Translation of consolidated financial statements originally issued in Spanish - Note 29

Intercorp Financial Services Inc. (formerly Intergroup Financial Services Corp.) and Subsidiaries

Consolidated financial statements as of March 31, 2013 (unaudited) and December 31, 2012 (audited)and for the three-month periods ended March 31, 2013 and 2012

Intercorp Financial Services Inc. and Subsidiaries

Consolidated financial statements as of March 31, 2013 (unaudited) and December 31, 2012 (audited) and for the three-month periods ended March 31, 2013 and 2012

Contents

Intercorp Financial Services Inc. and Subsidiaries

Consolidated statements of financial position

As of March 31, 2013 (unaudited) and December 31, 2012 (audited)

	Note	2013 S/.(000)	2012 S/.(000)
Assets			
Cash and due from banks	5		
Cash and clearing		1,418,260	1,509,272
Deposits in the Peruvian Central Bank		5,271,646	3,541,560
Deposits in domestic and foreign banks		399,076	264,480
Restricted funds		90,442	80,131
Interest accrued on cash and due from banks		2,342	1,736
		7,181,766	**5,397,179**
Inter-bank funds		30,017	192,026
Fair value through profit or loss and available-for-sale investments, net	6	2,951,002	3,119,988
Loan portfolio, net	9	15,511,177	15,058,703
Held-to-maturity investments, net	7	1,170,825	1,040,316
Real estate investment, net	8	332,375	419,626
Investment in associates, net		35,907	32,100
Property, furniture and equipment, net	10	443,377	448,532
Accounts receivable and other assets, net	11	1,007,761	862,145
Deferred Income Tax asset, net		30,174	31,323
Total assets		**28,694,380**	**26,601,938**
Off-balance sheet accounts	18		
Contingent assets		18,211,236	14,872,922
Other off-balance sheet assets accounts		45,638,180	44,636,791
		63,849,416	**59,509,713**

	Note	2013 S/.(000)	2012 S/.(000)
Liabilities and equity			
Deposits and obligations	12	15,754,871	14,442,105
Inter-bank funds		50,029	9,310
Deposits from financial entities		184,722	133,342
Due to banks and correspondents	13	2,978,162	2,713,547
Accounts payable, provisions and other liabilities	11	774,680	760,988
Deferred income tax liability, net		-	1,588
Bonds and other obligations	14	3,250,085	3,177,073
Technical reserves for premiums and claims	15	2,594,064	2,455,955
Total liabilities		**25,586,613**	**23,693,908**
Equity	16		
Equity attributable to IFS:			
Capital stock		799,581	799,581
Capital surplus		268,077	268,077
Treasury stock		(205,363)	(205,225)
Unrealized results, net		203,774	207,261
Retained earnings		2,025,202	1,821,212
		3,091,271	2,890,906
Minority interest		16,496	17,124
Total equity		**3,107,767**	**2,908,030**
Total liabilities and equity		**28,694,380**	**26,601,938**
Off-balance sheet accounts	18		
Contingent assets		18,211,236	14,872,922
Other off-balance sheet assets accounts		45,638,180	44,636,791
		63,849,416	**59,509,713**

The accompanying notes are an integral part of these consolidated balance sheets.

Intercorp Financial Services Inc. and Subsidiaries

Consolidated statements of income

For the three-months periods ended March 31, 2013 and 2012 (unaudited)

	Note	2013	2012
		S/.(000)	S/.(000)
Financial income	19	661,034	603,345
Financial expense	19	(137,631)	(126,059)
Gross financial margin		**523,403**	**477,286**
Provision for loan losses, net	9(d)	(94,593)	(86,940)
Net financial margin		**428,810**	**390,346**
Fee income from financial services	20	66,066	73,427
Expenses relating to financial services	20	(8,554)	(12,704)
Result from insurance underwriting, net	21	(21,409)	(20,640)
Operating margin		**464,913**	**430,429**
Result of financial transactions	22	90,127	71,893
		555,040	**502,322**
Net financial margin, to income and expenses from financial services			
Administrative expenses	23(a)	(272,519)	(263,912)
Depreciation and Amortization	10(a)	(26,541)	(24,716)
Net operating margin		**255,980**	**213,694**
Valuation of assets and provisions		(6,444)	(10,482)
Operating income		**249,536**	**203,212**
Other income, net	24	11,681	12,971
Income before tax		**261,217**	**216,183**
Income Tax		(56,627)	(55,678)
Net income		**204,590**	**160,505**
Attributable to:			
Intercorp's equity shareholders		203,387	159,498
Minority interest		1,203	1,007
		204,590	160,505
Basic and diluted earnings per share attributable to Intercorp (stated in Nuevos Soles)	25	2.247	1.764
Weighted average number of outstanding shares (in thousands)	25	90,528	90,424

The accompanying notes are an integral part of these consolidated statements.

Intercorp Financial Services Inc. and Subsidiaries

Consolidated statements of comprehensive income

For the three-month periods ended March 31, 2013 and 2012 (unaudited)

	2013 S/.(000)	2012 S/.(000)
Net income	204,590	160,505
Other comprehensive income		
Net (loss) gain on derivate financial instrument	(2,946)	2,617
Net gain on available-for-sale investments	33,811	102,049
Net gain on minority shareholders	(34,373)	(60,960)
Other comprehensive income for the period	**(3,508)**	**43,706**
Total comprehensive income for the period	**201,082**	**204,211**
Attributable to:		
Intercorp's equity shareholders	199,900	202,929
Minority interest	1,182	1,282
	201,082	**204,211**

The accompanying notes are an integral part of these consolidated statements.

Intercorp Financial Services Inc. and Subsidiaries

Consolidated statements of changes in shareholders' equity

For the three-month periods ended March 31, 2013 and 2012 (unaudited)

	Number of shares		Attributable to Intercorp's equity holders							
	Issued	In treasury	Capital stock S/.(000)	Treasury stock S/.(000)	Capital surplus S/.(000)	Unrealized gains S/.(000)	Retained earnings S/.(000)	Total S/.(000)	Non-controlling interest S/.(000)	Total shareholder's equity S/.(000)
Balance as of January 1, 2012	93,615	(3,092)	799,581	(214,996)	268,077	22,833	1,483,832	2,359,327	13,868	2,373,195
Comprehensive income										
Net income	-	-	-	-	-	-	159,498	159,498	1,007	160,505
Other comprehensive income										
Net variation of available-for-sale investments of the Company and Subsidiaries	-	-	-	-	-	101,406	-	101,406	643	102,049
Net variation of derivate financial instrument	-	-	-	-	-	2,601	-	2,601	16	2,617
Net variation of minority shareholders held by subsidiary, note 16(b)	-	-	-	-	-	(60,576)	-	(60,576)	(384)	(60,960)
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**43,431**	**159,498**	**202,929**	**1,282**	**204,211**
Dividends paid to minority shareholder's	-	-	-	-	-	-	-	-	-	-
Net variation of minority shareholders maintained by subsidiary, note 16(b)	-	(157)	-	(10,234)	-		-	(10,234)	-	(10,234)
Change in accounting policies' subsidiaries	-	-	-	-	-	-	-	-	-	-
Declared and paid dividends, note 16(a)	-	-	-	-	-	-	(373,632)	(373,632)	-	(373,632)
Other	-	-	-	-	-	-	(79)	(79)	(1,477)	(1,556)
Balance as of March 31, 2012	93,615	(3,249)	799,581	(225,230)	268,077	66,264	1,269,619	2,178,311	13,673	2,191,984
Balance as of January 1, 2013	93,615	(3,115)	799,581	(205,225)	268,077	207,261	1,821,212	2,890,906	17,124	2,908,030
Comprehensive income										
Net income	-	-	-	-	-	-	203,387	203,387	1,203	204,590
Other comprehensive income										
Net variation of available-for-sale investments of the Company and Subsidiaries	-	-	-	-	-	33,612	-	33,612	199	33,811
Net variation of derivate financial instrument	-	-	-	-	-	(2,929)	-	(2,929)	(17)	(2,946)
Net variation of minority shareholders held by subsidiary, note 16(b)	-	-	-	-	-	(34,170)	-	(34,170)	(203)	(34,373)
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**(3,487)**	**203,387**	**199,900**	**1,182**	**201,082**
Declared and paid dividends, note 16(a)	-	-	-	-	-	-	-	-	-	-
Net variation of minority shareholders maintained by subsidiary, note 16(b)	-	-	-	(138)	-	-	-	(138)	-	(138)
Other	-	-	-	-	-	-	603	603	(1,810)	(1,207)
Balance as of March 31, 2013	93,615	(3,115)	799,581	(205,363)	268,077	203,774	2,025,202	3,091,271	16,496	3,107,767

The accompanying notes are an integral part of these consolidated statements.

Intercorp Financial Services Inc. and Subsidiaries

Consolidated statements of cash flows

For the three-month periods ended March 31, 2013 and 2012 (unaudited)

	2013 S/.(000)	2012 S/.(000)
Reconciliation of net income with cash provided by operating activities		
Net income	204,590	160,505
Adjustments to net income		
Plus (minus)		
Provision for loan losses, net of recovery	94,593	86,940
Depreciation of property, furniture, equipment and realizable assets	18,198	17,539
Amortization of intangibles and others	8,343	7,177
Income from sale and valuation of investments, net	(59,789)	(30,367)
Gain from sale of assets received as payment and seized through legal actions	-	(165)
Other, net	(4,483)	(3,653)
Net changes in asset and liability accounts		
(Increase) descrease in receivable accrued interest	(22,082)	(13,995)
Increase (decrease) in payable accrued interest	(4,107)	23,116
Increase in restricted funds	(10,311)	1,014
Net (Increase) in other assets	(127,648)	(21,829)
Net increase in other liabilities	13,692	359,303
Increase in technical reserves	138,109	75,598
Net cash provided by operating activities	249,105	661,183

Consolidated statements of cash flow (continued)

	2013	2012
	S/.(000)	S/.(000)
Cash flows from investing activities		
Purchase of property, furniture and equipment	(13,601)	(20,934)
Sale of assets received as payment and seized through legal actions	-	165
Purchase of intangibles	(24,604)	(8,396)
Net cash used in investing activities	(38,205)	(29,165)
Cash flows from financing activities		
Increase (decrease) in loan portfolio	(529,046)	130,246
Decrease in the fair value through profit or loss and available-for-sale and held-to-maturity investments	98,700	84,525
Decrease (increase) in real estate investments	87,251	(16,286)
Net increase in deposits and obligations	1,340,910	176,357
Net increase in deposits from financial entities	51,380	19,790
Collection of dividends net of associate investments decrease	(920)	3,182
Net increase in due to banks and correspondents	265,385	566,690
Net Increase (decrease) in bonds and other obligations outstanding	48,205	(21,085)
Net Increase (decrease) in receivable inter-bank funds	162,009	(72,268)
Decrease in payable inter-bank funds	40,719	11,668
Payment of dividends to minority shareholders	(1,823)	-
Payment of dividends	-	(373,632)
Net cash provided by financing activities	1,562,770	509,187
Net cash increase	1,773,670	1,141,205
Balance of cash at the beginning of year	5,315,312	2,397,766
Balance of cash at end of year	7,088,982	3,538,971

The accompanying notes are an integral part of these consolidated statements.

Intercorp Financial Services Inc. and Subsidiaries

Notes to the consolidated financial statements

As of March 31, 2013 (unaudited) and December 31, 2012 (audited)

1. Business activity

Intercorp Financial Services Inc. (formerly Intergroup Financial Services Corp. and henceforth “IFS” or “the Company”) is a limited liability holding corporation incorporated in the Republic of Panama on September 19, 2006, as the result of the restructuring of its shareholder Intercorp Perú Ltd. (formerly IFH Peru Ltd., a henceforth “Intercorp Perú”, a holding corporation incorporated in 1997, in The Bahamas), during 2007. As of March 31, 2013, Intercorp directly and indirectly holds 68.93 percent of IFS’s issued capital stock and 71.28 percent of IFS’s shares representative of its outstanding capital stock (directly and indirectly 68.93 percent and 71.31 percent, respectively, as of December 31, 2012).

IFS´s legal domicile is 50 Street and 74 Street, ST Georges Bank Building, Republic of Panama.On the other hand,its Management and administrative offices are located at Av. Carlos Villaran 140, Urb. Santa Catalina, La Victoria, Lima, Peru.

As of March 31, 2013 and December 31, 2012, IFS holds 99.29 percent and 100 percent of the capital stock of Banco Internacional del Peru S.A.A. – Interbank (henceforth “the Bank”) and of Interseguro Compañia de Seguros S.A. (henceforth “Interseguro”), respectively. IFS and its Subsidiaries operations are concentrated in Peru. Their main activities and balances of assets, liabilities and equity are described in Note 2.

The consolidated financial statements as of December 31, 2012 have been approved by General Shareholders’ Meeting held on April 08, 2013. The consolidated financial statements as of March 31, 2013 have been approved by the Board of Directors held on April 29, 2013.

2. Subsidiaries’ activities

The detail and business activities of IFS Subsidiaries are described below:

(a) Banco Internacional del Perú S.A.A. – Interbank and Subsidiaries –

The Bank is incorporated in Peru and is authorized by the SBS, to perform multiple banking activities in accordance with Peruvian legislation. The Bank's operations are governed by the General Act of the Financial and Insurance System and the Organic Actof the SBS- Act 26702 (henceforth the “Banking and Insurance Act”) that establishes the requirements, rights, obligations, guarantees, restrictions and other operation conditions that financial and insurance entities must comply with.

As of March 31, 2013, the Bank has 267 offices and a branch located in Panama (262 offices and a branch located in Panama as of December 31, 2012). Additionally, Interbank fully owns the following subsidiaries:

Subsidiary	Activity
Interfondos S.A. Sociedad Administradora de Fondos	As of March 31, 2013 and December 31, 2012, manages mutual funds and investment funds with equity book values of approximately S/.2,839 million and S/.2,840million, respectively
Internacional de Títulos Sociedad Titulizadora S.A. – Intertítulos S.T.	As of March 31, 2013 and December 31, 2012, manages securitization funds with combined assets of approximately S/.2,746 million and S/.2,732 million, respectively.
Inversiones Huancavelica S.A.	Real estate activities.
Contacto Servicios Integrales de Crédito y Cobranzas S.A.	Collection services.
Corporación Inmobiliaria de La Unión 600 S.A.	Real estate activities.
Compañía de servicios Conexos S.A. – Expressnet	An entity provider of services related to operations of credit card products or identified with the trademark American Express.In 2012, the Bank acquired 50 percent of Expressnet, becoming a fully owned subsidiary of the Company

(b) Interseguro Compañía de Seguros S.A. and Subsidiaries –
Interseguro was incorporated in Peru and began its operations in 1998 and is authorized by the SBS to offer life insurance products, annuities and others as authorized by Peruvian law, such as accident insurance. Interseguro's operations are governed by the Banking and Insurance Act.

Likewise, during 2008 Interseguro obtained approval to operate as an insurance company which conducts both classes: life insurance risks and general risks. As of March 31, 2013 and December 31, 2012,the assets, liabilities, income and expenses related to the activity of general risks are not significant for the financial statements to those dates.

In November of 2012, with the Law N°29946, was established the "Law of the insurance contract", which aimed to promote the transparency in the recruitment of the insurance and regulating the content and principles that should govern insurance contracts, as well as the elimination of clauses and abusive practices. This Law shall take effect from May 27, 2013 or when published the respective Regulation, applies to all kinds of insurance and is mandatory, unless otherwise expressly permits, shall be valid notwithstanding the contractual requirements be more beneficial to the insured.

The Interseguros' Management is evaluating the impact that the implementation of this law in their processes and in the development of its operations.

As of March 31, 2013 and December 31, 2012, Interseguro owns the following subsidiaries:

Subsidiary	Activity
Centro Comercial Estación Central S.A.	Began operations in March 2010 and is dedicated to the administration of the mall called "Centro ComercialEstación Central" located in Lima downtown. As of March 31, 2013 and December 31, 2012, Interseguro holds 75 percent of its shares, and the remaining 25 percent belongs to Real Plaza S.A.
Patrimonio en Fideicomiso – D.S. N°093-2002-EF, Interproperties Perú – Interseguro	A special purposes entity, see paragraph (d) below.

On the other hand, in July 2012, Interseguro exchanged the shares of the Subsidiaries it held –as detailed below– for shares of InRetail Perú Corp., a related company, which accounted for 0.12 percent of its capital stock. These shares were recorded as available-for-sale investments; see Note 6:

Subsidiary	Activity
Real Plaza S.A.	An entity enaged dedicated to the management of fourteen shopping centers named “Centro Comercial Real Plaza”, located in the cities of Chiclayo, Trujillo, Huancayo, Arequipa, Juliaca and several districts in the city of Lima.
InRetail Properties Management S.R.L., formerly Interproperties Perú S.A.	An entity engaged in all kinds of activities related to the real estate business and construction industry.

(c) AFP Interactiva S.A. -

Through Resolution SBS N°8965-2012, dated on November 30, 2012, the SBS authorized the constitution of AFP Interactiva S.A.as a pension fund administrator. As of March 31, 2013 and December 31, 2012, the capital contribution made by the Company amounted to S/.2,600,000. As of March 31, 2013, this Subsidiary has not yet started its operations.

(d) Patrimonio en Fideicomiso – D.S. N°093-2002-EF, Interproperties Perú –

On April 23, 2008, this Equity Fund was constituted with the contribution of several assets from different companies of Intercorp Group. Its purpose was to create a legally independent entity to each investor that acts as originator, and through which the diverse projects approved by its Administration Committee can be structured, executed and developed, and in which said originators or trustees, being the case, can perform investments in real estate projects.

The companies that consolidate information with IFS and that contributed assets to the Equity Fund are:

(i) Corporación Inmobiliaria de La Unión 600 S.A., a subsidiary of the Bank, and (ii) Interseguro Compañía de Seguros S.A. IFS also contributed assets directly to the Fund. During 2011, the real estate investments held by the Subsidiaries of Intercorp Group were reorganized with the purpose of presenting a more thorough structure and posteriorly issuing debt backed by said investments that allow it to continue the development of real estate projects. As part of this reorganization, the following operations were performed:

- In September 2011, Interproperties Holding was constituted – see Note 6(j) – with the contributions of real estate investments managed by Interproperties Perú from: Corporación Inmobiliaria de la Unión 600 S.A. and IFS. Due to this transaction, Corporación Inmobiliaria de La Unión 600 S.A. and IFS generated earnings of approximately S/.3,020,000 and S/.2,241,000, respectively, which were recorded in the “Financial income” caption in the consolidated statements of income.

- In November 2011, Interseguro sold at market values part of its real estate investments managed by Interproperties Perú to Interproperties Holding, generating earnings of approximately S/.80,059,000, which were recorded in the “Financial income” caption in the consolidated statements of income.

- During 2012, Interseguro sold at market values additional real estate investments managed by Interproperties Perú to Interproperties Holding, generating earnings of approximately S/.98,450,000, which were recorded in the “Financial income” caption in the consolidated statements of income

In accordance with the applicable accounting principles, Interproperties Peru is a Special Purpose Entity (SPE) which must be consolidated by IFS. As March 31, 2013 and 2012, Interseguro maintains assets contributed to theseSPEs.The assets contributed by this subsidiaryare included in the accompanying consolidated financial statements in the caption “Real estate investment, net”. See Note 8.

The table below presents a summary of the audited individual financial statements of the Bank, Interseguro, the SPE (for the amounts that affect Interseguro) and AFP Interactiva S.A. before eliminations for consolidation with IFS, as of March 31, 2013 and December 31, 2012 and for the three-month periods ended March 31, 2013 and 2012:

	Banco Internacional del Perú S.A.A. – Interbank		Interseguro Compañía de Seguros S.A.		Patrimonio Interproperties		AFP Interactiva S.A.	
	31.03.13 S/.(000)	31.12.12 S/.(000)	31.03.13 S/.(000)	31.12.12 S/.(000)	31.03.13 S/.(000)	31.12.12 S/.(000)	31.03.13 S/.(000)	31.12.12 S/.(000)
Total assets	25,535,203	23,540,263	3,269,273	3,103,122	180,856	178,141	2,600	2,600
Total liabilities	23,256,778	21,165,871	2,803,320	2,566,519	41	336	-	-
Shareholders' equity, net	2,278,425	2,374,392	465,953	536,603	180,815	177,805	2,600	2,600
Operating income	201,505	191,706	55,791	28,110	964	3,339	-	-
Net income	163,789	142,519	55,791	28,110	964	2,924	-	-

3) Accounting principles and practices and balance as of March 31, 2012

3.1) Accounting principles and practices

In the preparation and presentation of the accompanying consolidated financial statements, Management of the Company and its Subsidiaries has complied with the SBS standards in force in Peru as of March 31, 2013 and December 31, 2012, for both financial entities – IFS, the Bank and its Subsidiaries – and insurance entities – Interseguro and its Subsidiaries. The accounting principles and practices as of March 31, 2013, have not been modified from those applied as of December 31, 2012, which are summarized in the audited report dated March 8, 2013, except for the changes explained in the following paragraphs.

Within the framework of harmonization of the accounting standards prescribed by the SBS with the International Financial Reporting Standards (IFRS), SBS has modified the accounting standards applicable to companies in the financial and/or insurance systems, as detailed below:

a) Main changes applicable to companies in the financial system:

a.1) Classification and valuation of investments

SBS Resolution No. 7033-2012 establishes that companies shall have a standardized methodology for the identification of impairment of financial instruments classified as available-for-sale investments and held-to-maturity investments.

a.2) Buildings, furniture and equipment

SBS Resolution No. 7036-2012, establishes that (i) depreciation can be performed by separate components; (ii) only the cost model is allowed; and (iii) leased properties under contractual terms longer than one year must comply with the guidelines of IAS 16 “Property, plant and equipment”.

a.3) Fees on indirect loans

SBS Resolution No. 7036-2012, dated September 19, 2012, establishes that fees on indirect loans granted since 2013 will accrue during the term of the loan contract.

a.4) Financial income and expenses

They shall be presented separately from other income or expenses from treasury operations, which shall be grouped in the “Result of financial operations” caption in the statements of income.

The implementation of the regulations described in (a.1) and (a.2) has not had any impact on the accompanying financial statements, while those detailed in a.3) will enter into force since June 2013, by virtue of a deadline extension granted by SBS.

Regarding the amendment described in a.4), SBS has required its prospective application starting on January 1, 2013. In that sense, it was included by the Bank in its individual financial statements as of March 31, 2013, which are part of the accompanying consolidated financial statements.

b) Main changes applicable to companies in the insurance system:

b.1) Real estate investments

SBS Resolution No. 7034-2012 establishes that the initial measurement of real estate investments shall be recorded at the fair value corresponding to the transaction price. The Company can choose between two options to perform the subsequent measurement: the cost model or the fair value model. In case the latter is chosen, the methodology to be applied for said valuation must be authorized in advance by the SBS.

b.2) Accounts receivable

SBS Resolution No. 7037-2012 establishes that accounts receivable from insurance contracts for non-collected premiums longer than sixty (60) and ninety (90) days, shall be provisioned by applying a coefficient of fifty (50) and one hundred (100) percent, respectively. Likewise, premiums claimed through judiciary processes shall be provisioned individually in function of the particular circumstances of each case.

To the date of this report, Interseguro is assessing the impact of the implementation of both regulations and, if necessary, will submit the corresponding requests to the SBS.

In accordance with SBS's dispositions, the initial balances for the year 2013 of the companies in the financial system and the insurance system must be adjusted to the new accounting measures, and said effect must be accounted for in the retained earnings accounts, in January 2013, with the exception of the new criteria for the recognition of fees on indirect loans a.3), which will be applied for the contracts subscribed since 2013.

3.2) Balances as of March 31, 2012

Since changes described in 3.1) have been accomplished by the Bank starting January 1, 2013, for comparative purposes, it has been necessary to reformulate the consolidated statements of income as of March 31, 2012, as summarized below:

Consolidated statements of income		31-mar-12	
In thousands of S/.	Original	Reformulated	Variation
Gross financial margin	491,085	477,286	13,799
Net financial margin	386,372	390,346	(3,974)
Income before tax	216,186	216,183	(3)
Consolidated net Income	160,505	160,505	-

3.3) Modifications in Financial Statements denomination

In accordance with SBS´dispositions issued through SBS No 7036-2012 and 7037-2012, some financial statements were recalled starting January 1, 2013, as it is shown below:

-"Balance Sheets Statement ", has been modified to "Statement of Financial Position".

- "Statements of Income" has been modified to "Statement of Comprehensive Income", which includes unrealized Gains of the period.

4. Transactions in foreign currency and exchange risk exposure

Transactions in foreign currency are carried out using exchange rates prevailing in the market.

As of March 31, 2013, the weighted average exchange rates in the market as published by the SBS for transactions in US Dollars were S/.2.589per US$1.00 bid and S/.2.589per US$1.00 ask (S/.2.549 bid and S/.2.551 ask, as of December 31, 2012 respectively). As of March 31, 2013, the exchange rate established by the SBS to record assets and liabilities in foreign currency was S/.2.589 per US$1.00 (S/.2.550 as of December 31, 2012).

The table below presents a detail of IFS and its Subsidiaries foreign currency assets and liabilities, stated in US Dollars:

	2013	2012
	US$(000)	US$(000)
Assets		
Cash and due from banks	1,227,042	1,081,296
Inter-bank funds	-	54,511
Fair value through profit or loss and available-for-sale and held-to-maturity investments	902,990	744,212
Loan portfolio, net	2,716,856	2,656,214
Accounts receivable and other assets	124,097	64,667
	4,970,985	4,600,900
Liabilities		
Deposits and obligations	2,163,223	2,224,827
Inter-bank funds	-	3,651
Deposits from financial entities	42,513	25,683
Due to banks and correspondents	966,883	734,361
Bonds and other obligations	927,927	1,087,122
Accounts payable, provisions and other liabilities	87,521	90,059
Technical reserves for premiums and claims	590,111	590,895
	4,778,177	4,756,598
Forwards transactions - net long position	25,054	29,548
Currency swap transactions - net position	(51,496)	(42,763)
Net asset (liability) position	166,366	(168,913)

As of March 31, 2013, the net long position from forwards transactions corresponds to foreign currency forward purchase and sale contracts for notional amounts of approximately US$1,564,624,000 and US$1,539,569,000, (at nominal operation values), equivalent to S/.4,050,810,000 y S/.3,985,478,000, respectively (purchase and sale contracts of US$975,382,000 and US$945,834,000 as of December 31, 2012, equivalent to S/.2,487,224,000 and S/.2,411,876,000, respectively); see Note 18.

As of March 31, 2013, the net position in derivatives related to currency swap agreements corresponds to exchange operations (NuevosSoles exchanged for US Dollars and vice versa) with notional amounts of approximately US$84,637,000 and US$136,133,000, equivalent to S/.219,125,000 y S/.352,448,000 respectively (exchange operations with notional amounts of approximately US$ 79,617,000 and US$ 122,380,000, equivalent to S/.203,024,000 and S/.312,070,000, respectively, as of December 31, 2012); see Note 18.

As of March 31, 2013, IFS and its Subsidiaries has granted indirect loans (contingent operations), in foreign currency for approximately US$870,329,000, equivalent to S/.2,253,282,000 (US$836,164,000, equivalent to S/.2,132,218,000 as of December 31, 2012), see Note 18; which are not part of the exchange position indicated previously.

5. Cash and due from banks

As of March 31, 2013, cash and due from banks includes approximately US$1,057,379,000 andS/.2,238,628,000 (US$940,937,000 and S/.1,651,874,000 as of December 31, 2012), which represents the legal reserve that the Bank must establish for some of its obligations. These funds are kept in the Bank's vaults and in the Central Reserve Bank of Peru (henceforth "BCRP"by its Spanish acronym). The Bank maintains such legal reserve within the limits required by prevailing regulations.

The legal reserve maintained by the Bank at the BCRP does not accrue interests, except for the part that exceeds the minimum reserve required in foreign and local currency.As of March 31, 2013, the monthly amount by which foreign currency deposits exceededthe minimum legal reserve requirements was approximately US$100,992,000, equivalent to S/.261,469,000, and accrued interest at an annual average rate of 0.11 percent (US$263,045,000, equivalent to S/.670,765,000, and an annual average rate of 0.11 percent as of December 31, 2012), while the exceeding amount in local currency was approximately S/.225,985,000, and accrued interest at an annual average rate of 1.50 percent (S/.68,122,000and accrued interest at an annual average rate of 1.70 percent as of December 31, 2012).

Deposits in domestic and foreign banks are mainly in Nuevos Soles and US Dollars. All amounts are unrestricted and bear interests at market rates.

As of March 31, 2013 and December 31, 2012, this caption includes restricted funds for approximately S/.90,840,000 and S/.80,131,000, respectively, which corresponds, mainly to requirements from counterparties of derivative transactions and funds provided from remittances received via SWIFT messages which guarantee the payment of the notes issued by IBK DPR Securitizadora; see further detail in Note 14(d) and 14(e).

6. Fair value through profit or loss and available-for-sale investments, net

(a) This caption includes the following:

	31.03.2013	31.12.2012
	S/.(000)	S/.(000)
Investment at fair value through profit and loss - (Trading)		
Peruvian sovereign bonds	4,470	32,918
Corporate bonds	28,517	24,871
Investment in shares quoted on the Lima Stock Exchange	2,270	3,875
	35,257	61,664
Available-for-sale investments		
Negotiable bank certificates in local currency with variable rate issued by BCRP (d)	633,543	628,999
Financial and corporate bonds (b)	1,138,338	1,201,921
Peruvian and foreign private sector shares (e)	240,204	187,778
Mutual and investment funds participations (g)	149,218	128,381
Government Bonds:		
- Peruvian Global Bonds (c)	167,972	235,018
- United States of America Global Bonds	52,998	49,303
- Colombian Global Bonds	4,995	-
- Chilean Global Bonds	-	5,053
- Mexican Global Bonds	9,644	9,754
Royalty Pharma participations (f)	274,223	401,629
InRetail Perú Corp`s shares.(h)	200,486	173,093
Time deposits in Inteligo Bank Ltd	15,826	17,842
	2,887,447	3,038,771
Add - Accrued interest on investments	28,298	19,553
Total	2,951,002	3,119,988

(b) As of March 31, 2013 and December 31, 2012, corresponds to corporate bonds and financial institutions bonds which have risk ratings for investments traded in Peru granted by Apoyo& Asociados Internacionales S.A.C., Class &Asociados S.A. Clasificadora de Riesgoand Pacific Credit Rating (PCR), while their investments traded abroad have been rated by Moody's and Standard & Poor's:

(c) Peruvian Sovereign Bonds are denominated in Nuevos Soles and U.S. dollars (denominated in Nuevos Soles as of December 31, 2012), and have, as of March 31, 2013, maturities between September 2023 and February 2042 (between November 2016 and February 2042, as of December 31, 2012) and accrue effective annual interest rates between 4.12 and 5.13 percent (between 4.09 and 6.40 percent as of December 31, 2012).

(d) Negotiable Bank Certificates issued by the BCRP (CDN-BCRP) are denominated in Nuevos Soles. As of March 31, 2013, the maturity of said certificates ranges between April and December 2013 (between January and December 2013 as of December 31, 2012), and accrue effective annual interest rates between 3.76 and 3.82 percent (3.66 and 4.02 percent as of December 31, 2012).

During 2013 and 2012, the interest accrued on CDN-BCRP amounted to approximately S/.5,962,000 and S/.15,109,000,respectively, and is included in the "Financial income" caption of the consolidated statements of income, see Note 19.

(e) Correspond mainly to private sector companies, recorded to their market value according to ehe Lima Stock Exchange.

(f) Royalty Pharma is an investment fund domiciled in the Republic of Ireland and it is dedicated to investing in royalty rights on medical and biotechnological patents; its participations are not liquid and require authorization to be traded.

As of March 31, 2012 and December 31, 2012, IFS and itsSubsidiaries hold 355,296 and 1,173,943 participations of Royalty Pharma Select (RPS) and Royalty Pharma Investment (RPI), respectively, whose market values amount to approximately US$21,602,000and US$84,923,000, respectively (equivalent to approximately US$ 25,558,000 and US$ 131,968,000, as of December 31, 2012, respectively).

During 2013 and 2012, IFS and its Subsidiaries received dividends from these participations that amounted to approximately S/.7,269,000 and S/.903,000, respectively, which are recorded in the “Financial income” caption in the consolidated statements of income.

The estimated market value of the participationsas of March 31, 2013 and December 31, 2012 has been determined by Management on the basis of the Net Asset Value (NAV) provided by the Fund’s administrators which is reviewed by IFS’s Management, which has concluded that it is a reasonable estimation of the market value.

(g) As of March 31, 2013 and December 31, 2012, correspond to participations in local and foreign investment funds recorded at their quoted value as of the end of the month, which Management estimates is a reasonable estimation of their market value.

(h) As of March 31, 2013, and as of December 31, 2012, corresponds to 3,240,077 InRetail Perú Corp. shares, whose market value amounts to approximately S/. 200,486,000 and S/. 173,093,000, respectively.

(i) As of March 31, 2013 and December 31, 2012, Management has estimated the fair value of the available-for-sale investments based on market quotations, and if not available, based on discounted cash flows using market rates according to the respective risk rating.

(j) Management has determined that unrealized losses as of March 31, 2013 and December 31, 2012, are of temporary nature. The Company has the capacity and intents to hold each of these investments with unrealized losses for a period of time sufficient to allow a recovery in the fair value, which may occur at their maturity; therefore, it considers that unrealized losses do not qualify as an impairment that needs to be recognized in the consolidated results of the year.

7. Held-to-maturity investments, net

(a) This item comprises the following:

	31.03.13	31.12.12
	S/.(000)	S/.(000)
Corporate and financial bonds(b)	714,810	655,601
Sovereign bonds (c)	453,600	382,315
Investment in real estate projects	2,415	2,400
	1,170,825	1,040,316

(b) The table below shows the balance corresponding to corporate and financial bonds, domestic and foreign, held by Interseguro, according to their risk rating:

	31.03.13	31.12.12
	S/.(000)	S/.(000)
Instruments issued by local companies		
Instruments rated in Peru		
AAA	345,885	325,815
AA- a AA+	30,620	32,017
Instruments rated abroad		
AAA	4,714	-
BBB- a BBB+	161,967	120,581
Instruments issued by foreign entities		
Foreign classification		
A	5,446	27,319
BBB- a BBB+	166,178	149,869
	714,810	655,601

(c) The table below presents the balance corresponding to sovereign bonds held by Interseguro:

	31.03.13	31.12.12
	S/.(000)	S/.(000)
Peruvian sovereign bonds	324,383	144,933
Bonds guaranteed by the Peruvian Government	128,467	236,634
Mexican sovereign bonds	750	748
	453,600	382,315

(i) Correspond to debt instruments issued by concessioned companies of the Peruvian State with the purpose of financing public investments and whose payment is guaranteed by the Peruvian State.

8. Real estate investment, net

As of March 31, 2013 and December 31, 2012,real estate investments are held mostly by Interseguro and PatrimonioInterproperties and are composed of shopping and entertainment malls located in Lima, Piura and Chiclayo, which are managed by Real Plaza, a related entity. This caption also includes building lots, buildings and works in progress for real estate projects, as explained below:

(a) Centro Comercial Real Plaza Piura – Located in the city of Piura, began its operations in November 2010 and it mainly comprises a hypermarket, bank zone, commercial facilities and an entertainment area. Regarding the hypermarket, it has a 30 years contract subscribed with a related entity, which includes a minimum monthly rent and a variable rent in function of sales.
In January 2013, Interseguro sold this real estate investment to Interproperties Holding,for an amount ofapproximately S/.128,952,000,and kept one part of the land for approximately S/.8,557,000.

(b) Centro Comercial Real Plaza Chorrillos–Located in the city of Lima, began its operations in November 2011. Interseguro has a lease contract with Interbank, Homecenters Peruanos S.A. and SupermercadosPeruanos S.A. (all related entities) which provides a minimum monthly lease payment as well as a variable payment based on sales. In May 2012,Interseguro sold this building to a related company to its book value.

(c) Centro Comercial Real Plaza Chiclayo -Located in the city of Chiclayo, began its operations in November 2005. The building comprises two main areas, for which there are three lease contracts signed for 20 and 30 years, respectively, which provide a minimum monthly lease payment, as well as a variable payment based on sales and services revenues received by the tenants.

(d) Centro Comercial Real Plaza Centro Cívico - Located in the city of Lima, began its operations in December 2009. It mainly comprises a shopping center, supermarkets, cinema complex, retail stores and an entertainment area. For the first three stores, Interseguro has a lease contract signed for 10 and 20 years with related entities which provides a minimum monthly lease payment as well as a variable payment based on sales.
Interseguro holds the concession of surface rights on these buildings with the National Pension Funds Administration (“ONP” by its Spanish acronym). The term of this contract is 30 years extendable at maturity and comprises the payment to the ONP of an annual rent over a certain percentage of the gross income obtained from the operations of the mall which shall not be less than US$ 800,000.

(e) Management periodically obtains independent appraisals of the Company’s real estate investments. Based on these appraisals, as of March 31, 2013 and December 31, 2012, Management has determined that the book value is lower than the estimated fair value.

9. Loan portfolio, net

(a) The table below presents the components of this caption as of March 31, 2013 and December 31, 2012:

	2013	2012
	S/.(000)	S/.(000)
Direct loans		
Loans	11,018,046	10,589,618
Leasing receivables	2,115,010	2,133,340
Credit cards receivables	2,019,058	2,114,430
Discounted notes	412,041	437,018
Factoring receivables	225,815	152,492
Advances and overdrafts	73,687	8,086
Refinanced and restructured loans	113,027	108,379
Past due and under legal collection loans	311,357	291,156
	16,288,041	15,834,519
Add (less)		
Accrued interest from performing loans	153,303	135,282
Deferred interest and interest collected in advance	(225,934)	(228,245)
Allowance for loan losses (d)	(704,233)	(682,853)
Total direct loans	15,511,177	15,058,703
Indirect loans	3,807,319	3,803,055

As of March 31, 2013 and December 31, 2012, 51 percent of the direct and indirect loan portfolio corresponded to 780 and 850 customers, respectively. Loans were mainly granted to companies established in Peru or to companies whose shareholders have investments mostly in Peru.

(b) The table below shows the direct loan portfolio distributed by economic sector as of March 31, 2013 and December 31, 2012:

Sector	2013 Number of customers	2013 Amount S/.(000)	2012 Number of customers	2012 Amount S/.(000)
Manufacturing	2,203	2,094,088	2,238	1,928,665
Commerce	7,543	1,674,355	7,808	1,605,938
Leaseholds and real estate activities	994	898,162	972	880,584
communications	1,250	610,689	1,248	568,685
Agriculture, herding, hunting and forestry	198	590,495	198	576,212
Financial intermediation	48	447,741	55	349,473
Construction	287	400,408	293	405,103
Fishing	38	117,253	39	116,245
Mining	89	298,974	86	371,345
Electricity, gas and water	27	317,115	27	291,143
Hotels y restaurants	478	175,591	471	170,086
Education	94	68,115	101	48,420
Social and health care services	107	21,919	106	12,032
Others activities	352	286,443	377	312,601
Other loans				
Consumer	1,036,872	5,130,964	1,078,965	5,212,532
Mortgage	31,026	3,155,729	30,064	2,985,455
Total	1,081,606	16,288,041	1,123,048	15,834,519

(c) As of March 31, 2013 and December 31, 2012, the credit risk classification of the Bank's loan portfolio according to SBS standards, is as follows:

Risk category	2013 Total S/.(000)	2013 %	2012 Total S/.(000)	2012 %
Normal	18,789,783	93.5	18,362,031	93.5
With potential problem	526,676	2.6	525,844	2.7
Substandard	227,032	1.1	198,000	1.0
Doubtful	306,168	1.5	316,581	1.6
Loss	253,200	1.3	235,118	1.2
Total	20,102,859	100.0	19,637,574	100.0

(d) The changes in the allowance for loan losses (direct and indirect) as of March 31, 2013 and December 31, 2012, were as follows:

	2013 S/.(000) (*)	2012 S/.(000) (*)
Balance at the beginning of the year	741,722	644,911
Provision recognized as year expense (includes pro-cyclical provisions)	116,076	562,738
Prior years provision recoveries	(21,483)	(74,534)
Write-offs, extinguishments and sales	(74,842)	(382,911)
Allowance for loan acquired	-	237
Exchange result, net	4,007	(8,719)
Balance at the end of the year	765,480	741,722

(*) The allowance for loan losses includes the provisions for indirect loans and for credit risk related to over-indebtedness amounting to approximately S/.61,029,000 and S/.58,869,000 as of March 31, 2013 and December 31, 2012, respectively, which are recorded in the "Accounts payable, provisions and other liabilities" caption of the consolidated balance sheets; see Note 11.

In Management's opinion, the allowance for loan losses recorded as of March 31, 2013 and December 31, 2012, complies with SBS regulations in effect at those dates.

(e) Interest rates on loans are freely determined, based on the rates prevailing in the Peruvian market.

(f) The table below presents the direct loan portfolio as of March 31, 2013 and December 31, 2012, classified by maturity dates:

	2013 S/.(000)	2012 S/.(000)
Outstanding		
Due within 1 month	1,803,665	1,894,490
From 1 to 3 months	2,296,863	1,867,219
From 3 months to 1 year	3,325,416	3,361,999
From 1 to 5 years	5,642,364	5,611,752
More than 5 years	2,908,375	2,807,903
	15,976,683	15,543,363
Past due loans	233,375	214,934
Loans in legal collection	77,983	76,222
	16,288,041	15,834,519

10. Property, furniture and equipment, net

(a) The table below presents the movement of this caption as of March 31, 2013 and December 31, 2012:

Description	Land	Buildings and facilities	Furniture and equipment	Vehicles	Leasehold improvements	In-transit equipment and work in progress	Total 2013	Total 2012
	S/.(000)	S/.(000)	S/.(000)	S/.(000)	S/.(000)	S/.(000)	S/.(000)	S/.(000)
Cost								
Balance as of January 1	65,730	497,372	419,954	971	79,921	29,356	1,093,304	1,041,825
Additions and transfers	-	822	7,939	-	4,840	-	13,601	76,780
Disposals and write-offs	-	-	(1,240)	-	(2)	(333)	(1,575)	(25,301)
Transfers to intangibles	-	-	-	-	-	-	-	-
Balance as of March 31	65,730	498,194	426,653	971	84,759	29,023	1,105,330	1,093,304
Accumulated depreciation								
Balance as of January 1	-	316,178	268,890	865	58,839	-	644,772	597,577
Depreciation for the period	-	3,793	11,075	5	3,325	-	18,198	70,339
Disposals and write-offs	-	-	(1,016)	-	(1)	-	(1,017)	(23,144)
Balance as of March 31	-	319,971	278,949	870	62,163	-	661,953	644,772
Net book value	65,730	178,223	147,704	101	22,596	29,023	443,377	448,532

(b) Financial entities in Peru are prohibited from pledging their fixed assets.

(c) Management periodically reviews the residual values, useful life and the depreciation method to ensure they are consistent with the economic benefits and life expectation for the property, furniture and equipment. In Management's opinion, there is no evidence of impairment of the value in use of property, furniture and equipment as of March 31, 2013 and December 31, 2012

(d) During 2012 and 20111, correspond mainly to write-offs performed by the Bank.

(e) With SBS authorization, in the prior years the Bank recorded voluntary revaluations over certain fixed assets at their fair values which were determined by an independent appraiser and amounted to approximately S/.61,140,000; which generated a deferred Income Tax, see Note 17 (a). As of March 31, 2013 and December 31, 2012 the value of the revaluations, net of their accumulated depreciation, amounts to approximately S/.39,823,000 y S/.40,181,000, respectively.

11. Accounts receivable and other assets, accounts payable, provisions and other liabilities

(a) The table below presents the components of this caption:

	2013 S/.(000)	2012 S/.(000)
Accounts receivable and other assets		
Value added taxcredit (b)	243,282	254,085
Other accounts receivable, net	97,066	143,470
Investment fund participation (c)	117,179	114,008
Intangible assets, net	112,152	112,514
Deferred charges	76,453	34,826
Accounts receivable related to derivative financial instruments	49,134	56,915
Accounts receivable for sale of investments	173,368	17,147
Prepaid income tax	38,305	34,343
Rights paid to related entity (e)	28,287	29,401
Transactions in process (d)	41,796	37,579
Assets received as payment and seized through legal actions, net	1,528	1,622
Interest premium (f)	5,773	6,585
Rent paid in advance	3,313	5,109
Other	20,125	14,541
	1,007,761	**862,145**
Accounts payable, provisions and other liabilities -		
Other accounts payable	77,965	253,555
Accounts payable for purcharse of investments	81,803	39,182
Transactions in process (d)	159,015	204,361
Accounts payable related to derivative financial instruments	76,306	128,848
Dividends, workers' profit sharing and salaries payable	304,962	61,795
Allowance for contingent loans, note 9(d)	61,247	58,869
Provision for contingencies (g)	11,440	11,583
Provisions for country risk	127	1,515
Other	1,815	1,280
	774,680	**760,988**

(b) Corresponds to the Value Added Tax ("IGV" by its Spanish acronym) resulting from the purchase of goods devoted mostly to leasing operations carried out by the Bank, to be recovered through the collection of such lease transactions

(c) Corresponds to certificates of participation that the Bank holds in an investment fund dedicated to grant operating leases to domestic companies. In attention to the nature of the operation, and according to the rules of the SBS, these certificates are recorded at their amortized cost

(d) Transactions in process include transactions performed in the last days of the month and other similar types of transactions which are reclassified to their final balance sheets account in the following month. These transactions do not affect the consolidated results as of March 31, 2013 and December 31, 2012.

During 2011, the Bank performed the write-offs of the intangible assets that were entirely amortized and which corresponded mainly to software and goodwill acquired in previous years.

Management assesses periodically the amortization method used with the purpose of ensuring them to be consistent with the economic benefit of the intangibles. In Management's opinion, there is no evidence of impairment of the intangibles maintained by the Bank as of March 31, 2013 and December 31, 2012.

(e) Corresponds mainly, to the contract between the Bank and Supermercados Peruanos S.A., a related entity. The Bank entered into a 15 year concession agreement with Supermercados Peruanos S.A., to install financial services facilities inside the stores of Supermercados Peruanos S.A. Under this agreement, the Bank paid an amount in foreign currency equivalent to S/.32,323,000 (IGV included) which is being amortized over a 15 year period. In addition, during 2009 the Bank entered into a new concession agreement for new spaces ceded to the Bank in new stores of Supermercados Peruanos S.A., for an amount of approximately S/.16,494,000, which is being amortized during the period of the contract (6 years and 8 months).

As of March 31, 2013 and 2012, the Bank has recorded for such concepts an expense of approximately S/.1,192,000, which is included in the "Administrative expenses" caption in the consolidated statements of income.

(f) Corresponds to the premium on interests generated by the acquisition of mortgage and consumer portfolios performed by the Bank in September 2007, December 2011 and August 2012, which are amortized by the straight-line method in a period no longer than five years. The final maturities of said portfolios are November 2020 and July 2014, respectively. As of March 31, 2013, it was recognized and expense for the amortization of the premium on interests of approximately S/.813,000 (S/.1,623,000 as of March 31, 2012)

(g) As of March 31, 2013 and December 31, 2012, these amounts include provisions for sundry legal contingencies originated from ongoing lawsuits against the Company and its Subsidiaries owing to the nature of the business. The Company and its Subsidiaries establish provisions for such law suits when, in the opinion of Management and its internal legal advisers, it is probable that the liability will be assumed by the Company and its Subsidiaries and the amount can be reliably estimated.

12. Deposits and obligations

(a) The table below presents the components of this caption:

	2013 S/.(000)	2012 S/.(000)
Time deposits (d)	7,173,496	5,804,120
Saving deposits	4,732,411	4,340,553
Demand deposits	3,049,783	3,493,120
Obligations with restricted public (*)	775,402	752,883
Other obligations	22,465	21,971
	15,753,557	14,412,647
Interest payable	1,314	29,458
Total	15,754,871	14,442,105

(*) As of March 31, 2013 and December 31, 2012, corresponds mainly to restricted deposits granted as guarantees by clients, in connection with direct and indirect loans granted by the Bank. Those desposits amounting for approximately S/.553,559,000andS/.547,152,000, respectively.

(b) Interest rates applied to deposits and obligations accounts are determined by the Bank based on interest rates prevailing on the Peruvian market.

(c) As of March 31, 2013 and December 31, 2012, approximately S/.5,062,891,000 and S/.5,040,065,000, respectively, of deposits and obligations are covered by the "Deposit Insurance Fund".

(d) The table below presents the balance of time deposits classified by maturity as of March 31, 2013 and December 31, 2012:

	2013 S/.(000)	2012 S/.(000)
Due within 1 month	1,986,309	1,246,320
From 1 to 3 months	561,165	381,653
From 3 months to 1 year	3,596,591	3,188,967
From 1 to 5 years	1,029,941	987,180
	7,174,006	5,804,120

13. Due to banks and correspondents

(a) The table below presents the components of this caption:

	2013	2012
	S/.(000)	S/.(000)
By type		
Loans received from foreign entities (b)	1,896,609	1,692,352
Promotional credit lines (c)	1,072,316	1,011,188
	2,968,925	2,703,540
Interest and commissions payable	9,237	10,007
	2,978,162	2,713,547
By term		
Short term	1,667,516	1,528,875
Long term	1,310,646	1,184,672
Total	2,978,162	2,713,547

(b) As of March 31, 2013 and December 31, 2012, includes the following:

Entity	Country	Final maturity	2013	2012
			S/.(000)	S/.(000)
BLADEX	Panama	2015	283,236	304,470
Standard Chartered Bank	United Kingdom	2013	284,790	191,250
Corporación Andina de Fomento - CAF	Venezuela	2013	129,450	191,250
Cobank	United States of America	2014	182,883	180,128
Deutsche Bank	Germany	2016	161,880	162,254
JP Morgan Chase - Nueva York	United States of America	2013	168,285	127,500
Wells Fargo Bank	United States of America	2014	103,560	127,500
Citibank	United States of America	2013	142,395	102,000
Bank of America	United States of America	2013	155,340	102,000
Sumitomo Banking Corporation	Japan	2013	90,615	76,500
China Development Bank	China	2016	77,670	76,500
HSBC Bank PLC	United Kingdom	2014	51,780	51,000
Bank of New York	United States of America	2012	64,725	-
			1,896,609	1,692,352

As of March 31, 2013, transactions with foreign entities bear an effective annual average interest rate of 2.28 (3.16 as of December 31, 2012).

Some of the loan agreements include standard clauses required to meet financial ratios, use of funds criteria and other administrative matters. In Management's opinion, said standard clauses do not limit the normal operation of the Company and its Subsidiaries and have been met in accordance with international standard practices for these transactions.

(c) Promotional credit lines represent loans in Nuevos Soles and US Dollars granted by CorporacionFinanciera de Desarrollo ("COFIDE" by its Spanish acronym), corresponding to credit lines aimed to promote the country's development. These liabilities are guaranteed by a loan portfolio up to the amount of the credit line used and include specific agreements on how these funds must be used, the financial conditions that have to be complied with and other administrative matters. In Management's opinion, the Bank has been meeting said requirements. These transactions accrued an annual interest rate that fluctuated between 6 and 10 percent as of March 31, 2013 and 5 and 10 percent as of December 31, 2012.

14. Bonds and other obligations

(a) The table below presents the components of this caption:

Issuer	Issuance	Annual Nominal interest rate	Interest Payment basis	Maturity	Authorized amount (000)	Used amount amount (000)	Outstanding balances as of March 31, 2013 S/.(000)	Outstanding balances as of December 31, 2012 S/.(000)
Negotiable notes (DPR)								
IBK DPR Securitizadora (d)	First issue	Libor 3M + 3.31% / 3M + 5.56%	Quarterly	2014-2015	US$200,000	US$200,000	200,683	223,578
IBK DPR Securitizadora (e)	First issue	Libor 3M + 4.56%	Quarterly	2016	US$121,200	US$121,200	227,778	233,469
							428,461	457,047
Subordinated bonds (b)								
Interbank – first program	First issue (A series)	6.75%	Semiannually	2013	US$30,000	US$15,000	38,835	38,250
Interbank – first program	Third issue (A series)	(VAC) + 3.5%	Semiannually	2023	S/135,000	S/110,000	123,789	110,000
Interbank – first program	Second issue (B series)	9.50%	Semiannually	2023	US$50,000	US$30,000	77,670	76,500
Interbank – first program	Fifth issue (A series)	8.50%	Semiannually	2019	S/135,000	S/3,300	3,300	3,300
Interbank – first program	Sixth issue (A series)	8.16%	Semiannually	2019	US$45,000	US$15,110	39,120	38,531
Interbank – first program	Eighth issue (A series)	6.91%	Semiannually	2022	S/. 300,000	S/. 137,900	137,900	137,900
Interseguro – first program	First issue	8.00%	Quarterly	2016	US$5,000	US$5,000	12,945	12,750
							433,559	417,231
Subordinated bonds (d)								
Interbank – second program	Second issue	5.80%	Semiannually	2023	US$300,000	S/.1,500,000	149,536	-
							149,536	-
Leasing Bonds (c)								
Interbank	First issue (Second program)	6.45%	Semiannually	2013	S/. 136,600	S/. 136,450	-	136,450
							-	136,450
Mortgage bonds								
Interbank – first program	First issue (A series)	4.90%	Semiannually	2014	US$10,000	US$10,000	2,330	3,570
Interbank – first program	Second issue (A and B Series)	5.6355%-Libor6M+0.9pb	Semiannually	2015	US$10,000	US$10,000	4,660	4,590
							6,990	8,160
International Issuance through Panamanian Branch								
Junior Subordinated notes (f)	First issue	8.50%	Semiannually	2070	US$200,000	US$200,000	507,954	499,835
Senior bonds (g)	First issue	5.75%	Semiannually	2020	US$400,000	US$400,000	967,489	936,074
Senior bonds (g)	Second issue	5.75%	Semiannually	2020	US$250,000	US$250,000	680,742	671,729
							2,156,185	2,107,638
Interest payable							75,354	50,547
							3,250,085	3,177,073

(*) From the outstanding balances as of March 31, 2013 and December 31, 2012, there have been eliminated, for consolidation purposes, the bonds and other obligations held by IFS and its Subsidiaries amounting S/. 272,000 and S/.262,000, respectively.

(b) Subordinated bonds do not have specific guarantees. In June 2012, the Bank issued the Eighth Issue of the First Program of Subordinated Bonds. These bonds have maturities in June 2022 and their agreed annual interest rate is 6.91 percent. According to SBS regulations, this issuance qualifies as Tier 2 effective equity.

(c) As indicated in Note 11(b), Peruvian financial entities are prohibited from pledging their fixed assets. Fixed assets acquired in connection with leasing operations that are funded through the issuance of leasing bonds are regarded as a guarantee of the related bonds.

(d) In June 2008, IBK DPR Securitizadora (a special-purpose entity domiciled in Bermuda and consolidated by Intercorp) issued negotiable long-term notes for US$200,000,000 equivalent to approximately S/.200,683,000 and S/.223,578,000 net of transaction cost and capital repayments as of March 31, 2013 and December 31, 2012, respectively. The notes were disbursed into two tranches, US$60,000,000 and US$140,000,000, with maturities in 2014 and 2015, respectively; they accrue interest at the 3-month Libor rate plus a margin. The notes issued are guaranteed by remittances received by the Bank through SWIFT transfers; said remittances are subsequently transferred by the Bank to IBK DPR Securitizadora as received. The issuance of these notes has standard clauses on meeting financial ratios and other administrative matters which, in Management's opinion, do not affect the Bank's operation and are being met.

In order to hedge the variable rate component of these transactions, the Bank has entered into two interest-rate swap agreements, with notional amounts of US$60,000,000 and US$140,000,000, respectively, by which it receives the 3-month Libor rate and pays an annual fixed rate of 3.70 and 3.75 percent, respectively, starting in March 2009. The swaps' payment schedules are identical to those of the loan, and the Bank has recorded these derivatives as cash-flow hedges;see Note 22.

(e) In June 2009, IBK DPR Securitizadora issued long-term negotiable notes for US$121,200,000, equivalent to approximately S/.227,778,000 and S/.233,469,000, net of transaction cost and capital repayments, as of March 31, 2013 and December 31, 2012, respectively, with maturity in 2016; they accrue interest at the 3-month Libor rate plus a margin. The notes issued areguaranteed by remittances received by the Bank through SWIFT transfers; said remittances are subsequently transferred by the Bank to IBK DPR Securitizadora as received. The issuance of these notes has standard clauses on meeting financial ratios and other administrative matters which, in Management's opinion, do not affect the Bank's operation and are being met.

For these transactions, the Bank has entered into an interest-rate swap contract with nominal amounts of US$121,200,000, for which it receives the 3-month Libor rate plus a margin of 4.25 percent and pays an annual fixed rate of 7.90 percent starting in September 2009. The swap schedule is exactly equal to that of the loan and the Bank has recorded this derivative as a cash-flow hedge; see Note 22.

(f) In April 2010, Interbank issued junior subordinated notes denominated “Non-cumulative fixed floating rate step-up Junior Subordinated Notes due in 2070” with maturity in April 2070 and a fixed annual interest rate of 8.5 percent (effective rate, net of issuance costs, of 8.93 percent) starting in April 2020, the notes will accrue interest at a floating rate per year equal to the Libor for the three-month US dollar deposits for the related interest period plus 674 basis points, provided that the floating rate for any interest period will not be less than 10.5 percent per year, with semiannual payments. Since that date, on any interest payment date, the Bank can redeem 100 percent of the notes, without penalties. Interest payments are non-cumulative if an interest payment is not made in full or paid as set forth, due to Interbank’s right to cancel interest payments, a mandatory prohibition established by the SBS, or if the SBS determines that Interbank is in non-compliance with applicable minimum regulatory capital. In such cases, Interbank will not declare, pay or distribute a dividend for the period in which the interest payments are not made. The principal payment will take place at the maturity date or when the Bank redeems the notes.

This debt, considering SBS regulations, qualifies as tier 1 in computing regulatory capital and has no collaterals.

(g) In September 2010, the Bank issued senior bonds denominated “5.750 percent Senior Notes due 2020”. These bonds will mature in October 2020 and bear a fixed annual interest rate of 5.75 percent. The Bank can redeem 100 percent of the bonds on any coupon payment date paying as a penalty and interest rate equal to the US Treasury plus 50 basis points.

In September 2012, the Bank performed a reopening of these senior bonds. The issuance price was 106.25 percentand the agreed annual interest rate is 5.75 percent (effective rate of 4.9 percent, net of issuance expenses and issuance premium).

The principal payment of both issuances will take place either at the maturity date or when the Bank redeems them.

(h) International issuances are listed at the Luxemburg Stock Exchange. Likewise, local and international issuances maintain certain financial and operating covenants which, in Management’s opinion, the Bank has complied with at the dates of the consolidated balance sheets.

15. Technical reserves for premiums and claims

(a) This item consistsof the following:

	2013 S/.(000)	2012 S/.(000)
Technical reserves for premiums (b)	2,543,822	2,406,631
Technical reserves for claims (c)	50,242	49,324
	2,594,064	2,455,955

(b) Technical reserves for premiums disclosed by type of insurance are shown below:

	2013 S/.(000)	2012 S/.(000)
Life mathematical reserves		
Annuities reserves	2,347,631	2,215,304
Retirement, disability and survival pensions	117,241	116,826
Life insurance	66,931	63,182
Unearned premium reserve		
Compulsory traffic accident insurance (SOAT)	9,006	8,535
General insurance	3,013	2,784
	2,543,822	2,406,631

(c) Technical reserves for claims disclosed by type of insurance are shown below:

	2013		
	Claims reported S/.(000)	IBNR (e) S/.(000)	Total S/.(000)
Retirement, disability and survival pensions	37,521	14	37,535
Life insurance	5,306	302	5,608
Compulsory traffic accident insurance (SOAT)	1,789	2,905	4,694
Annuities reserves	1,569	-	1,569
Personal accidents	794	-	794
General insurance	42	-	42
	47,021	3,221	50,242

	2012		
	Claims reported S/.(000)	IBNR (e) S/.(000)	Total S/.(000)
Retirement, disability and survival pensions	37,724	14	37,738
Life insurance	4,444	280	4,724
Compulsory traffic accident insurance (SOAT)	1,626	2,898	4,524
Annuities reserves	1,478	-	1,478
Personal accidents	823	-	823
General insurance	37	-	37
	46,132	3,192	49,324

(d) In InterseguroManagement's opinion, these balances reflect the exposure to life and general insurance contracts as of March 31, 2013 and December 31, 2012, in accordance with SBS regulations.

(e) As of March 31, 2013 and December 31, 2012,the incurred but not reported claims have been determined in accordance with in force regulations approved by SBS. In such sense, in Management's opinion it is adequate to properly respond to the incurred but not reported claims.

16. Equity

(a) Capital stock -

As of March 31, 2013 and December 31, 2012 the Company's capital stock is represented by 93,615,451 shares with a par value of US$9.72 per share. At those dates Intercorp Peru Corp. holds 68.93 percent of the IFS's issued share capital and 71.31 percent of the shares of outstanding capital.

The General Shareholders' Meeting held on March 30, 2012 agreed to distribute US$139,000,000 in dividends corresponding to 2011 (equivalent to approximately S/.373,632,000).

(b) Treasury stock held by Subsidiaries-

As of March 31, 2013 , the Bank holds 3,077,240 shares of IFS, while their cost amounted to S/.205,363,000 (3,115,028 shares of the Bank and Interfondos that amounted to approximately S/.205,225,000 as of December 31, 2012).

(c) Surplus capital-

Corresponds to the difference between the nominal value of the shares issued in June 2007 and September 2008, and theirsell or exchange value. The capital surplus is presented net of the expenses incurred related to the issuance of shares.

(d) Unrealized Gains-

The table below presents the components of this caption as of March 31, 2013 and December 31, 2012:

	2013 S/.(000)	2012 S/.(000)
IFS:		
Unrealized gains on available-for-sale investment	89,971	69,263
Interbank:		
Unrealized losses on hedging financial derivatives instruments, net of income tax	(22,977)	(20,049)
Unrealized gains on available-for-sale investment	(2,185)	33,401
Interseguro:		
Unrealized gains on available-for-sale investment	138,965	124,646
	203,774	207,261

(e) Regulatory capital -

IFS is not required to calculate a regulatory capital. As of March 31, 2013 and December 31, 2012, the shareholders' equity for legal purposes, required for the Subsidiaries of IFS dedicated to financial and insurance activities in Peru, calculated according to SBS standards, is detailed below:

Bank's regulatory capital -

In June 2008, by means of Legislative Decree 1028, the Banking Act was amended. The amendments established that the regulatory capital must be equal to or more than 10 percent of the total risk weighted assets and contingent operations, represented by the sum of: (i) the regulatory capital requirement for market risk multiplied by 10, (ii) the regulatory capital requirement for operational risk multiplied by 10, and (iii) the weighted assets and contingent credits by credit risk.

As of March 31, 2013 and December 31, 2012, in application of Legislative Decree 1028 and its modification the weighted assets and contingent credits by credit risk and shareholders' equity for legal purposes (regulatory capital basic and supplementary) pursuant to the Banking Act in effect at those dates was determined as follows in thousands of Nuevos Soles:

	2013 S/.(000)	2012 S/.(000)
Total risk weighted assets and credits (1)	21,161,174	21,086,081
Total regulatory capital (2)	3,181,695	2,799,456
Basic regulatory capital (Level 1)	2,433,486	2,168,667
Supplementary regulatory capital (Level 2)	748,209	630,789
Global regulatory capital ratio (2)/(1)	15.04%	13.28%

As of March 31, 2013 and December 31, 2012, the Bank has complied with the requirements of SBS resolutions 2115-2009, 6328-2009 and 14354-2009, Regulations for Regulatory Capital Requirements for Operational Risk, Market Risk and Credit Risk, respectively. These resolutions established, mainly, the methodologies to be used by financial entities to calculate the risk weighted assets and credits for each type of risk.

In July, 2011, the SBS issued Resolution No. 8425-2011, which states that an entity must determine an additional regulatory capital. In this sense, Peruvian financial institutions must develop a process to assess the adequacy of their regulatory capital in relation with their risk profile, which must follow the methodology described in said resolution. The additional regulatory capital shall be equal to the amount of regulatory capital requirements calculated for each of the following components: economic cycle, concentration risk, market concentration risk and interest rates risk, among others. Likewise, the Bank has a term of five years starting in July 2012 to adequate its regulatory capital to the new requirements. As of December 31, 2012, the percentage of adequacy established by the SBS is 40 percent, therefore that additional regulatory capital requirement estimated by the Bank amounted to approximately S/.233, 307,000.

In Management' opinion, the Bank will comply with the requirements set forth in the above mentioned Resolution.

(f) Effective equity of Interseguro -

According to Resolution SBS No. 1124-2006, amended by Resolutions SBS No. 8243-2008, No. 12687-2008 and No. 5587-2009, Interseguro required to maintain an effective equity with the purpose of maintaining a minimum equity aimed to support technical risks and other risks that may affect it. The effective equity must surpass the sum of the solvency equity, the guarantee fund and the effective equity aimed to cover credit risks.

The solvency equity is constituted by the solvency margin or the minimum capital, whichever the highest. As of March 31, 2013, the solvency equity is constituted by the solvency margin, which amounts to approximately S/.146,298,000 (approximately S/.140,336,000 in 2012).

As of March 31, 2013 and December 31, 2012, the effective equity comprises the following:

	2013 S/.(000)	2012 S/.(000)
Paid-in capital	198,988	167,308
Legal reserve	69,646	58,557
Computable portion of subordinated bonds (*)	7,767	7,650
Capitalizable earnings	-	31,680
Effective equity	276,400	265,195

The solvency margin is the complementary support that the entities shall maintain to deal with possible situations of excess claims not foreseen in the constitution of technical reserves. The total solvency margin corresponds to the sum of the solvency margins of the type of insurance which Interseguro operates.

Furthermore, the guarantee fund represents the additional equity support that the entities shall maintain to deal with other risks that can affect them and that are not covered by the regulatory net equity, such as the investment risks and other risks. The monthly amount of such fund must be equivalent to the 35 percent of the regulatory net equity, in accordance with SBS Resolution No. 1124-2006. As of March 31, 2013, the guarantee fund amounts to approximately S/.51,204,000 (approximately S/.49,118,000 as of December 31, 2012).

As a result of the aforementioned, Management calculated an effective equity coverage surplus as follows:

	31.03.13 S/.(000)	**31.12.12** S/.(000)
Regulatory net equity total	276,400	265,195
Less:		
Solvency equity	146,298	140,336
Guarantee fund	51,204	49,118
Surplus	78,898	75,741

17. Tax situation

(a) Because it is incorporated in Panama, Intergroup is not subject to any Income tax.

Entities and individuals not domiciled in Peru must pay an additional tax of 4.1 percent over dividends received from entities domiciled in Peru. The entity that distributes the dividends is responsible of performing the retention of the indicated tax. In this regard, since the Company controls the entities that distribute dividends, recognizes the amount of said income tax, recorded as an expense in the period when such dividends belong.

(b) IFS's Subsidiaries are subject to Peruvian tax legislation. They calculate their Income Tax on the basis of their individual financial statements. As of March 31, 2013 and December 31, 2012, the statutory Income Tax rate was 30 percent over the taxable income, after calculating the workers' profit sharing, which according to current legislation is determined using a 5 percent rate.

(c) Since 2011, with the Income Tax modification, introduced by Act No. 29645, interests and other income generated by foreign loans granted to the national public sector must also be included as an item unaffected by the Income Tax.

Meanwhile, Act No. 29663, amended by Act No. 29757, established that are considered income of Peruvian source those obtained through the indirect disposal of shares or capital representative participations of legal persons domiciled in the country.

For such purposes, it must be considered that an indirect disposal arises when shares or capital representative participations of a non-domiciled legal person are disposed which, at the same time, is the proprietor – directly or through another or other legal persons – of shares or capital representative participations of one or more legal persons domiciled in the country, provided that certain conditions established by law are met. In this regard, it also defines the assumptions under which the issuer is jointly liable.

Since January 1, 2010, are regarded as non taxable the rents and gains generated by assets that are backing the technical reserves from life insurance entities constituted or established in the country, for retirement, disability and survivorship pensions from the private pension funds administrators, constituted according to law.

Likewise, are regarded as non taxable the rents and gains generated by assets which that backing the technical reserves determined by law of the annuities pensions different from those mentioned in the previous paragraph and the technical reserves that life insurance entities commercialize, even when these products include a saving or investment component

Such exemption will be maintained while the rents and gains continue to back the technical obligation previously mentioned. To proceed with the exemption, the composition of the assets which are backing the technical reserves for which the rents and gains are non taxable, shall be reported monthly to the SBS, within the terms it indicates, discriminately and with a similar level of detail required in the case of the private pension funds administrators, for the investments that are made with the resources of the managed funds.

On the other hand, it is worth noticing that Act No. 29966, published on December 18, 2012, extended until December 31, 2015, the exemption to the IGV of the interests generated by real estate securities issued through public offer by legal persons constituted or established in the country, provided that the issuance is performed under either the Securities Market Act, which was enacted by Legislative Decree No. 861, or the Investment Funds Act, enacted by Legislative Decree No. 862, as correspondingly.

(d) For the purpose of determining the Income Tax and the Value Added Tax, the transfer prices agreed for transactions between related entities, or for transactions conducted with or through entities domiciled in low or zero tax countries must be supported by documentation containing information on the valuation methods applied and the criteria used in the determination of such prices. The Tax Authority has the right to request this information. Based on analysis of the Company and its Subsidiaries operations, in the opinion of Management and its legal advisors, the application of these tax standards would not have any material consequences on the consolidated financial statements as of March 31, 2013 and December 31, 2012.

(e) The Tax Authority is legally entitled to review and, if necessary, adjust the Income Tax computed during a term of four years following the year in which a tax return was filed. The Income tax and Value Added Tax returns of Interbank corresponding to 2008 through 2012 and Interseguro corresponding to 2010, through 2012 are pending reviewing by the Tax Authority.

On the other hand, in April 2004, June 2006, February 2007, June 2007, November 2007, October 2008 and December 2010, the Bank received Tax Assessments and Fine Imposing Resolutions related to Income Tax Returns filed in 2000, 2001, 2002, 2003, 2004, 2005 and 2006; for all of them the Bank has filed a tax claims and appeals. In March 2009, August 2010 and September 2011, the Tax Authority has issued Tax administration resolutions for the years 2000, 2001, 2002, 2003, 2004, 2005 and 2006 for which the Bank has filed appeals. Additionally, the Tax Administration - SUNAT has begun the process of supervision over the period 2007 to the Bank.

In the opinion of the Bank's and Interseguro's Management and their legal advisors, any possible additional tax assessment would not have any material consequences on the consolidated financial statements as of March 31, 2013 and December 31, 2012.

18. Off-balance sheet accounts

(a) The table below presents the components of this caption:

	2013	2012
	S/.(000)	S/.(000)
Indirect loans, Note 9(a)		
Bank letters of guaranty and stand-by letters of credit (b)	3,457,735	3,337,705
Import and export letters of credit (b)	313,535	377,281
Due from bank acceptances (b)	36,049	88,069
	3,807,319	3,803,055
Foreign currency forwards transactions, Note 4		
Held for trading		
Purchase of foreign currency forwards (c)	4,050,810	2,487,224
Sale of foreign currency forwards (c)	3,985,478	2,411,876
Currency swap transaction (c)	419,188	387,593
Held as hedging		
Currency swap transaction (d)	152,384	127,501
	8,607,860	5,414,194
Responsibilities under credit line agreements (e)	5,796,057	5,655,673
Total contingent operations	18,211,236	14,872,922
Other off-balance sheet accounts (g)		
Interest rates swaps		
Held for trading (c)	123,357	123,357
Held as hedging, (d)	463,068	463,068
	586,425	586,425
Guarantees received	16,476,928	16,144,465
Trusts (f)	1,272,901	1,462,634
Securities in custody	3,295,293	3,191,185
Mutual and investment funds managed by Interfondos Sociedad Administradora de Fondos	2,839,421	2,840,469
Equity trust managed by Internacional de Títulos Sociedad Titulizadora S.A. - Intertítulos S.T.	2,745,662	2,731,899
Collections on behalf of third parties	341,263	354,910
Loan portfolio sold	-	56,520
Suspended interest	123,241	120,645
Consumer credit card lines	6,590,495	6,798,083
Write-off loans	5,249,306	5,263,424
Available lines from abroad	1,415,284	1,281,317
Miscellaneous	4,701,961	3,804,815
	45,051,755	44,050,366
Total other off-balance sheet accounts	45,638,180	44,636,791
Total off-balance sheet accounts	63,849,416	59,509,713

(b) In the normal course of its operations, IFS and its Subsidiaries perform contingent operations (indirect loans). These transactions expose the Company to additional credit risk beyond the amounts recognized in the consolidated balance sheets.

IFS and its Subsidiaries applies the same credit policies for granting and evaluating the provisions required for direct loans when performing contingent operations, see Note 11, including obtaining guarantees when it deems it necessary. Guarantees vary and include deposits in financial institutions or other assets.

Taking into account that many of the contingent operations are expected to expire without IFS and its Subsidiaries have to disburse funds, the total committed amounts do not necessarily represent future cash requirements.

(c) As of March 31, 2013 and December 31, 2012, IFS and its Subsidiaries maintain derivative operations related to purchase and sale agreements of foreign currency transaction (“forwards”) for trading purposes. These contracts are agreements by which the future delivery of foreign currency is agreed, by which the seller agrees to deliver on a specific future date an amount of foreign currency at a pre-determined price. The risk arises from the possibility that the counterparty does not meet the agreed terms and from changes that take place in the exchange rates of the currencies at which the transactions are carried out. These contracts generally have maturities no longer than one year, are carried out only to satisfy client needs and are recorded at their estimated fair value

(d) As of March 31, 2013 and December 31, 2012, the Company and its Subsidiaries hold a currency swap transaction, which according to SBS approval, has been classified as a cash flow hedge for the issuance of leasing bonds; see Note 14(c). In economic terms this transaction translates the debt issued in Nuevos Soles into US Dollars. This transaction maturited in March 2013.

Additionally, as of March 31, 2013 and December 31, 2012, the Company and its Subsidiaries hold three interest rates swaps hedges aimed to cover the variable rate component of certain due to banks and correspondents, see further detail in Note 14(d) and 14(e). As of March 31, 2013 and December 31, 2012, said instruments have maturities between December 2013 and June 2024..

(e) Unused lines of credit and loans granted but not disbursed do not correspond to commitments to grant loans; and include consumer lines of credit and other consumer loans that are paid when the customer receives notice to that effect

(f) The Bank provides custody, trust, corporate management, investment management and consulting services to third parties, in which the Bank carries out instructions on behalf of its customers and does not assume responsibility for those decisions. These assets are not included in these consolidated financial statements.

(g) The balance of “Other off-balance sheet accounts” includes different transactions recorded mainly for control purposes. The most important balance corresponds to guarantees received and is expressed at the agreed value of guarantees as of the date of the loan agreement. This balance does not represent the fair value of guarantees held by IFS and its Subsidiaries.

19. Financial income and expense

The table below presents the components of this caption:

	As of March 31, 2013 S/.(000)	As of March 31, 2012 S/.(000)
Financial income		
Interest and commissions on loans	520,633	512,012
Interest on due from banks and inter-bank funds	19,697	4,156
Income from interests over investments	63,414	81,053
Other financial income	57,290	6,124
Total	661,034	603,345
Financial expenses		
Interest and commissions on deposits and obligations	58,158	51,647
Interest and fees on deposits and due to banks and correspondents	33,177	30,424
Interest on bonds and obligations outstanding	46,022	34,900
Other financial expense	274	9,088
Total	137,631	126,059
Gross financial margin	523,403	477,286

20. Income and expenses from financial services

The table below presents the components of this caption:

	As of March 31, 2013 S/.(000)	As of March 31, 2012 S/.(000)
Income from financial services		
Fee for miscellaneous services	34,562	39,061
Commissions on contingent operations	12,891	10,829
Credit and debit card commissions	8,208	10,408
Fee for collections of services	4,915	3,849
Income from financial consulting	2,290	5,540
Other	3,200	3,740
Total	66,066	73,427
Expenses relating to financial services		
Insurance premium to the Funds deposits	5,675	5,559
Fees paid to foreign banks	2,879	3,014
Other	-	4,131
Total	8,554	12,704

21. Result of insurance underwriting, net

The table below presents the components of this caption:

	As of March 31, 2013 S/.(000)	As of March 31, 2012 S/.(000)
Assumed premiums	134,023	110,192
Adjustment of technical reserves for assumed premiums	(114,036)	(94,110)
Ceded premiums	(981)	(1,043)
Claims on assumed premiums	(39,530)	(31,275)
Claims on ceded premiums	439	(963)
Gross technical result	**(20,085)**	**(17,199)**
Commissions from written premiums	(1,449)	(3,567)
Other technical income	1,461	1,509
Other technical expenses	(1,336)	(1,383)
Technical result, net	**(21,409)**	**(20,640)**

22. Result of financial transactions

The table below presents the components of this caption:

	As of March 31, 2013 S/.(000)	As of March 31, 2012 S/.(000)
Sale and valuation of investments, net	59,789	21,395
Net gain on foreign exchange	20,136	55,282
Trading Derivatives	9,237	(6,897)
Participation from investments in subsidiaries and associates, net, Note 10 (b)	2,895	2,212
Hedging	(1,848)	-
others	(82)	(99)
Total	90,127	71,893

23. Administrative expenses

(a) The table below presents the components of this caption:

	As of March 31, 2013 S/.(000)	As of March 31, 2012 S/.(000)
Services received from third parties (b)	128,868	132,275
Personnel and Board of Directors expenses (c)	136,559	124,699
Taxes and contributions	7,092	6,938
Total	272,519	263,912

(b) The amounts recorded as "Services received from third parties" correspond mainly to transportation services, repair and maintenance services, office leases, public relations expenses, telecommunication costs, among others.

(c) The table below presents the components of this caption:

	As of March 31, 2013 S/.(000)	As of March 31, 2012 S/.(000)
Salaries	103,726	91,981
Worker's profit sharing expense	10,536	9,846
Social security	8,068	7,955
Severance indemnity expenses	7,677	7,345
Vacation, health care and other	6,552	7,572
Total	136,559	124,699

24. Other income, net

The table below presents the components of this caption:

	As of March 31, 2013 S/.(000)	As of March 31, 2012 S/.(000)
Income from services and commissions	12,011	6,828
Rental income	4,059	4,026
Insurance Recovery	3,674	-
Net gain on sale of through legal actions	-	165
Income tax over dividends	(5,294)	(3,812)
Employee retirement incentive	(1,886)	(2,773)
Other, net	(883)	8,537
Total other income, net	11,681	12,971

25. Earnings per share

The table below presents the calculation of the weighted average number of shares and the earnings per share:

	Outstanding shares (in thousands)	Basis for calculation shares (in thousands)	Days as of the end of year	Weighted average number of shares (in thousands)
2012				
Balance as of January 1	90,523	90,523	91	90,523
Sale of treasury stock	15	15	77	13
Purchase of treasury stock	(172)	(172)	59	(112)
Balance as of March 31, 2012	90,366	90,366		90,424
Net earnings attributable to IFS				159,498
Net basic and diluted earnings per share attributable to Intercorp (Nuevos soles)				1.764
Periodo 2013				
Balance as of January 1	90,500	90,500	90	90,500
Sale of treasury stock	38	38	73	28
Balance as of March 31, 2013	90,538	90,538		90,528
Net earnings attributable to IFS S/.(000)				203,387
Net basic and diluted earnings per share attributable to Intercorp (Nuevos soles)				2.247

26. Transactions with related parties and affiliated companies

(a) The table below presents the balances with related and affiliated companies as of March 31, 2013 and December 31, 2012:

	2013	2012
	S/.(000)	S/.(000)
Assets		
Cash and due from banks	69,155	21,979
Held-to-maturity investments (real estate projects),	27,659	2,400
Loan portfolio, net	432,860	379,183
Other assets	13,622	28,426
Liabilities		
Deposits and obligations	209,266	505,589
Bonds and other obligations	22,776	3,055
Other liabilities	7,367	11,922

	As of March 31, 2013	As of March 31, 2012
Income (expense)	S/.(000)	S/.(000)
Interest income and rentals	16,995	5,736
Administrative expenses	(8,548)	(2,958)
Other, net	3,800	3,989
Off-balance sheet accounts		
Indirect loans	68,330	57,989

(b) Shareholders, directors and officers of IFS and its Subsidiaries have been involved, either directly or indirectly, in credit transactions with IFS and Subsidiaries as permitted by Peruvian legislation, which regulates and limits certain transactions with employees, directors and officers of financial institutions. As of March 31, 2013, loans and other credits to employees and directors amounted to approximately S/.74,506,000(S/.74,769,000 as of December 31, 2012).

In accordance with Peruvian legislation, loans to related parties cannot be made in more favorable terms than those offered to the general public.

(c) As of March 31, 2013 and December 31, 2012, IFS participated in different domestic and foreign mutual and investment funds managed by its Subsidiaries or related parties.

(d) In Management's opinion, transactions with related companies have been performed under normal market conditions. Taxes generated by these transactions and the taxable base used for computing them, are those customarily used in the industry and are determined according to prevailing tax standards.

27. Risk assessment

IFS andits Subsidiaries' activities relate mainly to the use of financial instruments, including derivatives. Each Board of Directors of the main Subsidiaries - the Bank and Interseguro -is responsible of the general direction with regards to risk management. They are also responsible for the approval of the policies and strategies currently in force. The Board approves the principles for the general risk management, as well as the policies elaborated for these specific areas

IFS andits Subsidiaries receive deposits from its customers at both fixed and floating rates and with different terms, with the aim of profiting from interest margins by investing those funds in high-quality assets. IFS and its Subsidiaries seek to increase these margins by consolidating its short-term funds and lending for longer periods at higher rates, while maintaining sufficient liquidity to comply with any withdrawal that may be requested.

IFS and its Subsidiaries seeks to obtain interest margins above market average, net of provisions, by lending to borrowers by means of a variety of credit products. The exposure not only comprises direct loans, but also indirect loans, such as guarantees, letters of credit or stand-by letters of credit.

IFS and its Subsidiaries also trades financial instruments outside and inside the stock exchange market, including derivative instruments, to benefit from changes in their prices in the market in the short term and from fluctuations in exchange rates and interest rates. Management establishes limits to exposure levels for positions that may be adopted in the market during both, daily operations and overnight positions. The exposure to exchange rates and to interest rates related to such operations is normally offset and controlled through the fluctuations in the net cash amounts required to settle market positions.

Market risk -

IFS and Subsidiaries is exposed to market risks, which is the risk that the fair value or the cash flows of a financial instrument fluctuate due to changes in market prices. Market risk arises from interest rate, exchange rates and equity products, positions all of which are exposed to general and specific market movements. Also, market risk arises from changes in the volatility level of prices such as interest rates, credit spreads, exchange rates and equity investments.

The Bank separates exposures to market risk into two groups: (i) those that arise from the value fluctuation of trading portfolios due to movements of market rates or prices (Trading Book); and (ii) those that arise from changes in the structural positions of non-trading portfolios due to movements of the interest rates, prices and exchange ratios (ALM Book).

Trading portfolios include those liquid positions arising from market-making transactions where the Bank and its subsidiaries act as principal with clients or with the market. Non-trading portfolios include relatively illiquid positions, mainly deposits and loans The risks of trading portfolios (Trading Book) and available-for-sale investments are managed through Value at Risk (VaR) historical simulation techniques; while non-trading portfolios are managed using Asset Liability Management (ALM) techniques.

The VaR method is an estimate of the maximum potential loss that might arise if current positions were to be held unchanged for one trading session, taking into account a specific significance level. The measurement is structured so that daily losses exceeding the VaR occur, on average, not more than in one out of one hundred trading sessions. Actual outcomes are monitored regularly to test the validity of the assumptions and parameters used in the VaR calculation.

The calculation of risks associated with long-term and structural positions is called Asset and Liability Management (ALM). Non-trading portfolios are exposed to different sensitivities that can generate a deterioration in the value of the assets compared to their liabilities and hence to a reduction of their net value. The sensitivities to which the portfolio is exposed are those of interest rate, exchange rate and management of re-pricing gaps.

For the measurement of interest rate risk, we established two indicators: The Profit at Risk (GeR) which measures the potential decrease in net interest income to adverse movements in interest rate (as yield) and the Net Asset Value at Risk (VPR) which measures the potential dilution of equity due to interest rate changes (economic value).

The Bank's Management also establishes individual limits for marketable securities, foreign currency exchange positions and derivative instruments. These limits include both the maximum amount of exposure and the maximum loss value that can be tolerated before demanding immediate settlement in the market (stop-loss). Compliance with these limits and the Bank's VaR are reviewed by Management on a daily basis. However, the use of this control measure does not eliminate all risks of loss beyond the limits in place in the event of movements in market prices.

Liquidity risk -

The Bank is exposed to daily withdrawal of its available cash resources from overnight deposits, current accounts, maturing deposits, loans drawdown's, guarantees and other withdrawals. The Bank does not maintain funds available in cash for all of the aforementioned needs, since experience has shown that a minimum level of reinvestment of funds upon their maturity can be predicted with a high degree of certainty. The Bank's Management establishes the limits as to the minimum amount of funds that need to be available to meet such needs and the minimum level of inter-bank loans and other types of loans that should be in place to cover unexpected withdrawals.

The procedure of matching and controlling mismatches of the maturities and interest rates of assets and liabilities is essential to Management. However, it is unusual for financial institutions to be fully matched, as transacted business is often based on uncertain terms and different systems. An open position in the terms and rates could potentially increase profitability, but it also increases the risk of losses.

Maturities of assets and liabilities and the ability to replace, at an acceptable cost, interest-bearing liabilities as they mature are important factors when assessing liquidity and exposure to changes in interest and exchange rates.

Liquidity requirements to support indirect credits (contingent loans) are significantly lower than the amount of the commitment because it is not expected that funds will be required to honor these commitments. The total amount of the commitments to provide loans does not necessarily represent the requirement of funds in the future, as the majority of these indirect credits will expire or terminate without requiring payment thereof.

Interseguro is exposed to requirements of cash, mainly for the payment of retirement pensions and insurance claims. The liquidity risk is the risk that cash may not be available in the future to pay commitments at their expiration date. Interseguro sets the limits as to the minimum amount of funds that need to be available to meet such requirements.
Interseguro controls its liquidity risk through the matching of the maturities of assets and liabilities. Therefore, the investment plan has been structured according to their expiration date, thereby having covered the risk of fund requirements destined to cover claims for incidents or other. Additionally, Interseguro investments are concentrated in high quality financial instruments and liquidity that can be realized (sold) in a very short term.

The notes to the consolidated financial statements include an analysis of the maturities of the main assets and liabilities, based on contractual maturity dates.

Cash flow risk and fair value of interest rate changes -
The cash flow interest rate risk is the risk that cash flows of a financial instrument fluctuate due to changes in market interest rates. The risk of fair value interest rates is the risk that the value of a financial instrument may fluctuate due to changes in market interest rates.

IFS and Subsidiaries is exposed to the effect of fluctuations in market interest rates on its financial situation and cash flows. Interest margins may increase as a result of such changes, but may reduce or create losses in the event of unexpected fluctuations. Management sets limits on the level of mismatch of interest rates that may be undertaken and monitors these levels periodically.

Resources for commercial funding are mainly obtained from short-term liabilities, which generally bear interest at fixed and variable rates prevailing in the market. Loans, customer deposits, and other financing instruments are subject to risks arising from interest rate fluctuations. Relevant contractual maturity characteristics and interest rates of such financial instruments are disclosed in the Notes to the consolidated financial statements.

Exchange rate risk -

IFS and its Subsidiaries is exposed to the effects of fluctuations in foreign currency exchange rates prevailing over its financial position and cash flows. Management of the Subsidiaries sets limits on the level of exposure by currency and in total of overnight positions and monitors these levels on a daily basis.

Most assets and liabilities in foreign currency are stated in US Dollars. Foreign currency transactions are performed at free market exchange rates. As of March 31, 2013 and December 31, 2012, IFS and its Subsidiaries' assets and liabilities in foreign currencies are shown in Note 4. Likewise, as indicated in Note 12(g) (ii), IFS has used derivative financial instruments in order to partially hedge this risk.

Credit risk -

IFS and its Subsidiaries is exposed to credit risk, which is the risk that a client will be unable to pay amounts in full when due. Impairment provisions are provided for losses that have been incurred at the consolidated balance sheet date. Significant changes in the economy or in a particular industry segment that represent a concentration in the portfolio of IFS and its Subsidiaries could result in losses different from those recorded at the consolidated balance sheet date. Therefore, Management of IFS and its Subsidiaries carefully manages exposure to credit risk.

The levels of credit risk undertaken are structured, by placing limits to the amount of acceptable risk related to one borrower or groups of borrowers and geographical and industry sectors. Such risks are monitored constantly and subject to frequent review. Limits in the level of credit risk by product and industry sector are approved by the Management within the framework of standards in force.

IFS and its Subsidiaries' exposure to credit risk is managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits when appropriate. Exposure to credit risk is also managed partially by obtaining corporate and personal guarantees, but there is a significant portion of consumer loans for which no such guarantees can be obtained.

Financial assets that potential credit risk to the insurance business, consisting primarily of cash and cash equivalents, deposits with banks, financial investments and investments. Cash and cash equivalents and term deposits are placed in reputable financial institutions. Investments are made in instruments issued by prestigious companies in the local market and abroad, as well as securities representing Peru's foreign debt, which have an active international market. Furthermore, the customer base who are given individual life insurance and annuity, is a fragmented portfolio. On the other hand, for the life insurance sector and title insurance group, the portfolio is concentrated mainly in the Bank's customers. Finally, the lease receivables are regularly reviewed to ensure their recovery and credit risk is managed by management, in accordance with policies, procedures and controls properly established.

The maximum exposure to credit risk is represented by the book value of available funds, investments at fair value through profit or loss, available-for-sale investments, held-to-maturity investments, loans, net, premiums and other receivables, insurance and reinsurance receivables, bank acceptances and contingent loans. The exposure for any borrower, including banks and investments, is further structured by sub-limits covering on and off-balance sheet exposures (contingent accounts / indirect loans) and daily delivery risk limits to trading items such as forward foreign exchange contracts. Actual exposure and its comparison to established limits is monitored in a continuous manner.

Risk of the insurance activity -

The risk covered by any insurance contract, under its different modalities, is the possibility of the insured event occurring and, therefore, the resulting claim having a set value. Due to the nature of the insurance contract, this risk is arbitrary and therefore unpredictable.

As far as the insurance contract portfolio is concerned, where large number and probability theory applies to setting prices and provisions, the main risk that Interseguro faces is that claims and/or payment of benefits covered by the policies will exceed the book value of the insurance liabilities. This could occur if the frequency and/or severity of claims and benefits is greater than calculated. The following factors are taken into account in evaluating insurance risks:

- Frequency and severity of claims.
- Sources of uncertainty in calculating payment of future claims.
- Mortality tables for different life insurance plans.
- Changes in market rates for investments that have a direct effect on discount rates used to calculate mathematical reserves.

Interseguro has automatic reinsurance contracts to protect itself against frequent and severe losses. The purpose of such reinsurance agreements is to prevent total net insurance losses from affecting Interseguro’s equity and liquidity in any given year.

Interseguro’s insurance underwriting strategy has been developed to diversify the type of insurance risks accepted. Factors aggravating insurance risks include a lack of diversification of risk types and values, and geographical location. The underwriting strategy is designed to guarantee that underwriting risks are well diversified in terms of risk type and value. Underwriting limits serve to implement the selection criteria for adequate risks.

The adequacy of the reserve is a principle of the insurance management. The technical reserves of premiums and claims are estimated by Interseguro's actuaries and are reviewed by independent experts when necessary.

Management constantly monitors the trends followed by claims, which allows performing estimations of incurred but not reported claims supported in recent information. These estimations are also reviewed by independent experts.

Furthermore, Interseguro is exposed to the risk that the mortality rates associated with its clients do not reflect the real rate of mortality, which could mean that the premium calculated for the coverage offered is insufficient to cover losses. For this reason, Interseguro carries out a careful selection of risk or subscription when issuing its policies, thus enabling it to classify the degree of risk applicable to a given potential policyholder, by analyzing characteristics such as gender, whether or not the person is a smoker, health and others.

In the specific case of life annuity insurance, the risk assumed by Interseguro is that the real life expectancy of the insured population is greater than that estimated at the time the annuity is calculated, which would mean a deficit in reserves from which pensions are paid.

In relation to the risk of reinsurance, Interseguro's policy is to subscribe contracts only with companies with international classification determined by SBS regulation. Furthermore, Interseguro subscribes reinsurance contracts as part of its risk mitigation program, which can be in a proportional and non proportional basis. Most proportional reinsurance corresponds to automatic contracts which are entered to reduce the exposition of certain categories of business. Non proportional contracts are mainly the excess of loss of reinsurance intended to mitigate the net exposition of Interseguro to catastrophic losses. The limits to retention of excess of loss of reinsurance vary by type of insurance contract and geographical location

Interseguro has also limited its exposition defining the highest amounts of claims in certain contracts and in the use in accordance with reinsurers to limit its exposition to catastrophic events.

The insurance contracts do not have terms or clauses particularly relevant that may have a significant impact or represent important uncertainties over Interseguro's cash flows.

Risk of real estate activity -

Through SBS Resolution No. 2840-2012, dated May 11, 2012 "Regulations property risk management in insurance companies", requiring insurance companies to identify, measure, monitor and accurately report the level of risk facing property. Also, real estate risk is defined as the possibility of losses due to changes or volatility of market prices of the properties.
The following properties are considered as real estate risk assets:

- Properties which have real rights, whether used for investment purposes and for their own use.

- Securities representing shares of real estate companies, understood as those that generate regular income from this activity or engaged in property investment.

- Certificates of participation in collective investment schemes, whether open or closed.

- Investments in real estate trusts.

Not be considered as real estate risk assets supporting those reserves insurance contracts where the investment risk is borne entirely by the contractor or insured.

The Company and its Subsidiaries has identified the following risks associated with real estate investment portfolio:
- The cost of development projects may increase if there are delays in the planning process. Interseguro receives services advisors who are experts in specific planning requirements in the project location to reduce the risks that arise in the planning process.

- A main tenant may become insolvent causing a significant loss in rental income and a reduction in the value of the property involved. To reduce this risk, Interseguro reviews the financial status of all prospective tenants and decide on the appropriate level of security required as rental deposits or guarantees.

-Exposure of the fair value of the real estate portfolio and the cash flows generated by the occupants and / or tenants.

28. Fair value of financial instruments

Fair value of financial instruments is defined as the amount at which an asset could be exchanged or a liability settled between knowledgeable willing parties in an arm's length transaction, assuming an on-going enterprise.

When a financial instrument is traded on an active and liquid market, its quoted market price in an actual transaction provides the best evidence of its fair value. When a quoted market price is not available, or may not be indicative of the fair value of the financial instrument, to determine such fair value it is possible to use the current fair value of another financial instrument that is substantially similar, discounted cash flow analysis or other techniques applicable thereto, all of which are significantly affected by the assumptions used. Although Management uses its best judgment in estimating the fair value of these financial instruments, there are inherent weaknesses in any estimation technique. As a result, the fair value may not be indicative of the net realizable value or settlement value.

A significant portion of the assets and liabilities of Intergroup and Subsidiaries is comprised by short-term financial instruments, with a remaining maturity of less than one-year. Therefore, these short-term financial instruments are considered to have a fair value equivalent to their book value at the consolidated balance sheets dates, except for those that can be traded on an active market.

The methodologies and assumptions used to determine fair values depend on the terms and risk characteristics of the various financial instruments as detailed below:

- Cash and due from banks represent cash and short-term deposits that do not represent significant credit or interest risks; in consequence, their book value is equivalent to their fair value in the consolidated balance sheets.

- Available-for-sale investments and investments at fair value through profit or loss are recorded at their fair value, and as a result their book value is equivalent to that amount.

- Investments held to maturity are valued at amortized cost using the methodology of the effective interest rate and market values do not differ significantly from book value as shown in note 7 (e).

- Most loans granted and accounts receivable granted by Intergroup and Subsidiaries are mainly short term and/or accrue interest that can be readjusted when market conditions change. As a result, their book value, net of the allowance for loans losses required by the SBS, excluding the increase in the pro-cyclical provisions as indicated by Note 9, is considered to be the best estimate of their fair value as of the date of the consolidated balance sheets.

- The fair value of deposits and obligations is similar to their book value, mainly, due to their liquid nature and interest rates, which are can be comparable to other similar liabilities in the market at the date of the consolidated balance sheets.
- Banks and correspondents generate variable interest rate terms and/or preferential rates, similar to the ones in force in the market. For liabilities that bear interest and have original maturities longer than one year, the fair value has been calculated based on discounted future cash flows, using the effective interest rate for liabilities with similar characteristics. As a result the estimated fair value does not differ significantly of its book value.

- The bonds and debentures outstanding interest at fixed and variable rates according to issue type. The fair value of these financial instruments is calculated using cash flows discounted at current rates for liabilities with similar characteristics. As a result of calculation, the estimated market value not significantly different from book value.

- As disclosed in Note 20, the Bank participates in indirect loan operations. Based on the level of fees currently charged for such operations and taking into account their maturity and interest rates together with the present creditworthiness of the counterparties, the difference between their book value and their fair value is not significant.

- Derivative transactions such as currency forwards, currency and interest rate swaps are recorded at their fair value consequently, there are not differences with their book value.

Based on the analysis above, Management of Intergroup and Subsidiaries believes that, as of March 31, 2013 and December 31, 2012, the estimated fair values of the Company's financial instruments do not differ significantly from their book values; except for held-to-maturity investments, as explained in the preceding paragraphs, and whose estimated fair value is presented in Note 7(e) to the consolidated financial statements.

29. Additional explanation for English translation

The accompanying consolidated financial statements are presented on the basis of accounting principles generally accepted in Peru for financial and insurance entities. Certain accounting practices applied by IFS and its Subsidiaries that comply with accounting principles generally accepted in Peru for financial and insurance entities may differ in certain aspects to generally accepted accounting principles in other countries. In the event of a discrepancy, the Spanish language version prevails.