

**Intercorp Financial Services Inc. and Subsidiaries**

Consolidated financial statements as of June, 30, 2015 and December, 31, 2014 and  
for the six-month periods ended June 30, 2015 and 2014

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### **Content**

#### **Consolidated financial statements**

Consolidated statements of financial position  
Consolidated income statements  
Consolidated statements of comprehensive income  
Consolidated statements of changes in equity  
Consolidated statements of cash flows  
Notes to the consolidated financial statements

**InterCorp Financial Services Inc. and Subsidiaries**

**Consolidated statements of financial position**

As of June 30, 2015 (unaudited) and December 31, 2014 (audited)

	Note	2015 S/.(000)	2014 S/.(000)		Note	2015 S/.(000)	2014 S/.(000)
<b>Assets</b>				<b>Liabilities and equity</b>			
Cash and due from banks:	3			Deposits and obligations:	8		
Non-interest bearing		1,794,430	1,705,611	Non-interest bearing		4,249,231	4,366,859
Interest bearing		3,573,833	3,741,755	Interest bearing		19,033,750	19,014,568
Restricted funds		2,648,997	911,138			<u>23,282,981</u>	<u>23,381,427</u>
		<u>8,017,260</u>	<u>6,358,504</u>				
				Inter-bank funds		143,436	-
Inter-bank funds		10,001	310,030	Due to banks and correspondents	9	5,473,310	3,140,914
Trading securities		46,830	105,782	Bonds, notes and other obligations	10	4,697,774	4,565,288
Investments available-for-sale	4	7,683,065	8,303,176	Due from customers on acceptances		15,251	18,833
Held to maturity investments		293,774	-	Insurance contract liabilities	11	4,123,890	3,743,007
				Accounts payable, provisions and other liabilities	7	1,253,411	1,203,083
				Deferred income tax liability, net		3,212	10,401
				<b>Total liabilities</b>		<u>38,993,265</u>	<u>36,062,953</u>
Loans, net:	5						
Loans, net of unearned income		25,485,534	23,436,885	<b>Equity</b>	12		
Allowance for loan losses		(960,236)	(819,678)	Equity attributable to Group's shareholders:			
		<u>24,525,298</u>	<u>22,617,207</u>	Capital stock		963,446	963,446
				Treasury stock		(299,142)	(285,776)
Investment property	6	724,472	652,881	Capital surplus		268,077	268,077
Property, furniture and equipment, net		570,037	577,202	Reserves		2,000,000	-
Due from customers on acceptances		15,251	18,833	Unrealized results, net		(86,119)	141,707
Accounts receivable and other assets, net	7	1,254,396	1,411,312	Retained earnings		1,174,084	3,103,600
Deferred income tax asset, net		39,904	10,300			<u>4,020,346</u>	<u>4,191,054</u>
				Non-controlling interest		166,677	111,220
				<b>Total equity, net</b>		<u>4,187,023</u>	<u>4,302,274</u>
<b>Total asset</b>		<u>43,180,288</u>	<u>40,365,227</u>	<b>Total liabilities and equity, net</b>		<u>43,180,288</u>	<u>40,365,227</u>

# Intercorp Financial Services Inc. and Subsidiaries

## Consolidated income statements

For the six-month periods ended June 30, 2015 and 2014

	Note	2015 S/.(000)	2014 S/.(000)
Interest and similar income	14	1,570,656	1,353,387
Interest and similar expenses	14	(425,709)	(385,709)
<b>Net interest and similar income</b>		<u>1,144,947</u>	<u>967,678</u>
Provision for loan losses, net of recoveries	5(b)	(321,089)	(222,205)
<b>Net interest and similar income after provision for loan losses</b>		<u>823,858</u>	<u>745,473</u>
<b>Other income</b>			
Fee income from financial services, net	15	388,796	338,516
Net gain on foreign exchange transactions		225,921	100,490
Net gain on sale of securities		85,829	81,111
Net trading income		(38,785)	15,965
Rental income of investment property		9,521	17,164
Profit from sale of investment property		(1,259)	2,714
Valuation gain on investment property	6(b)	19,350	29,649
Other	16	49,803	35,017
<b>Total other income</b>		<u>739,176</u>	<u>620,626</u>
<b>Insurance premiums and claims</b>			
Net premiums earned	17	171,045	10,923
Net claims and benefits incurred for life insurance contracts and others		(120,180)	(85,964)
<b>Total premiums earned less claims and benefits</b>		<u>50,865</u>	<u>(75,041)</u>
<b>Other expenses</b>			
Salaries and employee benefits		(343,025)	(316,857)
Administrative expenses		(361,335)	(320,804)
Depreciation and amortization		(55,030)	(50,901)
Expenses related to rental income		(496)	(2,552)
Impairment loss on available-for-sale investments	4(c)	(15,127)	(408)
Other	16	(52,189)	(51,955)
<b>Total other expenses</b>		<u>(827,202)</u>	<u>(743,477)</u>
Income before translation result and income tax		786,697	547,581
Translation result		(18,890)	756
Income tax		(158,517)	(132,036)
<b>Profit for the period</b>		<u>609,290</u>	<u>416,301</u>
<b>Attributable to:</b>			
Equity holders of the Group		606,493	414,028
Non-controlling interest		2,797	2,273
		<u>609,290</u>	<u>416,301</u>
<b>Basic and diluted earnings per share attributable to the Group (stated in Nuevos Soles)</b>	18	<u>5.552</u>	<u>3.783</u>
<b>Weighted average number of outstanding shares (in thousands)</b>	18	<u>109,246</u>	<u>109,444</u>

The accompanying notes are an integral part of the interim consolidated financial statements.

# Intercorp Financial Services Inc. and Subsidiaries

## Consolidated statements of comprehensive income

For the six-month periods ended June 30, 2015 and 2014

	<b>2015</b> S/.(000)	<b>2014</b> S/.(000)
<b>Profit for the period</b>	<b>609,290</b>	<b>416,301</b>
<b>Other comprehensive income</b>		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Unrealized (loss) gain on available-for-sale investments	(259,288)	83,549
Unrealized gain on cash flow hedges	1,792	3,459
Exchange differences on translation of foreign operations	29,366	270
	<hr/>	<hr/>
<b>Total comprehensive income</b>	<b>381,160</b>	<b>503,579</b>
<b>Attributable to:</b>		
Equity holders of the Group	378,667	501,132
Non-controlling interest	2,493	2,447
	<hr/>	<hr/>
	<b>381,160</b>	<b>503,579</b>

The accompanying notes are an integral part of the interim consolidated financial statements.

**Intercorp Financial Services Inc. and Subsidiaries**

**Consolidated statements of changes in equity**

For the six-month periods ended June 30, 2015 and 2014

	Number of shares (in thousands)		Attributable to IFS Group shareholders											Non-controlling interest	Total equity
	Issued	In treasury	Capital stock	Reserves	Treasury stock	Other paid in capital	Capital Surplus	Unrealized results, net			Retained earnings	Total			
								Available-for-sale investments	Derivatives Instruments designated as cash flow hedges	Foreign currency translation reserve					
			S/.(000)	S/.(000)	S/.(000)	S/.(000)	S/.(000)	S/.(000)	S/.(000)	S/.(000)	S/.(000)	S/.(000)	S/.(000)	S/.(000)	
<b>Balances as of January 1, 2014</b>	<b>93,615</b>	<b>(3,315)</b>	<b>799,581</b>	-	<b>(227,707)</b>	<b>246,400</b>	<b>268,077</b>	<b>20,139</b>	<b>(10,607)</b>	<b>17,560</b>	<b>2,578,774</b>	<b>3,692,217</b>	<b>20,229</b>	<b>3,712,446</b>	
<b>Comprehensive income</b>															
Net income	-	-	-	-	-	-	-	-	-	-	414,028	414,028	2,273	416,301	
<b>Unrealized results</b>															
Other comprehensive income	-	-	-	-	-	-	-	83,375	3,459	270	-	87,104	174	87,278	
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>83,375</b>	<b>3,459</b>	<b>270</b>	<b>414,028</b>	<b>501,132</b>	<b>2,447</b>	<b>503,579</b>	
Dividends declared and paid											(443,551)	(443,551)	-	(443,551)	
Dividends paid to minority shareholders in Subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(2,061)	(2,061)	
Net variation of treasury stock held by Subsidiaries, Note 12(b)	-	(570)	-	-	(50,044)	-	-	-	-	-	-	(50,044)	-	(50,044)	
Dividends received by Subsidiaries on treasury stock	-	-	-	-	-	-	-	-	-	-	16,775	16,775	-	16,775	
Other	-	-	-	-	-	-	-	-	-	-	(1,807)	(1,807)	(118)	(1,925)	
<b>Balances as of June 30, 2014</b>	<b>93,615</b>	<b>(3,885)</b>	<b>799,581</b>	-	<b>(277,751)</b>	<b>246,400</b>	<b>268,077</b>	<b>103,514</b>	<b>(7,148)</b>	<b>17,830</b>	<b>2,564,219</b>	<b>3,714,722</b>	<b>20,497</b>	<b>3,735,219</b>	
<b>Balances as of January 31, 2015</b>	<b>113,110</b>	<b>(3,750)</b>	<b>963,446</b>	-	<b>(285,776)</b>	-	<b>268,077</b>	<b>100,559</b>	<b>(3,423)</b>	<b>44,571</b>	<b>3,103,600</b>	<b>4,191,054</b>	<b>111,220</b>	<b>4,302,274</b>	
<b>Comprehensive income</b>															
Net income	-	-	-	-	-	-	-	-	-	-	606,493	606,493	2,797	609,290	
<b>Unrealized results</b>															
Other comprehensive income	-	-	-	-	-	-	-	(258,984)	1,792	29,366	-	(227,826)	(304)	(228,130)	
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(258,984)</b>	<b>1,792</b>	<b>29,366</b>	<b>606,493</b>	<b>378,667</b>	<b>2,493</b>	<b>381,160</b>	
Dividends declared and paid	-	-	-	-	-	-	-	-	-	-	(564,178)	(564,178)	-	(564,178)	
Dividends paid to minority shareholders in Subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(2,232)	(2,232)	
Net variation of treasury stock held by Subsidiaries, Note 12(b)	-	(173)	-	-	(13,366)	-	-	-	-	-	-	(13,366)	-	(13,366)	
Dividends received by Subsidiaries on treasury stock	-	-	-	-	-	-	-	-	-	-	19,374	19,374	-	19,374	
Capital contribution from non-controlling interest in Subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	54,948	54,948	
Transfer to reserves	-	-	-	2,000,000	-	-	-	-	-	-	(2,000,000)	-	-	-	
Other	-	-	-	-	-	-	-	-	-	-	8,795	8,795	248	9,043	
<b>Balances as of June 30, 2015</b>	<b>113,110</b>	<b>(3,923)</b>	<b>963,446</b>	<b>2,000,000</b>	<b>(299,142)</b>	-	<b>268,077</b>	<b>(158,425)</b>	<b>(1,631)</b>	<b>73,937</b>	<b>1,174,084</b>	<b>4,020,346</b>	<b>166,677</b>	<b>4,187,023</b>	

The accompanying notes are an integral part of the interim consolidated financial statements.

**Intercorp Financial Services Inc. and Subsidiaries****Consolidated statements of cash flows**

For the six-month periods ended June 30, 2015 and 2014

	<b>2015</b> S/.(000)	<b>2014</b> S/.(000)
<b>Operating activities</b>		
Profit for the period	609,290	416,301
<b>Add (deduct)</b>		
Provision for loan losses, net of recoveries	321,089	222,205
Depreciation and amortization	55,030	50,901
Deferred income tax	(28,248)	(14,734)
Net gain on sale of securities	(84,570)	(83,825)
Impairment loss on available-for-sale investments	15,127	408
Valuation gain on investment property	(19,350)	(29,649)
Net trading income	38,785	(15,965)
Translation result	18,890	(756)
Increase in receivable interest accrued	(20,078)	(26,189)
Increase in payable interest accrued	3,989	10,803
<b>Net changes in assets and liabilities</b>		
Net increase in loans	(2,214,390)	(1,760,382)
(Increase) decrease in restricted funds	(1,737,859)	193,892
Net increase in other assets	(63,740)	(316,597)
Net decrease in deposits and obligations	(98,250)	(87,500)
Increase in other liabilities	488,324	489,776
<b>Net cash used in operating activities</b>	<u>(2,715,961)</u>	<u>(951,311)</u>

The accompanying notes are an integral part of the interim consolidated financial statements.

**Intercorp Financial Services Inc. y Subsidiaries****Interim condensed consolidated statements of cash flows (continued)**

	<b>2015</b> S/.(000)	<b>2014</b> S/.(000)
<b>Investing activities</b>		
Net decrease (Net increase) of trading securities, available-for-sale and held to maturity investments	377,984	(708,393)
Sale (purchase) of investments at fair value through profit or loss	20,168	(10,806)
Purchase of property, furniture and equipment	(25,397)	(30,463)
Sale (purchase) of investment property, net	1,448	(8,459)
Purchase of intangible assets	<u>(57,299)</u>	<u>(18,542)</u>
<b>Net cash provided by investing activities</b>	<u>316,904</u>	<u>(776,663)</u>
<b>Financing activities</b>		
Net increase in bonds, notes and other obligations	132,486	872,485
Net increase (decrease) in due to banks and correspondents	2,310,413	(219,659)
Net decrease in receivable inter-bank funds	300,029	154,713
Net increase in payable inter-bank funds	143,436	134,003
Payment of dividends	(564,178)	(443,551)
Payments of dividends to minority shareholders	<u>(2,232)</u>	<u>(2,061)</u>
<b>Net cash provided by financing activities</b>	<u>2,319,954</u>	<u>495,930</u>
Net decrease in cash	(79,103)	(1,232,044)
Cash and cash equivalents at the beginning of period	<u>5,447,366</u>	<u>7,207,201</u>
<b>Cash and cash equivalents at the end of period</b>	<u>5,368,263</u>	<u>5,975,157</u>



# Intercorp Financial Services Inc. and Subsidiaries

## Notes to the consolidated financial statements

As of June 30, 2015 and December 31, 2014

### 1. Business activity and Group reorganization

#### (a) Business activity -

Intercorp Financial Services Inc. and Subsidiaries, hereinafter "IFS" or "the Company", is a limited liability holding company incorporated in the Republic of Panama on September 19, 2006 and is subsidiary of Intercorp Perú Ltd., hereinafter "Intercorp Perú", a holding company incorporated in 1997 in the Commonwealth of the Bahamas. As of June 30, 2015 and December 31, 2014, Intercorp Perú owns 77.85% and 77.60%, respectively, of IFS's issued capital stock (77.03% and 76.84% of IFS's outstanding capital stock).

As of June 30, 2015 and December 31, 2014, IFS held 99.30% of the capital stock of Banco Internacional del Peru S.A.A. – Interbank (hereinafter "Interbank") and 100% of Interseguro Compañía de Seguros S.A. (hereinafter "Interseguro") and Inteligo Group Corp. The operations of Interbank and Interseguro are concentrated in Peru and the operations in Inteligo Group are concentrated in Panama and Peru, see note 1(b).

IFS's legal domicile is located at Av. Carlos Villarán 140 Urb. Santa Catalina, La Victoria, Lima, Perú.

The main activities of IFS's Subsidiaries and their assets, liabilities and equity, are presented in Note 1 (c)

The consolidated financial statements of IFS and Subsidiaries as of December 31, 2014 were approved by the General Shareholders' Meeting held on April 14, 2015. The consolidated financial statements of IFS and Subsidiaries as of June 30, 2015 were approved by the Board of Directors held on August 12, 2015.

#### (b) Group reorganization -

As of December 31, 2013, Intercorp Perú held 100% of Inteligo Group Corp. capital stock. At that date, Inteligo Group Corp., a holding corporation incorporated in the Republic of Panama, held 100% of the capital stock of Inteligo Bank Ltd. (hereinafter "Inteligo Bank"), Inteligo Sociedad Agente de Bolsa S.A., Inteligo Real Estate Corp. and Inteligo Real Estate Perú S.A.C.

The reorganization of Inteligo Group Corp. and IFS was approved on July 16, and July 18, 2014. The effective date was August 1, 2014 and included: (i) the spin-off of Inteligo Group's real estate subsidiaries to Intercorp Perú Ltd.; and, (ii) the contribution of all of the outstanding shares of Inteligo Group to IFS in exchange of 19,495,413 new shares issued by IFS to Intercorp Perú.

The exchange ratio was of 23.28 shares of IFS per one share of Inteligo Group Corp. and was fixed based on the Lima Stock Exchange quotation as of the date of the transaction. After this reorganization IFS holds 100% of Inteligo Group Corp. and Subsidiaries and Intercorp Perú increased its holding of IFS issued capital stock to 77.60% (76.84% of IFS's outstanding capital stock).

## Notes to the consolidated financial statements (continued)

Given that the reorganization did not lead to a change in Intercorp Perú's control of Inteligo Group Corp. and Subsidiaries, now grouped under IFS, in accordance with the IFRS, the reorganization is considered a transaction among entities under common control. As a result, the reorganization was accounted for using the pooling-of-interest method, thus giving retroactive effect to the reorganization as if it had occurred in the beginning of the earliest period presented; also, no fair value adjustment or goodwill was recognized and all amounts have been accounted for at their book values. The main effect of giving retroactive treatment to the reorganization under common control is that the "Capital stock" caption in these consolidated financial statements reflects only the balance related to IFS, the total equity amount remains the same, and Inteligo Group Corp's capital stock is presented as "Other paid-in capital" until August 1, 2014, which is the effective date of the reorganization, when it was then transferred to the caption "Capital stock" to reflect the new shares issued by IFS in order to perform the reorganization.

Under consolidated basis, total net assets of Inteligo Group Corp. as of August 1, 2014 amounted to S/.509,973,000, of which S/.80,594,000 was transferred to Intercorp Perú as a result of the afore mentioned spin-off and the remaining S/.429,379,000 were contributed to IFS.

(c) Subsidiaries

IFS's Subsidiaries are the following:

(i) Banco Internacional del Perú S.A.A. - Interbank and Subsidiaries -

Interbank is incorporated in Peru and is authorized by the Superintendence of Banking, Insurance and Private Pension Funds Administrators (hereafter "the SBS", for its Spanish acronym) to operate as a universal bank in accordance with Peruvian legislation. The Bank's operations are governed by the General Act of the Financial and Insurance System and the Organic Act of the Superintendence of Banks and Insurance SBS - Act 26702 (hereafter the "Banking and Insurance Act"), that establishes the requirements, rights, obligations, restrictions and other operating conditions that Peruvian financial and insurance entities must comply with.

As of June 30, 2015 and December 31, 2014 Interbank had 289 and 287 offices, respectively and a branch established in the Republic of Panama. Additionally, it holds 100% of the shares of the following Subsidiaries:

<b>Entity</b>	<b>Activity</b>
Interfondos S.A. Sociedad Administradora de Fondos	Manages mutual funds and investment funds.
Internacional de Títulos Sociedad Titulizadora S.A. – Intertítulos S.T.	Manages securitization funds.
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	Services related to credit card transactions or products related to the brand "American Express".
IBK Securitizadora	A consolidated special purpose entity (SPE), by which Interbank issued negotiable long.

## Notes to the consolidated financial statements (continued)

(ii) Interseguro Compañía de Seguros S.A. and Subsidiaries -

Interseguro is incorporated in Peru and its operations are governed by the Banking and Insurance Act. It is authorized by the SBS to issue life and general risk insurance contracts and owns the following Subsidiary:

<b>Entity</b>	<b>Activity</b>
Centro Comercial Estación Central S.A.	Administration of "Centro Comercial Estación Central", located in downtown Lima; as of June 30, 2015 and December 31, 2014 Interseguro holds 75 % of its shares.

<b>Entity</b>	<b>Activity</b>
Empresa Administradora Hipotecaria S.A.	Was established in February 2014 in Peru; does not have operations. As of June 30, 2015 and December 31, 2014, Interseguro holds 100 percent of its shares and has a paid in capital of S/.2,550

Patrimonio Fideicometido D.S.093-2002-EF, Interproperties Perú (herein after “the Patrimonio Fideicometido – Interproperties Perú”) is a structured entity, incorporated in April 2008, in which several investors contributed investment properties; each investor or investors have ownership of and controls the specific contributed investment property. The fair values include in this structured entity as of June 30, 2015 and December 31, 2014, amounted to S/.506,448,000 and S/.434,000,000, respectively, see Note 7 for further details. For accounting purposes these assets included in this structure are considered “silos” under IFRS 10 because they are ring-fenced parts of the wider structured entity (the Patrimonio Fideicometido - Interproperties Perú). The Group has ownership of and decision making power over these properties, and the Group has the exposure or rights to their returns; therefore, the Group has consolidated the silos containing the investment properties that it controls.

(iii) Inteligo Group Corp. and Subsidiaries

Inteligo Group Corp. is a holding corporation incorporated in the Republic of Panama. as of June 30, 2015 and December 31, 2014, it holds 100 percent of the shares of the following Subsidiaries:

<b>Entity</b>	<b>Activity</b>
Inteligo Bank Ltd.	It is incorporated in The Commonwealth of the Bahamas and has a branch established in the Republic of Panama that operates under an international license issued by the Superintendence of Banks of the Republic of Panama. Its main activities are private banking services.
Inteligo Sociedad Agente de Bolsa S.A. -	It is incorporated in Peru and provides brokerage services.

Until August 1, 2014, Inteligo Group Corp. held 100 percent of the capital stock of Inteligo Real Estate Corp. and Inteligo Real Estate Perú S.A.C. At said date, Inteligo Group Corp. performed a spin-off of these Subsidiaries to Intercorp Perú, as explained in Note 1(b).

## Notes to the consolidated financial statements (continued)

- (iv) San Borja Global Opportunities S.A.C. (previously AFP Interactiva S.A.)  
Company for acquisition and holding of shares and securities. as of June 30, 2015, it did not have operations and maintains paid in capital amounting to S/.1,000.

Notes to the consolidated financial statements (continued)

The table below presents a summary of the financial statements of the main Subsidiaries (in accordance with the IFRS) before adjustments for consolidation, as June 30, 2015 and December 31, 2014:

	<b>Interbank and Subsidiaries</b>		<b>Interseguro Compañía de Seguros S.A. and Subsidiaries</b>		<b>Inteligo Group Corp. and Subsidiaries</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	S/.(000)	S/.(000)	S/.(000)	S/.(000)	S/.(000)	S/.(000)
<b>Consolidated statements of financial position</b>						
Trading securities and available-for-sale investments	3,314,084	3,560,366	3,926,862	3,912,047	1,051,372	1,138,862
Loans, net	22,925,067	21,186,928	-	-	1,600,319	1,430,304
Investment property	-	-	724,472	652,881	-	-
Total assets	35,498,467	32,904,861	5,049,937	4,743,443	2,983,036	2,934,118
Deposits and obligations	21,061,943	21,124,096	2,053	-	2,367,188	2,314,548
Due to banks and correspondents	5,506,180	3,219,075	24,663	-	63,540	119,726
Bonds, notes and other obligations	4,400,270	4,197,227	178,206	167,492	-	-
Insurance contract liabilities	-	-	4,123,890	3,743,007	-	-
Total liabilities	32,144,930	29,628,640	4,536,890	4,052,058	2,451,655	2,455,471
Equity attributable to Group's shareholders	3,353,537	3,276,221	369,828	603,073	531,383	478,647
Non-controlling interest – equity	-	-	143,219	88,312	-	-
<b>For the six month periods ended June, 30</b>						
	<b>Interbank and Subsidiaries</b>		<b>Interseguro Compañía de Seguros S.A. and Subsidiaries</b>		<b>Inteligo Group Corp. and Subsidiaries</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	S/.(000)	S/.(000)	S/.(000)	S/.(000)	S/.(000)	S/.(000)
<b>Consolidated income statements</b>						
Interest and similar income and expenses, net	1,006,097	862,633	118,246	93,773	37,405	26,153
Allowance for loan losses, net of recoveries	(321,089)	(222,205)	-	-	-	-
Valuation gain and gain from sale of investment properties	-	-	18,091	32,363	-	-
Total premiums earned minus claims and benefits	-	-	50,865	(75,041)	-	-
Profit for the year attributable to Group's shareholders	406,143	335,083	151,101	23,608	86,167	90,712
Non-controlling interest	-	-	44	(14)	-	-

## Notes to the consolidated financial statements (continued)

### 2. Accounting principles and practices

The consolidated financial statements have been prepared in accordance with the IFRS as issued by the International Accounting Standards Board (henceforth “IASB”).

The main accounting practices and principles to June 30, 2015 are consistent from those applied with respect to December 31, 2014 and summarized in the audited report dated March 23, 2014.

These financial statements do not include all the information and disclosures required for the annual financial statements, and should be read in conjunction with the Group’s annual Consolidated financial statements as of December 31, 2014 dated March 23, 2015.

### 3. Cash and due from banks

This item is made up as follows:

	<b>June 30, 2015</b>	<b>December 31, 2014</b>
	S/.(000)	S/.(000)
Cash and clearing	1,494,627	1,488,881
Deposits in Central Reserve Bank of Peru – BCRP	3,152,641	3,269,683
Deposits in banks	720,879	688,677
Restricted funds	<u>2,648,997</u>	<u>911,138</u>
	8,017,144	6,358,379
Accrued interest	<u>116</u>	<u>125</u>
<b>Total</b>	<u><u>8,017,260</u></u>	<u><u>6,358,504</u></u>

As of June 30, 2015 this caption includes approximately US\$1,124,830,000 and S/.805,404,000 (US\$1,274,503,000 and S/.811,605,000 as of December 31, 2014), which represent the legal reserve that Interbank must maintain for its obligations with the public. These funds are kept in Interbank’s vaults and in the Central Reserve Bank of Peru (henceforth “BCRP”, for its Spanish acronym) and are within the limits required by prevailing Peruvian regulations at those dates.

The legal reserve funds maintained at the BCRP are non-interest bearing, except for the part that exceeds the minimum reserve required. As of June 30, 2015, the excess in US Dollars amounted to approximately US\$281,115,000, equivalent to approximately S/.893,102,000, and bear interest at an annual average rate of 0.05 % (US\$313,121,000, equivalent to S/.934,980,000, and an annual average rate of 0.04 % as of December 31, 2014). The excess amount in Nuevos Soles amounted to approximately S/.3,028,845,000 and did not accrued interest (S/.243,092,000 and an annual average rate of 0.35 % as of December 31, 2014).

Deposits in banks are mainly in Nuevos Soles and US Dollars. All amounts bear interests at market rates. As of June 30, 2015 and December 31, 2014, the Group does not have significant deposits in any specific financial institution.

As of June 30, 2015, restricted funds caption included US\$743,260 000 equivalent to S/.2,361,338,000 (US\$224,423,000 equivalent to S/.670,127,000 as of December 31, 2014) that correspond to deposits in BCRP, as a guarantee for loans received from this entity; see Note 9(d). Additionally, as of June 30, 2015 and December 31, 2014, this caption included S/.287,319,000 and S/.240,715,000, respectively, which mainly relate to requirements from counterparties of derivative financial instruments transactions (see Note 7d).

Notes to the consolidated financial statements (continued)

**4. Available-for-sale investments**

(a ) This item is made up as follow:

	2015				2014			
	Amortized Cost S/.(000)	Unrealized gross amount		Estimated fair value S/.(000)	Amortized Cost S/.(000)	Unrealized gross amount		Estimated fair value S/.(000)
Gains S/.(000)		Losses S/.(000)	Gains S/.(000)			Losses S/.(000)		
<b>Debt Instruments</b>								
Corporate, leasing and subordinated bonds	3,471,777	31,573	(204,011)	3,299,339	3,351,642	73,979	(126,912)	3,298,709
Peruvian sovereign bonds	1,077,271	16	(118,566)	958,721	1,163,727	1,247	(83,273)	1,081,701
Negotiable Certificates of Deposit issued by BCRP	1,025,389	179	(961)	1,024,607	429,883	316	(2)	430,197
Mutual funds and investments participations	590,179	24,387	(28,413)	586,153	613,651	31,997	(17,798)	627,850
Bonds guaranteed by the Peruvian Government	465,608	9,324	(11,640)	463,292	316,479	20,599	(5,004)	332,074
Peruvian Global Bonds	320,016	-	(3,430)	316,586	207,076	599	(926)	206,749
Sovereign and Global bonds from foreign countries	92,744	70	(766)	92,048	162,932	-	(2,592)	160,340
Indexed Certificates of Deposit issued by BCRP	312,321	352	-	312,673	1,381,319	17,541	(2)	1,398,858
<b>Total</b>	<b>7,355,305</b>	<b>65,901</b>	<b>(367,787)</b>	<b>7,053,419</b>	<b>7,626,709</b>	<b>146,278</b>	<b>(236,509)</b>	<b>7,536,478</b>
<b>Listed shares</b>								
Peruvian and foreign entities	192,240	10,099	(10,325)	192,014	316,786	71,744	(15,508)	373,022
InRetail Perú Corp. (d)	97,772	39,486	(6,864)	130,394	96,142	59,722	-	155,864
<b>Non listed shares and participations</b>				-				
Royalty Pharma (e )	139,367	93,325	-	232,692	84,741	83,844	-	168,585
Other	917	-	(401)	516	862	-	(377)	485
	430,296	142,910	(17,590)	555,616	498,531	215,310	(15,885)	697,956
	<b>7,785,601</b>	<b>208,811</b>	<b>(385,377)</b>	<b>7,609,035</b>	<b>8,125,240</b>	<b>361,588</b>	<b>(252,394)</b>	<b>8,234,434</b>
Add – Accrued Interest on investments				74,030				68,742
<b>Total</b>				<b>7,683,065</b>				<b>8,303,176</b>

## Notes to the consolidated financial statements (continued)

(b) The Group has determined that the unrealized losses as of June 30, 2015 and December 31, 2014 are of temporary nature. The Group intends and has the ability to hold each investment for a period of time sufficient to allow for an anticipated recovery in fair value, until the earlier of its anticipated recovery or maturity.

The Group has considered the following criteria in determining whether a loss is temporary or not for equity investments (shares):

- the length of time and the extent to which fair value has been below cost;
- the severity of the impairment;
- the cause of the impairment and the financial condition and near-term prospects of the issuer; and
- activity in the market of the issuer

The Group has considered the following criteria in determining whether a loss is temporary or not for debt investments (fixed maturity):

- Assess whether it is probable that the Group will receive all amounts due according to the contractual terms of the security (principal and interest). The identification of credit-impaired securities considers a number of factors, including the nature of the security and the underlying collateral, the amount of subordination or credit enhancement supporting the security, published credit rating and other information and other evidentiary analyses of the probable cash flows from the security. If recovery of all amounts due is not probable, a “credit impairment” is deemed to exist and the unrealized loss is recorded directly in the consolidated income statement. This unrealized loss recorded in income represents the security’s decline in fair value, including the decline due to forecasted cash flow shortfalls as well as general market spread widening.
- For financial instruments with unrealized losses but not identified as impaired, the Group determines whether it has the positive intent and ability to hold each investment for a period of time sufficient to allow for an anticipated recovery in its amortized cost. The Group estimates the forecasted recovery period using current estimates of volatility in market interest rates (including liquidity and risk premiums). The Group assertion regarding its intent and ability to hold investments considers a number of factors, including a quantitative estimate of the expected recovery period and the length of that period (which may extend to maturity), the severity of the impairment and the Group intended strategy with respect to the identified security or portfolio. If the Group does not have the intent and ability to hold the security for a sufficient time period, the unrealized loss is recorded directly in the consolidated statements of income.

(c) As a result of the impairment assessment of its investments available-for-sale, the Group recorded an impairment loss amounting to S/.15,127,000 during 2015, which is presented in the caption “Impairment loss on available-for-sale investments” of the consolidated statements of income.

As of June 30, 2015 and December 31, 2014, the detail of unrealized losses on debt instruments recorded as investments available for sale is as follows:



## Notes to the consolidated financial statements (continued)

Issuer	2015 S/.(000)	2014 S/.(000)
Peruvian Sovereign bonds	118,566	83,273
Participations in mutual and investment funds	28,413	17,798
Odebrecht S.A.	34,801	22,489
Corporación Financiera de Desarrollo S.A.	20,595	15,667
H2OImos S.A.	15,537	11,786
Banco Votorantim S.A.	12,365	6,505
Vale S.A.	12,614	3,362
Línea Amarilla S.A.C.	11,684	7,920
Bonds guaranteed by the Peruvian Government	11,640	5,004
Other (less than S/10,000,000)	101,572	62,705
	367,787	236,509

(d) As of June 30, 2015 and December 31, 2014, the Group held 2,836,620 and 2,836,653 shares respectively, which represented 2.76 %, of InRetail Perú Corp. (a related entity) capital stock as of that dates.

(e) Corresponded to participations in RPI International Holding, LP (RPI Partnership) and Royalty Pharma Cayman Holding, LP (RPS Partnership), which invest in Royalty Pharma Investments and Royalty Pharma Select, respectively, with medical patents and biotechnology investments. The participations in RPI Partnership and RPS Partnership are not liquid and require authorization for their trading.

As of June 30, 2015 and December 31, 2014, the Group held 354,978 and 376,286 participations of RPS Partnership and RPI Partnership, respectively, whose fair values amounted to approximately US\$31,025,000 and US\$42,217,000 (equivalent to approximately S/.98,567,000 and S/.134,125,000, respectively). During 2014, the Group held 354,978 and 251,286 participations of RPS Partnership and RPI Partnership respectively, at their fair value generating a gain of approximately US\$29,822,000 and US\$26,636,000 (equivalent to approximately S/.89,048,000 and S/.79,537,000).

During 2014, the Group sold 250,000 shares of RPI Partnership, at their fair value generating a gain of approximately US\$6,635,000 (equivalent to approximately S/.19,812,110), that was recorded as part of the “Net gain on sale of securities” caption of the consolidated income statements.

As of June 2015, the Group received dividends from these participations for approximately S/.4,027,000 (S/.2,176,000 as of June 2014), which are included in the “Interest and similar income” caption in the consolidated income statements.

## Notes to the consolidated financial statements (continued)

### 5. Loan Portfolio, net

(a) This caption is made up as follows:

	<b>2015</b>	<b>2014</b>
	S/.(000)	S/.(000)
<b>Direct loans</b>		
Loans	17,982,910	16,341,735
Credit cards receivables	3,638,450	3,187,954
Leasing receivables	2,140,172	2,179,375
Discounted notes	383,475	372,988
Factoring receivables	227,190	294,687
Advances and overdrafts	125,065	139,026
Refinanced loans	166,430	140,688
Past due and under legal collection loans	568,869	540,659
	<u>25,232,561</u>	<u>23,197,112</u>
<b>Add (less)</b>		
Accrued interest	270,979	256,189
Unearned interest	(18,006)	(16,416)
Allowance for loan losses (c)	(960,236)	(819,678)
<b>Total direct loans, net</b>	<u>24,525,298</u>	<u>22,617,207</u>
<b>Indirect loans</b>	<u>4,652,844</u>	<u>4,483,721</u>

(b) The changes in the allowance for loan losses for the six-month periods ended June 30, were as follows:

	<b>2015</b>	<b>2014</b>
	S/.(000)	S/.(000)
<b>Balance as of January 1st</b>	835,205	707,508
Provision	321,089	222,205
Recoveries of written-off loans	53,777	37,225
Written-off loans	(246,125)	(185,566)
Translation result	17,793	(14)
<b>Balance at the end of the periods (*)</b>	<u>981,739</u>	<u>781,358</u>
<b>Balance as of December 31, 2014 (*)</b>		<u>835,205</u>

(\*) The allowance for loan losses includes allowance for indirect loans amounting to S/21,503,000 and S/15,527,000 as of June 30, 2015 and December 31, 2014, respectively, which is presented in the "Accounts payable, provisions and other liabilities" caption of the consolidated statements of financial position; see Note 7(a).

In Management's opinion, the allowance for loan losses recorded as of June 30 2015 and December 31, 2014, has been established in accordance with IAS 39 and is sufficient to cover incurred losses on the loan portfolio

Notes to the consolidated financial statements (continued)

6. Investment property

(a) This caption is made up as follows:

	2015 S/.(000)	2014 S/.(000)	Acquisition or construction year	2015 Hierarchy (i)	Valuation methodology	
					2015	2014
<b>Land -</b>						
Piura	36,430	31,118	2009	Level 3	Appraisal	Appraisal
Lurín	22,998	21,420	2012	Level 3	Appraisal	Appraisal
Others	14,694	14,187	-	Level 3	Appraisal	Appraisal
	<u>74,122</u>	<u>66,725</u>				
<b>Completed investment property</b>						
<b>Shopping mall "Real Plaza"-</b>						
Pucallpa	220,624	209,615	2014	Level 3	DCF	DCF
Sullana	23,695	81,670	2014	Level 3	DCF	Cost+appraisal
	<u>244,319</u>	<u>291,285</u>				
<b>Buildings -</b>						
Ate Vitarte	44,359	41,116	2006	Level 3	DCF	DCF
Pardo y Aliaga	3,424	3,218	2010	Level 3	DCF	DCF
	<u>47,783</u>	<u>44,334</u>				
<b>Built on leased land -</b>						
Others	1,795	1,900	-	-	-	-
	<u>1,795</u>	<u>1,900</u>				
<b>Investment property under construction (iii) -</b>						
Land	222,628	223,216	2008	Level 3	Appraisal	Appraisal
Work in progress	133,825	25,421	2015	Level 3	Cost	Cost
	<u>356,453</u>	<u>248,637</u>				
<b>Total investment property</b>	<u>724,472</u>	<u>652,881</u>				

DCF: Discounted cash flow

- (i) There were no transfers between levels of hierarchy. See Note 23 (a)
- (ii) As of June 30, 2015 and December 2014, there were no levies on any investment property.

Notes to the consolidated financial statements (continued)

(b) The movement of investment property for six-month periods ended as of June 30, 2015, and 2014, is as follows:

	<b>30.06.2015</b> S/(000)	<b>30.06.2014</b> S/(000)
<b>Balance as of January 1st</b>	652,881	792,423
Additions	110,986	53,636
Disposal of property	(58,745)	(100,163)
Fair value adjustment	19,350	29,649
<b>Balance at the end of period</b>	<u>724,472</u>	<u>775,545</u>
<b>Balance as of December 31, 2014</b>		<u>652,881</u>

Notes to the consolidated financial statements (continued)

**7. Accounts receivable and other assets, net; accounts payable, provisions and other liabilities:**

(a) This caption is made up as follows:

	<b>2015</b> S/(000)	<b>2014</b> S/(000)
<b>Accounts receivable and other assets</b>		
<b>Financial instruments</b>		
Other accounts receivable, net	236,007	140,661
Accounts receivable related to derivative financial instruments (d)	268,107	241,195
Accounts receivable from sale of investments	46,780	265,789
Accounts receivable to shareholder	-	57,362
Operations in process (c)	88,056	103,216
Credit card commissions	15,731	15,542
Insurance operation receivables, net	47,398	13,784
Accounts receivable from reinsurance and coinsurance entities	18,164	8,058
<b>Total</b>	<u>720,243</u>	<u>845,607</u>
<b>Non-financial instrument</b>		
Value-Added-Tax credit (b)	202,407	241,182
Intangible assets, net	157,426	145,836
Prepaid expenses	66,159	51,750
Investments in associates	42,475	42,655
Income tax credit	37,018	54,378
Prepaid expenses to related entity	18,735	20,737
Other	9,933	9,167
	<u>534,153</u>	<u>565,705</u>
<b>Total</b>	<u>1,254,396</u>	<u>1,411,312</u>
<b>Accounts payable, provisions and other liabilities</b>		
<b>Financial instruments</b>		
Other accounts payable	322,230	311,963
Accounts payable for acquisitions of investments	160,316	226,245
Accounts payable related to derivative financial instruments (d)	294,062	278,430
Operations in process (c )	141,759	168,936
Workers' profit sharing and salaries payable	102,253	97,278
Taxes payable	41,762	13,944
Accounts payable to reinsurance and coinsurance entities	54,511	6,841
Allowance for indirect loan losses, Note 5(b)	21,503	15,527
	<u>1,138,396</u>	<u>1,119,164</u>
<b>Non-financial instrument</b>		
Provision for contingencies	20,728	14,881
Deferred fee income	54,771	57,467
Other	39,516	11,571
	<u>115,015</u>	<u>83,919</u>
<b>Total</b>	<u>1,253,411</u>	<u>1,203,083</u>

Notes to the consolidated financial statements (continued)

- (b) Corresponds to the Value-Added-Tax resulting from the purchase of goods devoted mostly to grant financial leasing loans, which is recovered through the collection of the loans.
- (c) Operations 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 accounts in the following month. These transactions do not affect the consolidated results.
- (d) The following table presents as of June 30, 2015 and December 31, 2014 the fair value of derivative financial instruments recorded as an asset or a liability, including their (gross) notional amounts. The notional amounts is the derivative's underlying financial instrument and is the base over which changes in fair value are measured.

<b>As of June 30, 2015</b>					
	<b>Assets</b>	<b>Liabilities</b>	<b>Notional amount</b>	<b>Maturity</b>	<b>Hedged Instrument</b>
	S/.(000)	S/.(000)	S/.(000)		
<b>Derivatives held for trading (i)</b>					
Forward exchange contracts	30,623	38,201	7,945,930	Between July 2015 and June 2016	
Interest rate swaps	28,919	25,835	2,278,152	Between February 2016 and December 2029	
Currency swaps	207,261	155,446	6,188,447	Between July 2015 and January 2025	
Cross currency swaps (CCS)	4	70,253	186,992	January 11, 2023	
Foreign currency options	1,300	1,820	390,300	Between July 2015 and March 2017	
	<u>268,107</u>	<u>291,555</u>	<u>16,989,821</u>		
<b>Derivatives held as hedges -</b>					
<b>Cash flow hedges:</b>					
Interest rate swaps (IRS)	-	2,493	121,292	June 15, 2016	Negotiable notes (DPR)
Interest rate swaps (IRS)	-	14	868	November 4, 2015	Mortgage bonds
	<u>-</u>	<u>2,507</u>	<u>122,160</u>		
	<u>268,107</u>	<u>294,062</u>	<u>17,111,981</u>		
<b>As of December 31, 2014</b>					
	<b>Assets</b>	<b>Liabilities</b>	<b>Notional amount</b>	<b>Maturity</b>	<b>Hedged Instrument</b>
	S/.(000)	S/.(000)	S/.(000)		
<b>Derivatives held for trading (i)</b>					
Forward exchange contracts	44,669	95,286	9,198,156	Between January 2015 and January 2016	
Interest rate swaps	19,268	31,899	1,511,488	Between March 2015 and August 2024	
Currency swaps	176,841	88,855	5,294,379	Between January 2015 and September 2024	
Cross currency swaps (CCS)	213	55,406	175,750	January 11, 2023	
Foreign currency options	204	1,868	119,960	Between March 2015 and December 2015	
	<u>241,195</u>	<u>273,314</u>	<u>16,299,733</u>		
<b>Derivatives held as hedges -</b>					
<b>Cash flow hedges:</b>					
Interest rate swaps (IRS)	-	461	39,813	June 15, 2015	Negotiable notes (DPR)
Interest rate swaps (IRS)	-	4,609	162,856	June 15, 2016	Negotiable notes (DPR)
Interest rate swaps (IRS)	-	46	1,633	November 4, 2015	Mortgage bonds
	<u>-</u>	<u>5,116</u>	<u>204,302</u>		
	<u>241,195</u>	<u>278,430</u>	<u>16,504,035</u>		

## Notes to the consolidated financial statements (continued)

- (i) Derivatives held for trading are traded mainly to satisfy client's needs. The Group may also take positions with the expectation of profiting from favorable movements in prices or rates. Also, this caption includes any derivatives which do not comply with IAS 39 hedging accounting requirements.

### 8. Deposits and obligations

- (a) As of June 30, 2015 and December 31, 2014 this caption is made up as follows:

	<b>2015</b> S/(000)	<b>2014</b> S/(000)
Time deposits	10,055,838	10,510,023
Saving deposits	7,170,565	5,076,302
Demand deposits	6,048,818	7,787,146
Other obligations	<u>7,760</u>	<u>7,956</u>
<b>Total</b>	<u>23,282,981</u>	<u>23,381,427</u>

- (b) Interest rates for deposits and obligations are based on market interest rates.
- (c) As of June 30, 2015 and December 31, 2014 approximately S/.6,851,974,000 and S/.6,454,401,000, respectively, of deposits and obligations are covered by the Deposit Insurance Fund.

Notes to the consolidated financial statements (continued)

**9. Due to banks and correspondents**

(a) This caption is made up as follows:

	<b>2015</b> S/(000)	<b>2014</b> S/(000)
<b>By type -</b>		
Loans received from foreign entities (b)	1,210,399	1,095,008
Promotional credit lines (c)	1,552,471	1,378,310
Loans from Central Reserve Bank of Peru (d)	<u>2,665,161</u>	<u>644,300</u>
	5,428,031	3,117,618
Interest and commissions payable	<u>45,279</u>	<u>23,296</u>
	<u>5,473,310</u>	<u>3,140,914</u>
<b>By term -</b>		
Short term	1,782,119	565,389
Long term	<u>3,691,191</u>	<u>2,575,525</u>
<b>Total</b>	<u>5,473,310</u>	<u>3,140,914</u>

(b) As of June 30, 2015 and December 31, 2014, includes the following:

<b>Entity</b>	<b>Country</b>	<b>Maturity</b>	<b>2015</b> S/(.000)	<b>2014</b> S/(.000)
Syndicated loan	-	2016	637,354	596,135
Wells Fargo Bank & Co.	United States of America	2016	254,160	89,580
Bladex	Multilateral	2018	93,880	140,267
Corporación Andina de Fomento - CAF	Multilateral	2016	79,425	74,650
Bank J. Safra Sarasin AG	Suiza	2015	63,540	-
China Development Bank	China	2016	31,770	44,790
Cobank	United States of America	2015	31,770	29,860
RBC Wealth Management	United States of America	2015	-	119,726
Scotiabank	Peru	2015	18,500	-
			<u>1,210,399</u>	<u>1,095,008</u>



## Notes to the consolidated financial statements (continued)

- (c) Promotional credit lines represent loans in Nuevos Soles and US Dollars granted by Corporación Financiera de Desarrollo (“COFIDE”). These liabilities are guaranteed by a loan portfolio amounting to S/.1,552,471,000 and S/.1,378,310,000 as of June 30, 2015 and December 31 2014, respectively. These borrowings accrued an annual interest rate that fluctuated between 4.02 % and 9.85 % during 2015 (between 4.00% and 9.85 % as of December 31, 2014), and have maturities between August 2015 and December 2029, as of June 30, 2015 (between January 2015 and April 2028, as of December 31, 2014).
  
- (d) As of June 30, 2015 loans from BCRP, have maturities between November 2015 and March 2019 (between December 2015 and July 2016, as of December 31, 2014) and accrued interest with effective rates between 2.87% and 4.10% (3.02% and 3.61% as of December 31, 2014).

Notes to the consolidated financial statements (continued)

**10. Bonds, notes and other obligations**

(a) This caption is made up as follows:

Issuer	Issuance	Annual interest rate	Interest payment	Maturity	Authorized amount (000)	Used amount (000)	Unpaid balances	
							2015 S/.(000)	2014 S/.(000)
<b>Subordinated bonds (b) – First Program</b>								
Interbank	Second (B series)	9.50%	Semiannually	2023	US\$50,000	US\$30,000	95,310	89,580
Interbank	Third (A series)	3.5% + VAC	Semiannually	2023	S/. 135,000	S/. 110,000	110,000	110,000
Interbank	Fifth (A series)	8.50%	Semiannually	2019	S/. 135,000	S/. 3,300	3,300	3,300
Interbank	Sixth (A series)	8.16%	Semiannually	2019	US\$45,000	US\$15,110	48,004	45,118
Interbank	Eighth (A series)	6.91%	Semiannually	2022	S/. 300,000	S/. 137,900	137,150	137,170
Interseguro	Fifth	9.00%	Quarterly	2016	US\$5,000	US\$5,000	15,885	14,930
Interseguro	Second, first Tranch	6.97%	Semiannually	2024	US\$35,000	US\$35,000	111,195	104,510
Interseguro	Second, second Tranch	6.00%	Semiannually	2024	US\$15,000	US\$15,000	47,655	44,790
							<u>568,499</u>	<u>549,398</u>
<b>Subordinated bonds (b) – Second Program</b>								
Interbank	Second (A series)	5.81%	Semiannually	2023	S/.450,000	S/.150,000	149,620	149,601
Interbank	Third (A series)	7.50%	Semiannually	2023	US\$125,000	US\$50,000	158,368	148,829
							<u>307,988</u>	<u>298,430</u>
<b>Subordinated bonds (c) – International Issuance</b>								
Subordinated Bonds		6.63%	Semiannually	2029	US\$300,000	US\$300,000	946,272	889,094
							<u>946,272</u>	<u>889,094</u>
<b>Negotiable notes (DPR)</b>								
IBK DPR Securitizadora (d)		Libor 3M + 2.75% / Libor3M + 3.00%	Quarterly	2014-2015	US\$200,000	US\$200,000	-	39,790
IBK DPR Securitizadora (e)		Libor 3M + 4.25%	Quarterly	2016	US\$121,200	US\$121,200	121,073	162,442
							<u>121,073</u>	<u>202,232</u>
<b>Mortgage bonds – First Program</b>								
Interbank	Second (A and B series)	5.6355% - Libor 6M + 0.90 p.b.	Semiannually	2015	US\$10,000	US\$10,000	953	1,792
							<u>953</u>	<u>1,792</u>
<b>International Issuance through Panamanian Branch</b>								
Junior subordinated notes (f)		8.50%	Semiannually	2070	US\$200,000	US\$200,000	624,549	586,357
Senior bonds (g)		5.75%	Semiannually	2020	US\$400,000	US\$400,000	1,262,424	1,185,919
Senior bonds (g)		5.75%	Semiannually	2020	US\$250,000	US\$250,000	774,255	766,810
							<u>2,661,228</u>	<u>2,539,086</u>
<b>Interest payable</b>							<u>91,761</u>	<u>85,256</u>
							<u>4,697,774</u>	<u>4,565,288</u>

## Notes to the consolidated financial statements (continued)

- (b) Subordinated bonds do not have specific guarantees and in accordance to SBS rules they qualify as second level equity (Tier 2), in the determination of regulatory capital, see note 12(e)
- (c) Starting in March 2024, interest rate becomes a floating rate equal to the 3 month Libor rate for US dollar deposits plus 576 basis points. Starting at that date and on any interest payment date, Interbank can redeem 100 percent of the bonds without penalties. The principal payment will take place at the maturity date or when Interbank redeems the bonds.
- (d) These notes were issued in two tranches, US\$60,000,000 and US\$140,000,000, respectively, and accrue interest at 3 month Libor rate plus a margin between 300 and 275 basis points. They are guaranteed by remittances received by Interbank through SWIFT transfers.

In order to hedge the variable rate component, Interbank 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 annual fixed rates of 3.70% and 3.75%, respectively. The swaps' payment schedules are identical to those of the notes and were designated as cash flow hedges, see note 7(d).

- (e) These notes are guaranteed by remittances received by Interbank through SWIFT transfers.

In order to hedge the variable rate component, Interbank has entered into an interest-rate swap agreement, with notional amount of US\$121,000,000, by which it receives the 3 month Libor rate plus 425 basis points and pays an annual fixed rate of 7.90 %, starting in September 2009. The swap payment schedule is identical to those of the notes and was designated as a cash-flow hedge, see note 7(d).

- (f) These notes accrue a fixed annual interest rate of 8.50 % for the first ten years, which starting April 2020 becomes a floating rate equal to the 3 month Libor rate for US dollar deposits plus 674 basis points, provided that the floating rate for any interest period will not be less than 10.5% per annum. Starting at that date and on any interest payment date, Interbank can redeem 100 percent of the notes without penalties.
- (g) Starting in April 2016, Interbank can redeem, on any coupon payment date, these bonds, paying as a penalty an interest rate equal to the United States of America Treasury Bonds rate plus 50 basis points. The principal payment of both issuances will take place at the maturity date of the bonds or when Interbank redeems them.
- (h) International issuances are listed at the Luxembourg Stock Exchange. On the other hand, local and international issuances have standard "covenants" related to financial ratios, use of funds and other administrative matters, which in Management's opinion, do not limit the Group's operations and the Group has complied with at the dates of the consolidated statements of financial position.

Notes to the consolidated financial statements (continued)

**11. Insurance contract liabilities**

(a) This caption is made up as follows:

	<b>2015</b> S/(000)	<b>2014</b> S/(000)
Technical reserves (b)	4,024,990	3,698,020
Claims reserves	<u>98,900</u>	<u>44,987</u>
	<u>4,123,890</u>	<u>3,743,007</u>

(b) As of June 30, 2015 and December 31, 2014 the balance of this caption is made up as follows:

	<b>2015</b> S/(000)	<b>2014</b> S/(000)
Annuities	3,753,898	3,437,762
Retirement, disability and survival annuities	123,727	129,349
Life insurance	113,812	98,363
General insurance	<u>33,553</u>	<u>32,546</u>
	<u>4,024,990</u>	<u>3,698,020</u>

Notes to the consolidated financial statements (continued)

(c) The movement of technical reserves disclosed by type of insurance for the six months periods ended as of June 30, 2015 and, 2014, is as follows:

	<b>2015</b>				
	<b>Annuities</b>	<b>Retirement, disability and survival annuities</b>	<b>Life insurance</b>	<b>General insurance</b>	<b>Total</b>
	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)
<b>Balances as of January 1st</b>	3,437,762	129,349	98,363	32,546	3,698,020
Claims	324,147	-	2,223	26,054	352,424
Adjustments to prior years claim	(115,018)	(5,622)	10,759	(25,490)	(135,371)
Maturities and recoveries	-	-	(3,699)	-	(3,699)
Exchange differences	107,007	-	6,166	443	113,616
<b>Balances as of June 30</b>	<u>3,753,898</u>	<u>123,727</u>	<u>113,812</u>	<u>33,553</u>	<u>4,024,990</u>
	<b>2014</b>				
	<b>Annuities</b>	<b>Retirement, disability and survival annuities</b>	<b>Life insurance</b>	<b>General insurance</b>	<b>Total</b>
	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)
<b>Balances as of January 1</b>	2,823,489	144,193	80,569	22,082	3,070,333
Claims	279,274	-	2,024	16,129	297,427
Adjustments to prior years claim	38,363	(1,280)	9,242	(8,073)	38,252
Maturities and recoveries	-	-	(3,695)	-	(3,695)
Exchange differences	533	412	23	-	968
<b>Balances as of June 30</b>	<u>3,141,659</u>	<u>143,325</u>	<u>88,163</u>	<u>30,138</u>	<u>3,403,285</u>
<b>Balances as of December 31, 2014</b>					<u>3,698,020</u>

## Notes to the consolidated financial statements (continued)

### 12. Equity

#### (a) Capital stock and other paid-in capital

As of June 30, 2015 and December 31, 2014, IFS's capital stock is represented by 113,110,864 common shares issued and paid those shares do not have par value and the issued value at US\$9.72 per share.

Due to the reorganization explained in Note 1(b), until August 1, 2014 the effective date of the reorganization, the equity caption "Other paid-in capital" represented Inteligo Group Corp.'s capital stock, which on August 1, 2014 was transferred to the equity caption "Capital stock" to reflect the new shares issued by IFS to effect the reorganization.

As explained in Note 1 (b), on August 1, 2014; 19,495,413 shares of IFS, with a price per share of US\$32.7 each equivalent amount in soles of S/.1,782,450,000, were issued to acquire Inteligo Group Corp and IFS recorded a "Capital stock" increase for the fair value of the new shares issued, S/.1,782,450,000. As the share exchange ratio was performed at fair value, and the pooling-of-interest method was used to account for the acquisition, which requires all amounts to be accounted for at their carryover book values, IFS recorded a "Capital stock" decrease of S/.1,536,050,000, which is the amount required to match Inteligo Group Corp.'s capital stock before the reorganization (S/.246,400,000).

IFS's Shareholders Meeting held on April 14, 2015 agreed to distribute dividends corresponding to 2014 for US\$ 180,977,000 (equivalent to approximately S/.564,178,000).

IFS's Shareholders Meeting held on April 7, 2014 agreed to distribute dividends corresponding to 2013 for US\$150,000,000 (equivalent to approximately S/.424,056,000).

#### (b) Treasury stock held by Subsidiaries

As of June 30, 2015, the Group holds 4,026,808 IFS's shares whose acquisition cost amounts to S/.299,142,000 (3,750,459 shares whose acquisition cost amounts to S/.285,776,000 as of 31, December, 2014 respectively).

#### (c) Capital surplus

Corresponds to the difference between the par value of shares issued and their sell or exchange value. Capital surplus is presented net of the expenses incurred and related to the issuance of shares and the difference between par value and acquisition costs of treasury stock.

#### (d) Reserves

The Board Meeting held on March 24, 2015 agreed to record reserves amounting to S/. 2,000,000,000 charged to retained earnings. This agreement was also approved by IFS's Shareholders as of April 14, 2015.

#### (e) Regulatory capital

IFS and Inteligo Group Corp. are not required to establish shareholders' equity for legal purposes (regulatory capital).

As of June 30, 2015 and December 31, 2014, the shareholders' equity for legal purposes required for Interbank, Interseguro and Inteligo Bank are detailed below:

## Notes to the consolidated financial statements (continued)

Interbank's shareholders' equity for legal purposes (regulatory capital)

According to the provisions of Legislative Decree No. 1028, Interbank's regulatory capital must be equal to or greater than 10 percent of total risk weighted assets and contingent operations, represented by the sum of: the regulatory capital requirement for market risk multiplied by 10, the regulatory capital requirement for operational risk multiplied by 10 and the weighted assets and indirect credits by credit risk. This calculation must include all balance sheet exposures on assets in Peruvian or foreign currency. As of June 30, 2015 and December 31, 2014, the minimum requirement is 10 percent.

In application of Legislative Decree No. 1028, as of June 30, 2015 and December 31, 2014, Interbank maintains the following amounts related to weighted assets and contingent credits by total risk and regulatory capital (basic and supplementary):

	<b>June 30, 2015</b>	<b>December 31, 2014</b>
Total risk weighted assets and credits	32,686,146	30,845,129
Total regulatory capital	5,396,583	4,676,843
Basic regulatory capital (Level 1)	3,497,608	2,959,117
Supplementary regulatory capital (Level 2)	1,898,975	1,717,726
Global regulatory capital ratio	16.51%	15.16%

As of June 30, 2015 and December 31, 2014, Interbank has complied with SBS Resolutions No.2115-2009, No.6328-2009 and No.14354-2009, "Regulations for Regulatory Capital Requirements for Operational Risk", "Market Risk" and "Credit Risk", respectively and their amendments. These resolutions established, mainly, the methodologies to be applied by financial entities to calculate their risk-weighted assets 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 equivalent to the amount of regulatory capital requirements calculated for each of the following components: economic cycle, concentration risk, market concentration risk and interest rate risk, among others.

Likewise, financial institutions have a term of five years, starting in July 2012, to bring its regulatory capital into compliance with the new requirements. As of June 30, 2015, the percentage of adequacy established by the SBS is 70%, therefore the additional regulatory capital requirement for legal purposes estimated by Interbank amounts to approximately S/.556,285,000 (S/.539,937,000 as of December 31, 2014).

Interseguro's shareholder's equity for legal purposes (regulatory capital) -

In accordance with SBS Resolution No. 1124-2006, amended by SBS Resolutions No. 8243-2008, No. 12687-2008 and No. 5587-2009, the regulatory capital must be greater than the amount resulting from the sum of the solvency net equity and the guarantee fund.

The solvency net equity is represented by the greater of the solvency margin or the minimal capital. As of June 30, 2015 and December 31, 2014, the solvency net equity is represented by the solvency margin. The solvency margin is the complementary support that insurance entities must maintain to deal with possible situations of excess claims not foreseen in the estimation of technical reserves.

## Notes to the consolidated financial statements (continued)

The guarantee fund represents the additional equity support that insurance entities must maintain to deal with other risks that can affect them and that are not covered by the regulatory net equity, such as investment risk. The guarantee fund is equivalent to 35 percent of the regulatory net equity, calculated in accordance with SBS Resolution No. 1124-2006.

As of June 30, 2015 and December 31, 2014, Interseguro's shareholders' equity for legal purposes is as follows:

	<b>2015</b> S/.(000)	<b>2014</b> S/.(000)
<b>Regulatory net equity</b>	430,661	420,920
<b>Minus:</b>		
Solvency equity (solvency margin)	243,821	214,602
Guarantee fund	<u>85,337</u>	<u>75,110</u>
<b>Surplus</b>	<u>101,503</u>	<u>131,208</u>

Inteligo Bank shareholders' equity for legal purposes (regulatory capital)

The Central Bank of the Bahamas requires Inteligo Bank to maintain capital of not less than 8 percent of its risk weighted assets. Inteligo Bank's capital ratio as of June 30, 2015 and December 31, 2014, is the following:

	<b>2015</b> US\$(000)	<b>2014</b> US\$(000)
Total eligible capital	<u>121,264</u>	<u>111,476</u>
Total risk weighted assets	<u>574,534</u>	<u>562,398</u>
<b>Capital adequacy ratio</b>	<u>21.11%</u>	<u>19.82%</u>

### 13. Tax situation

- (a) IFS and its Subsidiaries incorporated and domiciled in the Republic of Panama and the Commonwealth of the Bahamas – see Note 1c – are not subject to any Income Tax, or any taxes on capital gains, equity or property.

As of June 30, 2015 and December 31, 2014, there was no Income Tax liability reflected in the financial statements, for Inteligo Bank, as there is no Income Tax imposed by the Government of The Commonwealth of The Bahamas.

In accordance with current tax regulations in Panama, the branches of Inteligo Bank and Interbank are exempt from the payment of income taxes on profits derived from foreign operations.

- (b) Non-Peruvian resident taxpayers (entities or individuals) are subject to a 6.8% of Income Tax withholding over the gross amount of dividends distributed by Peruvian entities (4.1% as of December 31, 2014). Such Income Tax must be withheld by the Peruvian entity that distributes the dividends.



Notes to the consolidated financial statements (continued)

On the other hand, in accordance with Act No. 30296, the distribution of dividends for the next years will be as follows:

<b>Profit (years)</b>	<b>Dividends tax (%)</b>
2015 and 2016	6.8
2017 and 2018	8.0
2019 onwards	9.3

In this regard, since IFS controls the distribution of dividends, IFS recognize the amount of said Income Tax in the period to which dividends corresponds. As of June 30, 2015 and 2014, the Group has recorded expenses for S/.16,933,000 and S/.8,985,000, respectively, in the consolidated income statements.

- (c) The Group’s Subsidiaries incorporated in Peru are subject to Peruvian taxes; hence, they must assess their Income Tax burden on the basis of separate financial statements as of June 30, 2015 and December 31, 2014.

In accordance with Act No. 30296, approved on December 31, 2014, and in force since January 1, 2015, the Income Tax rate applicable, upon deducting the workers’ profit sharing, for the following years will be:

<b>Years</b>	<b>%</b>
2015 y 2016	28
2017 y 2018	27
2019 onwards	26

- (d) Peruvian Tax Authority – SUNAT

SUNAT is legally entitled to perform tax audits procedures for up to four years subsequent to the date on which the tax return regarding a taxable period must be filed. SUNAT is also entitled to challenge the Income Tax assessment performed by taxpayers in their tax returns. Said years will be considered as from January 1 of the next year in which the tax return was filed.

Currently, the following taxable periods are pending to be reviewed by SUNAT:

- Interbank: Income Tax regarding years 2011 to 2014.
- Interseguro: Income Tax regarding years 2011 and 2014.

On the other hand, in April 2004, June 2006, February 2007, June 2007, November 2007, October 2008 and December 2010, Interbank was notified with Tax Assessments and Tax Fine Resolutions regarding the corporate Income Tax borne with respect to the fiscal years 2000 to 2006, Interbank filed Tax Claims and Tax Appeals regarding said Tax Assessments and Tax Fine Resolutions. In March 2009, August 2010 and December 2011; SUNAT solved the Tax Claims regarding fiscal years 2000 to 2006 and Interbank filed new tax appeals. On December 2014, SUNAT issued the Resolution No. 01501400111647 declaring correct part of the appeal filed by Interbank for the Income Tax year 2001. Nevertheless, a part of the appeal was not accepted by SUNAT, therefore Interbank has appealed such Resolution.

## Notes to the consolidated financial statements (continued)

During 2013 and 2014, SUNAT concluded the review about corporate Income Tax borne by Interbank with respect to the fiscal years 2007, 2008 and 2009. As a result, SUNAT issued several Tax Assessment Resolutions, but no additional payment was required. Additionally, for the year 2010, the Bank is under the process of reviewed by SUNAT.

Since tax regulations are subject to interpretation by SUNAT, it is not possible to determine up to date whether such tax audits procedures would result in additional liabilities for the Group's Subsidiaries or not. Therefore, any unpaid tax, penalties or interests that might result from said audit procedures will be recorded in the year in which they are determined. Nevertheless, Management and its legal advisors consider that any additional tax assessments would not have a significant impact on the consolidated financial statements as of June 30, 2015 and December 31, 2014.

Notes to the consolidated financial statements (continued)

14. Interest and similar income and expenses

	<b>For the six-month periods ended June 30</b>	
	<b>2015</b> S/(000)	<b>2014</b> S/(000)
<b>Interest and similar income</b>		
Interest and fees on loans	1,370,921	1,195,391
Interest on investments	183,907	134,361
Interest on due from banks and inter-bank funds	2,986	7,365
Other financial income	12,842	16,270
<b>Total</b>	<b>1,570,656</b>	<b>1,353,387</b>
<b>Interest and similar expenses</b>		
Interest and fees on deposits and obligations	168,479	176,418
Interest on bonds, notes and other obligations	153,101	126,691
Interest and fees on due to banks and correspondents	87,222	66,204
Deposits Insurance fund fees	14,942	13,178
Other financial expenses	1,965	3,218
<b>Total</b>	<b>425,709</b>	<b>385,709</b>
<b>Net Interest and similar income</b>	<b>1,144,947</b>	<b>967,678</b>

15. Fee income from financial services, net

	<b>For the six-month periods ended June 30</b>	
	<b>2015</b> S/(000)	<b>2014</b> S/(000)
<b>Incomes</b>		
Maintenance and mailing of accounts, interchange fees, transfers and credit and debit card services	239,785	217,551
Commissions from banking services	72,735	61,258
Funds management	74,392	56,435
Fees for indirect loans	28,334	24,931
Collection services	13,150	10,047
Brokerage and custody services	3,232	4,645
Other	12,874	10,968
<b>Total</b>	<b>444,502</b>	<b>385,835</b>
<b>Expenses</b>		
Insurance	27,749	24,507
Fees paid to foreign banks	4,265	4,798
Brokerage and custody services	750	905
Other	22,942	17,109
<b>Total</b>	<b>55,706</b>	<b>47,319</b>
<b>Net</b>	<b>388,796</b>	<b>338,516</b>

Notes to the consolidated financial statements (continued)

**16. Other income and expenses**

This caption is made up as follows:

	<b>For the six-month periods ended June 30</b>	
	<b>2015</b> S/.(000)	<b>2014</b> S/.(000)
<b>Other income</b>		
ATM rental income	10,623	9,284
Participation from investments in associates	4,780	6,360
Other technical income from insurance operations	5,167	5,591
Services granted to third parties	3,424	2,504
Income from sale of loan portfolio	8,667	5,641
Other income	17,142	5,637
<b>Total other income</b>	<b>49,803</b>	<b>35,017</b>
<b>Other expenses</b>		
Commissions from insurance activities	11,303	9,835
Provision for indirect loans	10,757	8,383
Technical insurance expenses	6,956	3,146
Donations	2,841	2,404
Other expenses	20,332	28,187
<b>Total other expenses</b>	<b>52,189</b>	<b>51,955</b>

Notes to the consolidated financial statements (continued)

17. Net premiums earned

This caption is made up for the six month periods ended June 30, as follows:

	Premiums assumed		Premiums ceded to reinsurers		Net premiums (*)		Adjustment of technical reserves		Net premiums earned	
	2015 S/.(000)	2014 S/.(000)	2015 S/.(000)	2014 S/.(000)	2015 S/.(000)	2014 S/.(000)	2015 S/.(000)	2014 S/.(000)	2015 S/.(000)	2014 S/.(000)
<b>Life insurance</b>										
Annuities (**)	274,484	244,616	(209,130)	(317,637)	65,354	(73,021)	-	(1,736)	65,354	(74,757)
Group life	49,898	43,431	81	(616)	49,979	42,815	(1,563)	(674)	48,416	42,141
Individual life	19,509	15,408	(7,451)	(6,114)	12,058	9,294	(886)	-	11,172	9,294
Retirement, disability and survival	65,969	113	5,622	1,280	71,591	1,393	(61,628)	206	9,963	1,599
Others	1,312	2,046	(1,487)	(283)	(175)	1,763	(213)	(26)	(388)	1,737
Total life insurance	411,172	305,614	(212,365)	(323,370)	198,807	(17,756)	(64,290)	(2,230)	134,517	(19,986)
Total general insurance	37,111	38,965	(564)	(8,056)	36,547	30,909	(19)	-	36,528	30,909
<b>Total General</b>	<b>448,283</b>	<b>344,579</b>	<b>(212,929)</b>	<b>(331,426)</b>	<b>235,354</b>	<b>13,153</b>	<b>(64,309)</b>	<b>(2,230)</b>	<b>171,045</b>	<b>10,923</b>

(\*) Includes the annual variation of technical reserves and unearned premiums.

(\*\*) The variation of the adjustment of technical reserves is due to variation in current rates with which the technical reserves are determined

## Notes to the consolidated financial statements (continued)

### 18. Earnings per share

The following table presents the calculation of the weighted average number of shares and the basic and diluted earnings per share, reflecting the reorganization under common control described:

	<b>Outstanding shares</b>	<b>Shares considered in computation</b>	<b>Days as of the end of year</b>	<b>Weighted average number of shares</b>
	(in thousand)	(in thousand)		(in thousand)
<b>Period 2014</b>				
Balance as of January 1	90,300	90,300	180	90,300
Contribution of Inteligo Group Corp.	-	19,495	180	19,495
Purchase of treasury stock	(661)	(661)	103	(374)
Sales of treasury stock	91	91	45	23
	<u>89,730</u>	<u>109,225</u>		<u>109,444</u>
<b>Balance as of June 30</b>				<u>109,444</u>
<b>Net Profit S/.(000)</b>				414,028
<b>Earnings per share (in Nuevos Soles)</b>				<u>3.783</u>
<b>Period 2015</b>				
Balance as of January 1	109,360	109,360	180	109,360
Purchases of treasury stock	(292)	(292)	73	(118)
Sales of treasury stock	16	16	51	4
	<u>109,084</u>	<u>109,084</u>		<u>109,246</u>
<b>Balance as of June 30</b>				<u>109,246</u>
<b>Net profit S/.(000)</b>				606,493
<b>Earnings per share (in Nuevos Soles)</b>				<u>5.552</u>

## Notes to the consolidated financial statements (continued)

### 19. Transactions with related parties and affiliated companies

(a) The table below presents the balances with related parties and affiliated companies as of June 30, 2015 and December 31, 2014:

	<b>2015</b>	<b>2014</b>
	S/(000)	S/(000)
<b>Assets</b>		
Trading securities	-	59,323
Investments available-for-sale		
Royalty Pharma, Note 4 (e )	232,692	168,585
InRetail Perú Corp. Note 4 (d )	130,394	155,864
Corporate Bonds - InRetail Shopping Mall S.A.	47,130	53,953
Corporate Bonds – Colegios Peruanos S.A.C.	35,310	35,000
Corporate Bonds - Cineplex S.A.	17,553	21,527
Corporate Bonds - Financiera Uno S.A.	20,393	19,917
Corporate Bonds - Intercorp Perú Ltd.	7,807	14,524
Loan portfolio, net	590,029	768,060
Derivatives receivable	11,677	9,207
Other assets (e )	21,113	87,553
<b>Liabilities</b>		
Deposits and obligations	173,585	312,276
Derivatives payable	-	1,548
Other liabilities	933	6,408
<b>Off-balance sheet accounts</b>		
Indirect loans	146,858	99,172
	<b>For the six-month periods ended</b>	
	<b>June 30</b>	
	<b>2015</b>	<b>2014</b>
<b>Income (expense)</b>		
Interest income	29,882	23,604
Interest expense	(1,410)	(3,585)
Rental income	1,692	4,448
Administrative expenses	(7,779)	(8,545)
Other, net	7,644	5,742

## Notes to the consolidated financial statements (continued)

- (b) As of June 30, 2015 and December 31, 2014, directors, executives and employees of the Group have been involved, directly and indirectly, in credit transactions with certain subsidiaries of the Group, as permitted by Peruvian Banking and Insurance Law, which regulates and establishes credit limits with employees, directors and officers of a bank or an insurance company. At said dates, direct loans granted to employees, directors and key Management amounted to S/.137,763,000 and S/.122,593,000, respectively; said loans are repaid monthly and earn interest at market rates.

There are no loans to the Group's directors and key personnel guaranteed with any Subsidiaries' shares.

- (c) The Group's key personnel compensation for the six months periods ended June 30, 2015 and 2014, amounted to S/.10,102,000 and S/.9,239,000, respectively.
- (d) As of December 31, 2014, IFS and its Subsidiaries participate in domestic and foreign mutual and investment funds, recorded as available-for-sale investments which are managed by Interfondos S.A. Sociedad Administradora de Fondos, that amount to S/.7,500,000, respectively.
- (e) Corresponds mainly to paid in previous years for concession agreements with Supermercados Peruanos for spaces ceded to Interbank in the stores of Supermercados Peruanos S.A. for the operation of financial stores up to year 2030, and for an amount of approximately S/.18,735,000 and S/.20,737,000 as of June 30, 2015 and December 31, 2014, respectively, Interbank may renew the term of the agreement for an additional term of 15 years. Other assets also include accounts receivables from Intercorp Perú for an amount of US\$ 18,674,000 (equivalent to S/.55,761,000) as of December 31, 2014; these accounts generate interest market rates mature between May, 2015 and May 2017; at the date of this report receivable accounts were canceled.
- (f) In Management's opinion, transactions with related parties have been performed under normal market conditions and within the limits permitted by SBS. 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.



## Notes to the consolidated financial statements (continued)

### **20. Business segments**

IFS has the following operating segments based on products and services:

#### Banking

Principally handling loans, credit facilities, deposits and current accounts.

#### Insurance

Provider of annuities, traditional life insurance products, as well as other retail focused insurance products.

#### Wealth management

Provider of financial advisory services and brokerage services.

Notes to the consolidated financial statements (continued)

The following table presents the Group's financial information by business segments for the six-month periods ended as of June 30, 2015 and 2014:

	As of June 30, 2015					As of June 30, 2014				
	Banking	Insurance	Wealth Management	Corporate and eliminations	Total	Banking	Insurance	Wealth Management	Corporate and eliminations	Total
	S/(.000)	S/(.000)	S/(.000)	S/(.000)	S/(.000)	S/(.000)	S/(.000)	S/(.000)	S/(.000)	S/(.000)
<b>Total income</b>										
Third Party	1,983,011	377,987	152,217	(32,339)	2,480,876	1,667,831	199,150	154,151	(36,196)	1,984,936
Inter-segment	(35,796)	(126)	(3,426)	39,348	-	(32,019)	(2,403)	(84)	34,506	-
<b>Total income (*)</b>	<b>1,947,215</b>	<b>377,861</b>	<b>148,791</b>	<b>7,009</b>	<b>2,480,876</b>	<b>1,635,812</b>	<b>196,747</b>	<b>154,067</b>	<b>(1,690)</b>	<b>1,984,936</b>
<b>Extracts of results</b>										
Interest and similar income	1,401,429	123,312	63,555	(17,640)	1,570,656	1,220,343	97,090	51,084	(15,130)	1,353,387
Interest and similar expenses	(395,332)	(5,066)	(26,150)	839	(425,709)	(357,711)	(3,317)	(24,931)	250	(385,709)
<b>Net interest and similar income</b>	<b>1,006,097</b>	<b>118,246</b>	<b>37,405</b>	<b>(16,801)</b>	<b>1,144,947</b>	<b>862,632</b>	<b>93,773</b>	<b>26,153</b>	<b>(14,880)</b>	<b>967,678</b>
Provision for loan losses, net of recoveries	(321,089)	-	-	-	(321,089)	(222,205)	-	-	-	(222,205)
<b>Net interest and similar income after provision for loan losses</b>	<b>685,008</b>	<b>118,246</b>	<b>37,405</b>	<b>(16,801)</b>	<b>823,858</b>	<b>640,427</b>	<b>93,773</b>	<b>26,153</b>	<b>(14,880)</b>	<b>745,473</b>
Fee income from financial services, net	344,645	(1,764)	61,374	(15,459)	388,796	310,172	(1,014)	44,723	(15,365)	338,516
Other income	236,937	85,395	27,289	759	350,380	137,315	92,151	58,344	(5,700)	282,110
Total premiums earned less claims and benefits	-	50,865	-	-	50,865	-	(75,041)	-	-	(75,041)
Depreciation and amortization	(50,084)	(2,148)	(2,798)	-	(55,030)	(47,797)	(1,438)	(1,666)	-	(50,901)
Other expenses	(646,071)	(98,618)	(37,265)	9,782	(772,172)	(580,720)	(85,477)	(37,076)	10,697	(692,576)
<b>Income before translation result and income tax</b>	<b>570,435</b>	<b>151,976</b>	<b>86,005</b>	<b>(21,719)</b>	<b>786,697</b>	<b>459,397</b>	<b>22,954</b>	<b>90,478</b>	<b>(25,248)</b>	<b>547,581</b>
Translation result	(22,415)	(1,213)	162	4,576	(18,890)	(1,270)	672	237	1,117	756
Income tax	(141,877)	293	-	(16,933)	(158,517)	(123,044)	(4)	(3)	(8,985)	(132,036)
<b>Profit for the year</b>	<b>406,143</b>	<b>151,057</b>	<b>86,167</b>	<b>(34,076)</b>	<b>609,290</b>	<b>335,083</b>	<b>23,622</b>	<b>90,712</b>	<b>(33,116)</b>	<b>416,301</b>
<b>Attributable to:</b>										
Equity holders of the Group	406,143	151,101	86,167	(36,917)	606,493	335,083	23,608	90,712	(35,375)	414,028
Non-controlling interest	-	(44)	-	2,841	2,797	-	14	-	2,259	2,273
	<b>406,143</b>	<b>151,057</b>	<b>86,167</b>	<b>(34,076)</b>	<b>609,290</b>	<b>335,083</b>	<b>23,622</b>	<b>90,712</b>	<b>(33,116)</b>	<b>416,301</b>

## Notes to the consolidated financial statements (continued)

	<b>2015</b>				
	<b>Banking</b> S/.(000)	<b>Insurance</b> S/.(000)	<b>Wealth Management</b> S/.(000)	<b>Corporate and eliminations</b> S/.(000)	<b>Total Consolidated</b> S/.(000)
<b>As of June 30, 2015</b>					
Total assets	35,498,467	5,049,937	2,983,036	(351,152)	43,180,288
Total liabilities	32,144,930	4,536,890	2,451,655	(140,210)	38,993,265
<b>For the six-month periods ended June 30</b>					
Impairment loss on available-for-sale investments	-	(15,127)	-	-	(15,127)
	<b>2014</b>				
	<b>Banking</b> S/.(000)	<b>Insurance</b> S/.(000)	<b>Wealth Management</b> S/.(000)	<b>Corporate and eliminations</b> S/.(000)	<b>Total Consolidated</b> S/.(000)
<b>As of December 31, 2014</b>					
Total assets	32,904,861	4,743,443	2,934,118	(217,195)	40,365,227
Total liabilities	29,628,640	4,052,058	2,455,471	(73,216)	36,062,953
<b>For the six-month periods ended June 30</b>					
Impairment loss on available-for-sale investments	-	(6,853)	-	6,445	(408)

Notes to the consolidated financial statements (continued)

**21. Financial instruments classification**

Following are presented the carrying amounts of financial assets and liabilities in the consolidated statements of financial position, classified by category in accordance with IAS 39 “Financial Instruments”:

	2015					2014					
	Financial assets at fair value through profit or loss held for trading or S/.(000)	Loans and receivables S/.(000)	Investment available-for- sale S/.(000)	Held to maturity investments	Financial liabilities at amortized cost S/.(000)	Total S/.(000)	Financial assets at fair value through profit or loss held for trading or S/.(000)	Loans and receivables S/.(000)	Investment available-for- sale S/.(000)	Financial liabilities at amortized cost S/.(000)	Total S/.(000)
<b>Financial Assets</b>											
Cash and due from banks	-	8,017,260	-	-	-	8,017,260	-	6,358,504	-	-	6,358,504
Inter-bank funds	-	10,001	-	-	-	10,001	-	310,030	-	-	310,030
Trading securities	46,830	-	-	-	-	46,830	105,782	-	-	-	105,782
Investments available-for-sale	-	-	7,683,065	-	-	7,683,065	-	-	8,303,176	-	8,303,176
Loans, net	-	24,525,298	-	-	-	24,525,298	-	22,617,207	-	-	22,617,207
Held to maturity investments	-	-	-	293,774	-	293,774	-	-	-	-	-
Due from customers on acceptances	-	15,251	-	-	-	15,251	-	18,833	-	-	18,833
Accounts receivables and other assets, net	268,107	452,136	-	-	-	720,243	241,195	604,412	-	-	845,607
	<u>314,937</u>	<u>33,019,946</u>	<u>7,683,065</u>	<u>293,774</u>	<u>-</u>	<u>41,311,722</u>	<u>346,977</u>	<u>29,908,986</u>	<u>8,303,176</u>	<u>-</u>	<u>38,559,139</u>
<b>Financial liabilities</b>											
Deposits and obligations	-	-	-	-	23,282,981	23,282,981	-	-	-	23,381,427	23,381,427
Inter-bank funds	-	-	-	-	143,436	143,436	-	-	-	-	-
Due to banks and correspondents	-	-	-	-	5,473,310	5,473,310	-	-	-	3,140,914	3,140,914
Bonds, notes and other obligations	-	-	-	-	4,697,774	4,697,774	-	-	-	4,565,288	4,565,288
Insurance contract liabilities	-	-	-	-	4,123,890	4,123,890	-	-	-	3,743,007	3,743,007
Due from customers on acceptances	-	15,251	-	-	-	15,251	-	18,833	-	-	18,833
Accounts payables, provision and other liabilities	294,062	-	-	-	844,334	1,138,396	278,430	-	-	840,734	1,119,164
	<u>294,062</u>	<u>15,251</u>	<u>-</u>	<u>-</u>	<u>38,565,725</u>	<u>38,875,038</u>	<u>278,430</u>	<u>18,833</u>	<u>-</u>	<u>35,671,370</u>	<u>35,968,633</u>

## Notes to the consolidated financial statements (continued)

### 22. Financial Risk Management

It comprises the management of the main risks that IFS is exposed to because of the nature of its operations: credit risk, market risk, liquidity risk and insurance risk.

- Credit risk: Probability of loss due to inability or lack of willingness to pay of the debtors, counterparts or third parties bound to comply with their contractual obligations.
- Market risk: Probability of losses in positions on and off-balance sheets derived from variations in market conditions. It generally includes the following risk types: exchange rate, fair value by interest rate type, and price, among others.
- Liquidity risk: Probability of loss due to noncompliance with the requirements of financing and fund application that arise from imbalances of cash flows.
- Insurance risk: Probability of losses due to inadequate processes, personnel and information technologies failures, or external events.

#### (a) Credit risk management for loan -

IFS classifies its loan portfolio into one of five risk categories, depending upon the degree of risk of non-payment of each debtor. The categories used are: (i) normal - A, (ii) potential problems - B, (iii) substandard - C, (iv) doubtful - D and (v) loss - E.

Notes to the consolidated financial statements (continued)

The table below presents three groups of direct loans: (i) Non-past-due and non-impaired loans, which comprise direct loans that currently do not present delinquency characteristics and are related to debtors classified as “Normal” and “with Potential problems”; (ii) Past-due but non impaired loans, which comprise past-due loans of debtors classified as “Normal” or “with Potential problems”; and (iii) impaired loans, those past-due loans classified as “Substandard”, “Doubtful” or “Loss”. Also, it is presented the allowance for loan loss for each loan type.

As of June 30, 2015						
	Commercial loans S/.(000)	Mortgage loans S/.(000)	Consumer loans S/.(000)	Micro-business loans S/.(000)	Total S/.(000)	%
<b>Neither past due nor impaired</b>						
Normal	11,492,738	3,883,940	6,921,141	768,358	23,066,177	95
Potential problem	86,360	21,589	52,966	14,821	175,736	1
	<u>11,579,098</u>	<u>3,905,529</u>	<u>6,974,107</u>	<u>783,179</u>	<u>23,241,913</u>	
<b>Past due but not impaired (i)</b>						
Normal	193,547	230,250	40,296	41,204	505,297	2
Potential problem	65,717	66,882	205,200	17,165	354,964	1
	<u>259,264</u>	<u>297,132</u>	<u>245,496</u>	<u>58,369</u>	<u>860,261</u>	
<b>Impaired</b>						
Substandard	36,527	73,212	173,092	17,728	300,559	1
Doubtful	25,076	72,613	286,351	25,061	409,101	2
Loss	86,917	103,262	198,718	31,830	420,727	2
	<u>148,520</u>	<u>249,087</u>	<u>658,161</u>	<u>74,619</u>	<u>1,130,387</u>	
<b>Total loan portfolio, gross</b>	<u>11,986,882</u>	<u>4,451,748</u>	<u>7,877,764</u>	<u>916,167</u>	<u>25,232,561</u>	104
<b>Less: Allowance for loan losses</b>	<u>150,363</u>	<u>42,632</u>	<u>677,419</u>	<u>89,822</u>	<u>960,236</u>	4
<b>Total, net</b>	<u>11,836,519</u>	<u>4,409,116</u>	<u>7,200,345</u>	<u>826,345</u>	<u>24,272,325</u>	100

Notes to the consolidated financial statements (continued)

As of December 31, 2014						
	Commercial		Micro-business		Total	%
	loans	Mortgage loans	Consumer loans	loans		
	S/.(000)	S/.(000)	S/.(000)	S/.(000)	S/.(000)	
<b>Neither past due nor impaired</b>						
Normal	10,802,149	3,594,485	6,263,806	508,797	21,169,237	95
Potential problem	115,836	15,106	48,466	2,735	182,143	1
	<u>10,917,985</u>	<u>3,609,591</u>	<u>6,312,272</u>	<u>511,532</u>	<u>21,351,380</u>	
<b>Past due but not impaired</b>						
Normal	185,786	288,883	4,429	11,500	490,598	2
Potential problem	42,288	64,542	180,195	11,043	298,068	1
	<u>228,074</u>	<u>353,425</u>	<u>184,624</u>	<u>22,543</u>	<u>788,666</u>	
<b>Impaired</b>						
Substandard	130,340	57,510	142,702	8,038	338,590	1
Doubtful	34,928	59,854	256,771	8,254	359,807	2
Loss	57,515	81,579	195,546	24,029	358,669	2
	<u>222,783</u>	<u>198,943</u>	<u>595,019</u>	<u>40,321</u>	<u>1,057,066</u>	
<b>Total loan portfolio, gross</b>	<u>11,368,842</u>	<u>4,161,959</u>	<u>7,091,915</u>	<u>574,396</u>	<u>23,197,112</u>	104
<b>Less: Provision for loan losses</b>	<u>144,444</u>	<u>29,490</u>	<u>576,913</u>	<u>68,831</u>	<u>819,678</u>	4
<b>Total, net</b>	<u>11,224,398</u>	<u>4,132,469</u>	<u>6,515,002</u>	<u>505,565</u>	<u>22,377,434</u>	100

(i) In accordance with IFRS 7, total loan balance is considered past due when debtors have failed to make a payment when contractually due.

(ii) As of June 30, 2015 and December 31, 2014, loans amounting to approximately S/.860,261,000 and S/.788,666,000, respectively, were not impaired and were past due mainly for less than 30 days.

(iii) As of June 30, 2015 and December 31, 2014, refinanced loans amounted to S/.166,430,000, and S/.140,688,000, respectively. Past due refinanced loans amounted to S/.26,203,000, and S/.24,072,000, respectively, out of which S/.307,000 and S/.241,000, respectively, are classified as past-due and not-impaired; and S/.25,896,000 and S/.23,831,000, are impaired, respectively.

## Notes to the consolidated financial statements (continued)

### Foreign exchange risk

The Group is exposed to the effects of fluctuations in the exchange rates of foreign currency prevailing on its financial position and cash flows. Managements of the Subsidiaries set limits on the levels of exposure by currency and in total "overnight" transactions, which are monitored daily. Most of the assets and liabilities in foreign currency are stated in US dollars. Transactions in foreign currency are accounted for by using exchange rates prevailing on the market.

As of June 30, 2015, the market exchange rate published by the SBS for transactions in US Dollars was S/3.174 per US\$1.00 bid and S/3.179 per US\$1.00 ask (S/2.981 and S/2.989 as of December 31, 2014, respectively). As of June 30, 2014, the exchange rate for the accounting of asset and liability accounts in foreign currency set by the SBS was S/3.177 per US\$1.00 (S/2.986 as of December 31, 2014).

The table below presents a detail of the Group's currency position:

	As of June 30, 2015				As of December 31, 2014			
	U.S. Dollars S/.(000)	Nuevos soles S/.(000)	Other currency S/.(000)	Total S/.(000)	U.S. Dollars S/.(000)	Nuevos soles S/.(000)	Other currency S/.(000)	Total S/.(000)
<b>Assets</b>								
Cash and due from bank	6,848,033	947,718	221,509	8,017,260	5,145,412	992,535	220,557	6,358,504
Inter-bank funds	-	10,001	-	10,001	-	310,030	-	310,030
Trading securities	41,055	5,775	-	46,830	89,972	15,810	-	105,782
Investment available-for-sale	4,472,607	3,184,851	25,607	7,683,065	5,598,924	2,639,244	65,008	8,303,176
Investment held to maturity	-	293,774	-	293,774	-	-	-	-
Loans, net	8,996,494	15,528,804	-	24,525,298	9,340,865	13,276,342	-	22,617,207
Due from customers on acceptances	15,251	-	-	15,251	18,833	-	-	18,833
Accounts receivables and other assets, net	278,010	441,954	279	720,243	283,397	561,168	1,042	845,607
	<u>20,651,450</u>	<u>20,412,877</u>	<u>247,395</u>	<u>41,311,722</u>	<u>20,477,403</u>	<u>17,795,129</u>	<u>286,607</u>	<u>38,559,139</u>
<b>Liabilities</b>								
Deposits and obligations	11,507,172	11,596,350	179,459	23,282,981	11,372,473	11,819,919	189,035	23,381,427
Inter-bank funds	133,435	10,001	-	143,436	-	-	-	-
Due to banks and correspondents	1,575,941	3,897,369	-	5,473,310	1,415,497	1,725,417	-	3,140,914
Bonds, notes and other obligations	4,268,048	429,726	-	4,697,774	4,138,794	426,494	-	4,565,288
Due from customers on acceptances	15,251	-	-	15,251	18,833	-	-	18,833
Insurance contract liabilities	1,902,349	2,221,541	-	4,123,890	1,821,767	1,921,240	-	3,743,007
Accounts payables, provision and other liabilities	283,545	844,980	9,871	1,138,396	290,127	811,213	17,824	1,119,164
	<u>19,685,741</u>	<u>18,999,967</u>	<u>189,330</u>	<u>38,875,038</u>	<u>19,057,491</u>	<u>16,704,283</u>	<u>206,859</u>	<u>35,968,633</u>
Forward position, net	(4,228,424)	4,327,560	(99,136)	-	(3,785,182)	3,815,565	(30,383)	-
Currency swaps position, net	4,340,214	(4,340,214)	-	-	3,816,609	(3,816,609)	-	-
Cross currency swaps position, net	-	-	-	-	(175,750)	175,750	-	-
Foreign currency options, net	(4,856)	4,856	-	-	(57,096)	57,096	-	-
<b>Net monetary position</b>	<u>1,072,643</u>	<u>1,405,112</u>	<u>(41,071)</u>	<u>2,436,684</u>	<u>1,218,493</u>	<u>1,322,648</u>	<u>49,365</u>	<u>2,590,506</u>

As of June 30, 2015, the Group granted indirect loans (contingent operations) in foreign currency for approximately US\$ 796,781,000, equivalent to S/2,531,373,000 (US\$715,957,000, equivalent to S/2,137,848,000 as of December 31, 2014);



## Notes to the consolidated financial statements (continued)

### 23. Fair value

#### (a) Determination of fair value and fair value hierarchy of financial instruments

The following table analyses the financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognized in the consolidated statements of financial position:

	As of June 30, 2015				As of December 31, 2014			
	Level 1 S/.(000)	Level 2 S/.(000)	Level 3 S/.(000)	Total S/.(000)	Level 1 S/.(000)	Level 2 S/.(000)	Level 3 S/.(000)	Total S/.(000)
<b>Assets</b>								
<b>Trading securities</b>	46,830	-	-	46,830	46,235	59,547	-	105,782
<b>Available-for-sale investments</b>								-
Debt instruments	4,202,691	2,264,575	-	6,467,266	4,579,505	2,329,123	-	6,908,628
InRetail Perú Corp.	130,394	-	-	130,394	155,864	-	-	155,864
Royalty Pharma	-	-	232,692	232,692	-	-	168,585	168,585
Mutual funds and investments participations	150,369	124,218	311,566	586,153	258,508	123,214	246,128	627,850
Peruvian and foreign entities and other shares	191,811	719	-	192,530	372,836	671	-	373,507
<b>Derivatives receivable</b>	-	268,107	-	268,107	-	241,195	-	241,195
	<u>4,722,095</u>	<u>2,657,619</u>	<u>544,258</u>	<u>7,923,972</u>	<u>5,412,948</u>	<u>2,753,750</u>	<u>414,713</u>	<u>8,581,411</u>
Accrued interest				74,030				68,742
				<u>7,998,002</u>				<u>8,650,153</u>
<b>Liabilities</b>								
<b>Derivatives payable</b>	-	294,062	-	294,062	-	278,430	-	278,430

Financial assets included in Level 1 are those measured on the basis of information that is available in the market, to the extent that their quoted prices reflect an active and liquid market and that are available in some centralized trading mechanism, trading agent, price supplier or regulatory entity.

Financial instruments included in Level 2 are valued with the market prices of other instruments possessing similar characteristics or with financial valuation models based on information of variables that can be available on the market (interest rate curves, price vectors, etc.). The Group uses this method mainly to value derivative financial instruments.

Financial assets included in Level 3 are valued by using assumptions and data that do not correspond to prices of operations traded on the market. Fair value is estimated using a discounted cash flow (DCF) model. The valuation requires Management to make certain assumptions about the model inputs, including forecast cash flow, the discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in Management's estimate of fair value for these unquoted investment

## Notes to the consolidated financial statements (continued)

### (b) Financial instruments not measured at fair value

The table below presents the disclosure of the comparison between the carrying amounts and fair values of the Group's financial instruments that are not measured at fair value, presented by level of the fair value hierarchy as of June 30, 2015 and December 31, 2014:

	As of June 30, 2015					As of December 31, 2014				
	Level 1 S/.(000)	Level 2 S/.(000)	Level 3 S/.(000)	Fair Value S/.(000)	Book value S/.(000)	Level 1 S/.(000)	Level 2 S/.(000)	Level 3 S/.(000)	Fair value S/.(000)	Book value S/.(000)
<b>Assets</b>										
Cash and due from banks	-	8,017,261	-	8,017,261	8,017,261	-	6,358,504	-	6,358,504	6,358,504
Inter-bank funds	-	10,001	-	10,001	10,001	-	310,030	-	310,030	310,030
Loans, net	-	25,211,045	-	25,211,045	24,525,298	-	22,881,181	-	22,881,181	22,617,207
Held to maturity Investments	-	293,774	-	293,774	293,774	-	-	-	-	-
Due from customers on acceptances	-	15,251	-	15,251	15,251	-	18,833	-	18,833	18,833
Accounts receivable and other assets	-	452,136	-	452,136	452,136	-	604,412	-	604,412	604,412
<b>Total</b>	-	<b>33,999,468</b>	-	<b>33,999,468</b>	<b>33,313,721</b>	-	<b>30,172,960</b>	-	<b>30,172,960</b>	<b>29,908,986</b>
<b>Liabilities</b>										
Deposits and obligations	-	23,282,450	-	23,282,450	23,282,981	-	23,378,763	-	23,378,763	23,381,427
Inter-bank funds	-	143,436	-	143,436	143,436	-	-	-	-	-
Due to banks and correspondents	-	5,497,314	-	5,497,314	5,473,310	-	3,151,772	-	3,151,772	3,140,914
Bonds, notes and notes issued	-	5,047,990	-	5,047,990	4,697,774	-	4,864,883	-	4,864,883	4,565,288
Insurance contract liabilities	-	4,123,890	-	4,123,890	4,123,890	-	3,743,007	-	3,743,007	3,743,007
Due from customers on acceptances	-	15,251	-	15,251	15,251	-	18,833	-	18,833	18,833
Accounts payable and other liabilities	-	844,334	-	844,334	844,334	-	840,734	-	840,734	840,734
<b>Total</b>	-	<b>38,954,665</b>	-	<b>38,954,665</b>	<b>38,580,976</b>	-	<b>35,997,992</b>	-	<b>35,997,992</b>	<b>35,690,203</b>

## Notes to the consolidated financial statements (continued)

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

- (i) Long-term fixed-rate and variable-rate loans are evaluated by the Group based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected losses of these loans. As of June 30, 2015 and December 31, 2014, the carrying amounts of the loans, net of provisions, were not significantly different from their fair values calculated.
- (ii) Assets whose fair values approximate their carrying value - For financial assets and financial liabilities that are liquid or having a short term maturity (less than three months) it is assumed that the carrying amounts approximate to their fair values. This assumption is also applied to demand deposits, savings accounts without a specific maturity and variable-rate financial instruments.
- (iii) Fixed-rate financial instruments - The fair value of fixed rate financial assets and liabilities carried at amortized cost are estimated by comparing market interest rates when they were first recognized with current market rates offered for similar financial instruments for the remaining term to maturity. The estimated fair value of fixed interest bearing deposits is based on discounted cash flows using prevailing market interest rates for financial instruments with similar credit risk and maturity. For quoted debt issued the fair values are calculated based on quoted market prices. When quoted market prices are not available, a discounted cash flow model is used based on a current interest rate yield curve appropriate for the remaining term to maturity.

### 24. Fiduciary activities and management of funds

The Group provides custody, trustee, investment management and advisory services to third parties; therefore, the Group makes allocations and purchase and sale decisions in relation to a wide range of financial instruments. Assets that are held in a fiduciary capacity are not included in these consolidated financial statements.

As of June 30, 2015 and December 31, 2014, the assigned value of the financial assets under administration is as follows:

	<b>2015</b> S/.(000)	<b>2014</b> S/.(000)
Investment funds	9,632,170	8,422,056
Mutual Funds	<u>2,589,997</u>	<u>2,568,649</u>
<b>Total</b>	<u>12,222,167</u>	<u>10,990,705</u>