to higher reserve requirements in effect as of September 2012.

Exchange gains rose 12.4% QoQ, due to increases of S/. 2.8 million in gains on Interbank's exchange position and S/. 2.5 million from trading activity with clients.

Interest on loans grew 0.9% QoQ due to an increase of 3.3% in the average loan volume, partially offset by a 30 basis point decrease in the average yield, from 12.7% in 3Q12 to 12.4% in 4Q12. The higher average volume was attributed to increases of 4.2% in the commercial portfolio and 2.3% in the retail portfolio. Within the commercial portfolio, growth was due to increases of 8.0% in medium-term loans and 7.2% in small business loans, partially offset by an 8.1% decrease in trade finance loans. In the retail portfolio, higher volume was explained by increases of 5.9% in mortgage loans and 2.4% in other consumer loans, partially offset by a 2.4% decrease in credit cards. The decline in the average yield was due to lower yields on both the retail and commercial portfolios. The average yield on retail loans decreased 40 basis points, mainly due to lower rates on credit cards. The average yield on the commercial portfolio decreased 10 basis points, mainly due to lower rates on medium-term loans. It should be noted that the average yield on commercial loans increased gradually, totaling 40 basis points, between 4Q11 and 3Q12.

Investment income decreased 30.3% QoQ, as a result of lower interest on the fixed income portfolio and Central Bank certificates of deposit. The decrease in interest from fixed income investments was due to S/. 8.3 million in non-recurring income that was registered from the sale of sovereign bonds in 3Q12 and was not repeated in 4Q12. Excluding this non-recurring gain, investment income would have decreased 14.5%. Lower interest on Central Bank certificates of deposit was the result of a 44.0% reduction in the average volume, partially offset by a 10 basis point increase in the average yield. The decrease in the volume of certificates was explained by their replacement with overnight deposits at the same institution, which offered better returns in 4Q12.

The return on average interest-earning assets was 9.7% in 4Q12, slightly below the 9.8% reported in 3Q12, due to a lower yield on the loan portfolio.

Financial expenses rose 9.4% QoQ, due to increases of 20.8% in interest paid on bonds and 10.9% in interest on deposits.

Interest on bonds grew 20.8% QoQ, due to the full quarter effect of a US\$250 million senior bond placed in late September 2012.

Interest on deposits increased 10.9% QoQ due to a 20 basis point rise in the average cost, partially offset by a 2.4% decrease in the average volume. The higher average cost was attributed to a 100 basis point increase in the cost of institutional deposits, due to lower dollar liquidity in the financial system. The decrease in the average volume was mainly due to a 13.4% reduction in institutional deposits, partially offset by increases of 4.3% in commercial deposits and 0.8% in retail deposits. The cost of both retail and commercial deposits remained stable.

The average cost of funding increased 30 basis points, from 2.4% in 3Q12 to 2.7% in 4Q12, mainly due to the higher cost of bonds and deposits.

### YoY Performance

Gross financial margin increased 6.3% YoY, as a result of an 8.1% rise in financial income, partially offset by a 13.7% increase in financial expenses.

The growth in financial income was due to increases of S/. 33.4 million in interest on loans and S/. 11.7 million in interest on cash, partially offset by a S/. 5.1 million decrease in exchange gains.

The rise in interest on loans was explained by an 11.8% increase in the average loan volume, partially offset by a 30 basis point decrease in the average yield, from 12.7% in 4Q11 to 12.4% in 4Q12. The higher average volume was due to increases of 14.2% in the retail portfolio and 8.6% in the commercial portfolio. Within the retail portfolio, growth was driven by increases of 27.4% in mortgage loans, 11.0% in payroll-deduction loans and 1.8% in credit cards. The higher commercial loan volume was due to increases of 17.4% in medium-term loans, 6.4% in leasing, 29.2% in small business loans, partially offset by a 13.2% decrease in trade finance loans. The average yield on the loan portfolio decreased as a result of a lower yield on retail loans, partially offset by a higher yield on commercial loans. The yield on retail loans decreased 170 basis points due to competitive pressures in the majority of loan products, as well as an increase in the proportion of mortgage loans within the portfolio. This proportion increased from 32.8% in 4Q11 to 37.5% in 4Q12. In the commercial portfolio, the yield increased 30 basis points, mainly due to higher rates in leasing and trade finance.

The growth in interest on cash was attributed to increases of 96.5% in the average volume and 70 basis points in the average yield. The higher average volume was explained by increases in reserve requirements and overnight deposits at the Central Bank. The increase in the average yield was due to a higher return on said deposits.

The rise in exchange gains was mainly due to a S/. 3.8 million increase in income from trading activity with clients.

The return on average interest-earning assets was 9.7% in 4Q12, 80 basis points below 3Q12, mainly due to the lower yield on the loan portfolio and the increase in cash.

Financial expenses rose 13.7% YoY due to increases of 27.3% in interest on deposits and 35.3% in interest on bonds, partially offset by decreases of 39.2% in other financial expenses.

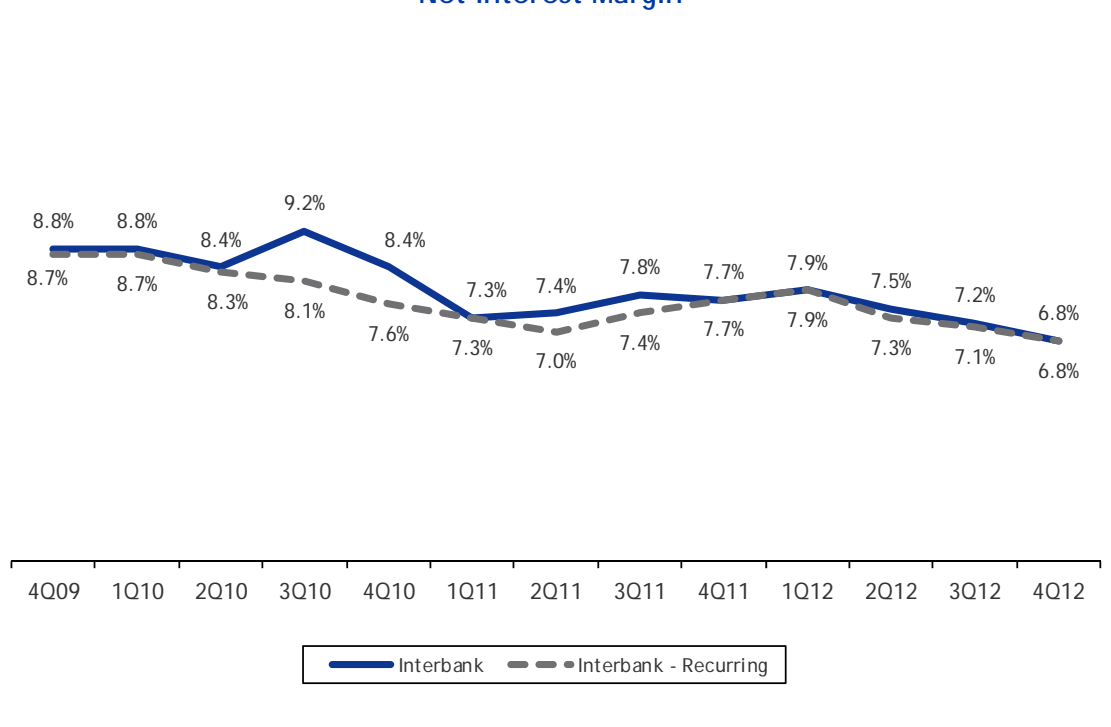
The growth in interest on deposits was attributed to increases of 15.6% in the average volume and 10 basis points in the average cost. The higher average volume was due to increases of 46.2% in institutional deposits, 10.2% in commercial deposits and 5.5% in retail deposits. The rise in the average cost was due to increases of 20 basis points in the cost of institutional deposits and 10 basis points in the cost of retail deposits, partially offset by a 10 basis point decrease in the cost of commercial deposits.

The increase in interest on bonds was due to a 31.2% growth in the average volume. The higher average volume was explained by two new bond issues in 2012, the first for S/. 137.9 million in subordinated bonds, placed in June, and the second for US\$250 million in senior bonds, placed in September.

The decline in other financial expenses was mainly the result of a S/. 6.9 million reduction in losses from derivative products, which are part of the bank's management of the investment portfolio.

The average cost of funding remained stable YoY at 2.7%.

### Net Interest Margin\*



\* Excludes exchange and derivative gains

Net interest margin was 6.8% in 4Q12, below the 7.2% reported in 3Q12 and the 7.7% reported in 4Q11.

### PROVISIONS

Provision expenses increased 32.4% QoQ and 12.0% YoY. As a result, the ratio of provision expense to average loans was 3.5% in 4Q12, higher than the 2.8% registered in 3Q12 and in line with the 3.5% reported in 4Q11. The QoQ increase was due to three factors. The first was an increase in provisions related to an internal alignment of client ratings, as per the regulatory requirement that banks apply the same rating



to all of a client's outstanding obligations. As a result of this requirement, even if a client is up to date with certain obligations, like mortgages or payroll loans, but is delinquent on others, such as credit card loans, the bank must provision as if the client was delinquent with all obligations. The second factor was an increase in the past due loan ratio of the credit card portfolio, from 3.6% in 2Q12 to 3.9% in 3Q12. The third factor was an increase in commercial loan provisions, as a result of the 4.8% QoQ growth in said portfolio.

The YoY increase in provision expenses was due to the increase in the past due loan ratio of the credit card portfolio, which increased from 3.0% in 4Q11 to 3.9% in 4Q12, and the requirement for additional provisions for internal alignment of client ratings.

Composition of Provision Expense					
S/. million	4Q11	3Q12	4Q12	% chg QoQ	% chg YoY
Provisions recognized as expense	-135.9	-125.5	-146.7	16.8%	7.9%
Provision recoveries	13.0	21.7	9.1	-58.0%	-30.1%
<b>Total provision expense</b>	<b>-122.9</b>	<b>-103.9</b>	<b>-137.6</b>	<b>32.4%</b>	<b>12.0%</b>
<b>Provision expense / Average loans</b>	<b>3.5%</b>	<b>2.8%</b>	<b>3.5%</b>	<b>70 bps</b>	<b>0 bps</b>

Provision for Loan Losses					
S/. million	4Q11	3Q12	4Q12	% chg QoQ	% chg YoY
Balance at the beginning of the quarter	-602.2	-714.7	-715.5	0.1%	18.8%
Provision recognized as expense for the period	-135.9	-125.5	-146.7	16.8%	7.9%
Provision recoveries	13.0	21.7	9.1	-58.0%	-30.1%
Write-offs, extinguishment of debt and sales	80.4	99.0	108.4	9.5%	34.8%
Provision of acquired portfolio	-4.6	-0.2	0.0	n.m.	n.m.
Exchange result, net	4.3	4.4	3.0	-31.8%	-30.6%
<b>Balance at the end of the quarter</b>	<b>-644.9</b>	<b>-715.5</b>	<b>-741.7</b>	<b>3.7%</b>	<b>15.0%</b>
<b>Past due loans / Total loans</b>	<b>1.5%</b>	<b>1.8%</b>	<b>1.8%</b>	<b>0 bps</b>	<b>30 bps</b>
<b>Coverage ratio</b>	<b>274.1%</b>	<b>234.9%</b>	<b>234.5%</b>		

The ratio of past due loans to total loans remained stable at 1.8% in 4Q12. The coverage ratio of the past-due loan portfolio decreased slightly, from 234.9% in 3Q12 to 234.5% in 4Q12.

## FEE INCOME FROM FINANCIAL SERVICES

Fee income rose 4.3% QoQ, driven by higher fees from credit and debit cards and mortgage disbursements, partially offset by an increase in expenses associated with fee generation. The growth in credit and debit card fees was due higher membership fees and non-customer ATM usage fees. The increase in expenses associated with fee generation was explained by higher foreign bankers' commissions and insurance costs.

Fee income declined 1.6% YoY due to an 18.3% growth in expenses associated with fee generation and a 4.6% reduction in credit and debit card fees, partially offset by a 9.9% increase in service fees. The increase in expenses associated with fee

generation was due to higher expenses for insurance, leasing, and foreign bankers' commissions. The decline in credit and debit card fees was due to decreases of 5.7% in the number of active credit cards, 5.5% in purchases, and 29.1% in disbursements. The increase in service fees was attributed to higher account maintenance fees and insurance commissions.

Fee Income from Financial Services, Net					
S/. million	4Q11	3Q12	4Q12	% chg QoQ	% chg YoY
Credit and debit cards	54.7	47.7	52.2	9.5%	-4.6%
Fees from services	57.6	62.8	63.3	0.8%	9.9%
Contingent operations	11.4	13.1	12.6	-4.0%	10.5%
Fees from collections and payment services	5.8	4.8	5.7	20.3%	-2.0%
Other fees	39.4	36.5	38.0	4.1%	-3.6%
<b>Total</b>	<b>168.9</b>	<b>164.8</b>	<b>171.8</b>	<b>4.2%</b>	<b>1.7%</b>
Expenses relating to financial services	-28.2	-32.2	-33.4	3.7%	18.3%
<b>Fee income from financial services, net</b>	<b>140.7</b>	<b>132.6</b>	<b>138.4</b>	<b>4.3%</b>	<b>-1.6%</b>

## ADMINISTRATIVE EXPENSES

Administrative expenses grew 3.5% QoQ and 5.3% YoY. The QoQ increase was mainly due to a 10.9% increase in expenses for services received from third parties, partially offset by a 4.7% decline in personnel expenses. The increase in expenses for third-party services was explained by growth in expenses related to customer incentives and advertising, which are seasonally high in the fourth quarter, and expenses related to technology projects. The decline in personnel expenses was explained by a decrease in workers' profit-sharing, due to lower pre-tax income.

The YoY increase was mainly attributed to a 10.6% rise in expenses for services received from third parties. This increase was due to higher expenses related to customer incentives, technology projects, and office leases.

Due to the moderate growth in expenses, the efficiency ratio increased from 48.3% in 3Q12 and 49.4% in 4Q11, to 50.1% in 4Q12.

Administrative Expenses					
S/. million	4Q11	3Q12	4Q12	% chg QoQ	% chg YoY
Personnel and board of directors expenses	-111.2	-115.2	-109.8	-4.7%	-1.3%
Services received from third parties	-130.8	-130.5	-144.8	10.9%	10.6%
Taxes and contributions	-5.6	-6.1	-6.1	-0.3%	10.0%
<b>Total</b>	<b>-247.6</b>	<b>-251.9</b>	<b>-260.6</b>	<b>3.5%</b>	<b>5.3%</b>
<b>Efficiency ratio</b>	<b>49.4%</b>	<b>48.3%</b>	<b>50.1%</b>	<b>180 bps</b>	<b>70 bps</b>

## OTHERS

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

Other income increased S/. 7.1 million QoQ due to the reversal of provisions for foreign exchange risk, partially offset by a lower income from recoveries.

Other income grew S/. 6.1 million YoY, mainly due to the reversal of provisions for foreign exchange risk, partially offset by lower extraordinary income.

S/. million	Other Income (Expenses)			% chg QoQ	% chg YoY
	4Q11	3Q12	4Q12		
Depreciation	-16.9	-17.1	-17.8	4.0%	5.0%
Amortization	-5.5	-7.7	-7.5	-2.3%	35.7%
<b>Total depreciation and amortization</b>	<b>-22.5</b>	<b>-24.8</b>	<b>-25.3</b>	<b>2.1%</b>	<b>12.6%</b>
Income (expenses) from recoveries	18.5	28.3	20.7	-26.8%	12.1%
Extraordinary income (expenses)	3.4	-2.6	0.0	n.m.	n.m.
Provisions for contingencies and other provisions	-2.3	-7.1	5.0	n.m.	n.m.
<b>Other Income (Expenses)</b>	<b>19.5</b>	<b>18.6</b>	<b>25.7</b>	<b>38.1%</b>	<b>31.5%</b>
<b>Total</b>	<b>-3.0</b>	<b>-6.2</b>	<b>0.4</b>	<b>n.m.</b>	<b>n.m.</b>

## CAPITALIZATION

The ratio of regulatory capital to risk-weighted assets was 13.3% in 4Q12, below the 13.9% reported in 3Q12 and the 13.7% reported in 4Q11. The QoQ decline was due to a 4.5% increase in risk-weighted assets (RWA) and a slight 0.1% decrease in regulatory capital. The QoQ growth in RWA was mainly attributed to loan growth.

The YoY decrease in the capital ratio was due to a 22.0% increase in RWA, partially offset by an 18.5% growth in regulatory capital. Higher RWA were a result of loan growth and scheduled regulatory adjustments to the calculation of their components. In July 2012, three of these adjustments went into effect. First, the adjustment factor for credit and market RWA was increased from 98% to 100%. Second, the weight given to leasing operations was raised from 80% to 100%. Finally, the adjustment factor for operational RWA increased from 50% to 60%. The increase in regulatory capital was due to the capitalization of S/. 296.2 million in net earnings 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 core capital, the limit on hybrid debt that can qualify as Tier I was raised. Consequently, an additional S/. 52.3 million from a US\$200 million junior subordinated bond issued in 2010 was incorporated into Interbank's Tier I capital. As of December 31, 2012, 68.5% of this issuance was considered Tier I capital. The remaining 31.5% of the bond qualified as Tier II capital, and will be incorporated into Tier I gradually, in line with growth in Interbank's core capital.

As of December 31, 2012, Interbank's capital ratio of 13.3% was 220 basis points above its risk-adjusted minimum capital ratio, established at 11.1%. The minimum regulatory capital ratio requirement was 10.0%, while the additional capital requirement for Interbank was 1.1% as of December 31, 2012.

Capitalization					
S/. million	4Q11	3Q12	4Q12	% chg QoQ	% chg YoY
Tier I capital	1,820.8	2,169.3	2,168.7	0.0%	19.1%
Tier II capital	542.4	633.7	630.8	-0.5%	16.3%
Total regulatory capital	2,363.2	2,802.9	2,799.5	-0.1%	18.5%
Risk-weighted assets	17,289.4	20,185.1	21,086.1	4.5%	22.0%
<b>BIS ratio</b>	<b>13.7%</b>	<b>13.9%</b>	<b>13.3%</b>	<b>-60 bps</b>	<b>-40 bps</b>
<b>Tier I capital / risk-weighted assets</b>	<b>10.5%</b>	<b>10.7%</b>	<b>10.3%</b>	<b>-40 bps</b>	<b>-20 bps</b>

## Interseguro

### SUMMARY

#### 2012 Performance

Interseguro's net earnings reached a record S/. 189.2 million in 2012, a S/. 1.7 million increase compared to 2011. ROE was 44.1% and ROA was 6.6%.

Profit and Loss Statement Summary					
S/. million	2010	2011	2012	% chg 12/11	% chg 11/10
Premiums	471.2	457.7	446.6	-2.4%	-2.9%
Premiums ceded	-8.0	-8.9	-4.7	-47.5%	11.3%
Fees	-10.5	-13.2	-15.4	16.3%	26.0%
Claims	-120.1	-130.9	-145.6	11.2%	9.0%
Change in reserves	-385.8	-374.2	-364.4	-2.6%	-3.0%
Diverse Income, net	-3.0	-0.5	-2.1	301.7%	-81.9%
<b>Technical margin</b>	<b>-56.1</b>	<b>-70.1</b>	<b>-85.6</b>	<b>22.2%</b>	<b>24.8%</b>
Administrative expenses	-53.4	-59.4	-70.0	18.0%	11.1%
Investment income, net*	194.1	316.9	344.8	8.8%	63.3%
<b>Net income</b>	<b>84.5</b>	<b>187.5</b>	<b>189.2</b>	<b>0.9%</b>	<b>121.8%</b>
<b>ROE</b>	<b>28.0%</b>	<b>56.7%</b>	<b>44.1%</b>		

\* Includes exchange difference

The main driver for earnings growth was higher investment income, partially offset by higher technical margin losses and administrative expenses. The increase in investment income was due to a S/. 106.3 million non-recurring gain on the sale of real estate investments during 2Q12. The technical margin loss grew 22.2%, due to a decrease in premiums and an increase in claims tied to annuities. Administrative expenses increased primarily as a result of a one-time tax provision in 4Q12.

Total premiums were S/. 446.6 million, a 2.4% decrease YoY. The decline was due to a 5.8% decrease in annuity premiums, attributable to 20% market contraction, partially offset by increased sales in group life and individual life.

Premiums by Business Line					
S/. million	2010	2011	2012	% chg 12/11	% chg 11/10
Individual Life	23.8	27.3	29.1	6.7%	14.9%
Annuities	373.6	346.6	326.5	-5.8%	-7.2%
Group Life	43.7	48.4	55.6	15.0%	10.7%
Disability and survivor benefits	0.5	0.4	0.2	-43.5%	-18.8%
Mandatory traffic accident	21.4	23.9	23.2	-2.8%	11.6%
Non Life Insurance	8.1	11.0	11.8	7.6%	35.1%
<b>TOTAL</b>	<b>471.2</b>	<b>457.7</b>	<b>446.6</b>	<b>-2.4%</b>	<b>-2.9%</b>

## 4Q12 Performance

Interseguro's net earnings were S/. 21.5 million in 4Q12, an increase of 25.3% QoQ and a decrease of 76.7% YoY. Annualized ROE was 17.5% in 4Q12, above the 14.8% reported in 3Q12, but below the 98.4% obtained in 4Q11.

The QoQ growth in earnings was attributable to a S/. 11.2 million decrease in the technical margin loss, partially offset by a S/. 7.6 million increase in administrative expenses. The decline in the technical margin loss was attributed to lower reserves, in line with a reduction in annuities.

The YoY decrease in earnings was due to a S/. 68 million decline in investment income, explained mainly by a S/. 58.0 million non-recurring gain on the sale of real estate investments reported in 4Q11. Excluding this non-recurring gain, net income would have decreased 37.1% YoY.

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

\* Includes exchange difference

## PREMIUMS

Premiums in 4Q12 reached S/. 111.3 million, a 6.3% decrease QoQ and a 4.0% growth YoY.

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

The QoQ decrease was attributable to lower sales in annuity premiums due to market contraction of 8.1%, which was offset by a 9.1% increase in group life premiums.

The YoY growth was due to increases of 24.2% in group life premiums and 1.7% in annuity sales. The growth in group life premiums was due to an increase in credit life insurance premiums.

## RESERVES, CLAIMS AND OPERATING EXPENSES

Reserves decreased 14.1% QoQ and 2.1% YoY. The QoQ decrease was due to lower reserves in annuities, in line with changes in annuity sales. The YoY decline was attributable to an increase in inflation-indexed, Nuevos Soles annuity sales, which generate lower accounting losses than non-indexed, Nuevos Soles or Dollar-denominated annuities, and therefore, require lower reserves.

Change in Reserves by Business Line					
S/. million	4Q11	3Q12	4Q12	% chg QoQ	% chg YoY
Individual Life	2.8	2.8	2.5	-12.9%	-12.4%
Annuities	83.5	95.9	82.8	-13.7%	-0.8%
Group Life	0.4	-0.1	0.0	n.m.	-97.7%
Mandatory traffic accident	-0.1	-0.5	-0.8	72.2%	n.m.
Non Life Insurance	0.1	0.5	0.3	-25.4%	n.m.
<b>TOTAL</b>	<b>86.7</b>	<b>98.7</b>	<b>84.8</b>	<b>-14.1%</b>	<b>-2.1%</b>

Claims decreased 10.8% QoQ and increased 4.8% YoY. The QoQ decrease was due to lower claims in disability and survivor benefits and group life, partially offset by higher claims in annuities. The rise in annuity claims was due to higher pensions, in line with a higher number of affiliates. The YoY growth was explained by higher group life and annuity claims, partially offset by a decrease in disability and survivor benefits. The decline in disability and survivor benefit claims was attributable to Interseguro no longer selling premiums under this line item.

Claims by Business Line					
S/. million	4Q11	3Q12	4Q12	% chg QoQ	% chg YoY
Individual Life	-0.2	0.7	0.6	-4.3%	n.m.
Annuities	25.0	26.7	27.5	3.1%	10.0%
Group Life	1.7	6.0	4.9	-19.3%	189.7%
Disability and survivor benefits	4.3	3.1	-0.4	n.m.	n.m.
Mandatory traffic accident	2.4	2.5	2.2	-10.7%	-9.7%
Non Life Insurance	0.1	0.1	0.1	0.0%	48.8%
<b>TOTAL</b>	<b>33.3</b>	<b>39.1</b>	<b>34.9</b>	<b>-10.8%</b>	<b>4.8%</b>

As a result of the factors described above, the technical margin was S/. -14.3 million in 4Q12, compared to S/. -25.5 million in 3Q12 and S/. -19.4 million in 4Q11.

Administrative expenses grew S/. 7.6 million QoQ and S/. 7.7 million YoY. This growth was due to a one-time tax provision accounted for in 4Q12.

## INVESTMENT INCOME

Investment income grew 1.2% QoQ, and decreased 53.1% YoY.

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

The QoQ growth was attributable to higher earnings related to the sale of equity shares and dividends received, partially offset by lower realized gains on the fixed income portfolio.

The YoY decrease was explained by a 91.4% reduction in real estate income, due mainly to a S/. 58.0 million non-recurring gain on the sale of property reported in 4Q11. Excluding non-recurring items, investment income would have decreased 14.3%.

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

Interseguro's investment portfolio grew 7.5% QoQ and 15.7% YoY. This increase was explained by funds received from increasing premiums and the price appreciation of Interseguro's portfolio assets. Fixed income investments represented 72.8% of the portfolio in 4Q12, compared to 72.2% in 3Q12 and 71.8% in 4Q11.