

# InterCorp Financial Services

## Second Quarter 2015

### Earnings Presentation

# Highlights 2Q15

IFRS

## Intercorp Financial Services

- 2Q15 net profit was S/. 346.4 million, a 23.0% increase YoY and 31.8% QoQ. The YoY increase was driven by strong operating performance at the three companies, while the QoQ growth was mainly explained by a strong result at Inteligo and a release of technical reserves at Interseguro
- 2Q15 annualized ROAE was 32.0%

## Interbank

- 2Q15 net profit was S/. 201.0 million, a 13.7% growth YoY and a 2.1% decrease QoQ. The yearly performance was attributed to increases of 19.9% in net interest and similar income, 62.2% in other income and 7.4% in fee income, factors which were partially offset by a 45.5% growth in provisions. The quarterly decrease was attributed to lower fees and other income, as there were one-off revenues in the 1Q15 which were not repeated in 2Q15
- Performing loans and deposits grew 10.3% and 3.9% YoY, respectively, while retail deposits increased 17.1% YoY
- NIM improved 72 bps YoY, to 6.83% in 2Q15, while the efficiency ratio improved 420 bps YoY, to 41.7%
- 2Q15 annualized ROAE was 24.6%

## Interseguro

- 2Q15 net profit\* was S/. 117.5 million, a 45.6% increase YoY and a more than three-fold growth QoQ. The bottom line result was supported by growth in net interest and similar income, and a positive discount rate impact on technical reserves
- Net premiums decreased 12.1% QoQ affected by a market contraction in annuities, yet Interseguro remained as market leader with 25.9% share
- 2Q15 annualized ROAE was 95.4%

## Inteligo

- 2Q15 net profit was S/. 50.0 million, a 17.6% increase YoY and a 38.6% growth QoQ. The quarterly increase was mainly due to higher net interest and similar income, and higher other income
- AuM + deposits increased 5.2% QoQ and 24.3% YoY
- 2Q15 annualized ROAE was 38.2%

\* Attributable to shareholders

# IFS key indicators 2Q15

IFRS

## Intercorp Financial Services' key indicators

S/. million

		2Q14	1Q15	2Q15	%chg QoQ	%chg YoY
<b>Results</b>	Net interest and similar income	492.1	545.8	599.1	9.8%	21.8%
	Fee income from financial services, net	176.6	194.8	194.0	-0.4%	9.8%
	Profit for the period	281.6	262.9	346.4	31.8%	23.0%
<b>Profitability</b>	NIM	5.79%	5.91%	6.37%	46 bps	58 bps
	ROAE	29.9%	23.9%	32.0%	810 bps	210 bps
	EPS	2.56	2.39	3.16		
<b>Asset quality</b>	PDL ratio	1.8%	2.1%	2.3%	20 bps	50 bps
	PLL / Avg. loans	2.1%	2.5%	2.8%	30 bps	70 bps
	Coverage ratio	188.8%	171.7%	168.8%		
<b>Insurance</b>	Net Premiums <sup>(1)</sup>	177.0	204.3	179.6	-12.1%	1.5%
	Adjustment of technical reserves	-128.8	-156.5	-56.5	-63.9%	-56.1%
	Net claims and benefits incurred	-35.0	-59.9	-60.3	0.7%	72.1%
	Discount rate impact on technical reserves	31.8	28.0	83.1	197.1%	161.3%
<b>Other ratios</b>	Efficiency ratio <sup>(2)</sup>	40.4%	38.8%	35.3%	-350 bps	-510 bps
	BIS ratio (Interbank)	15.8%	16.7%	16.5%	-20 bps	70 bps

(1) Net of premiums ceded to reinsurers

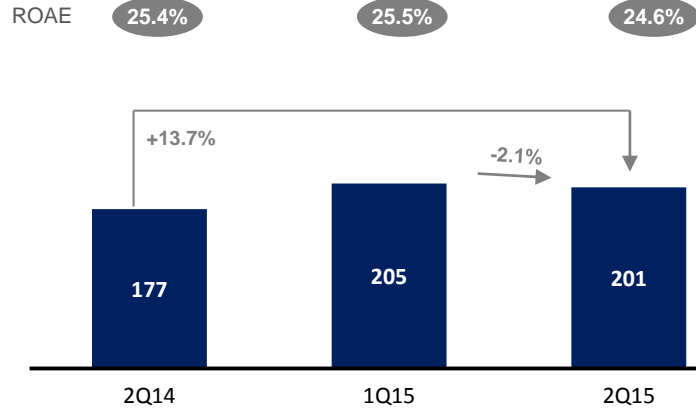
(2) Efficiency ratio is defined as (Salaries and employee benefits + Administrative expenses + Depreciation and amortization) / (Net interest + Other income + Net premiums earned)

# IFS 2Q15 net profit increased 31.8% QoQ and 23.0% YoY

## IFRS

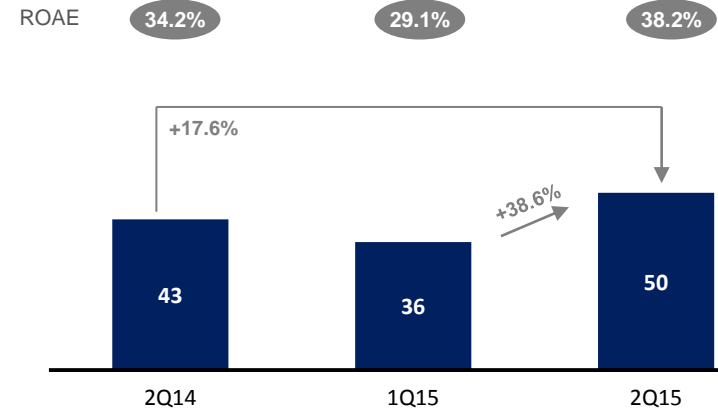
### Interbank

Net profit in S/. million



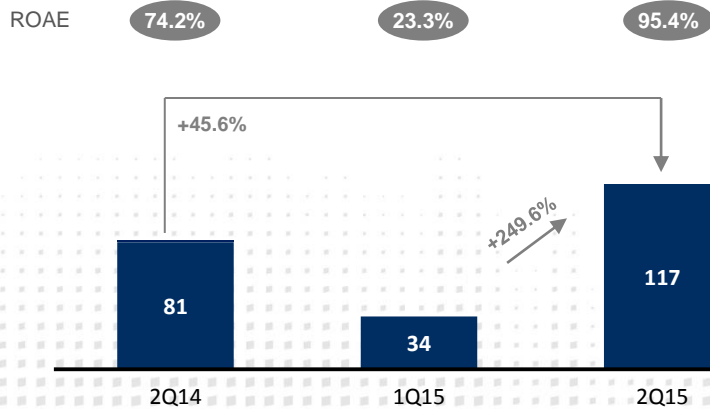
### Inteligo

Net profit in S/. million



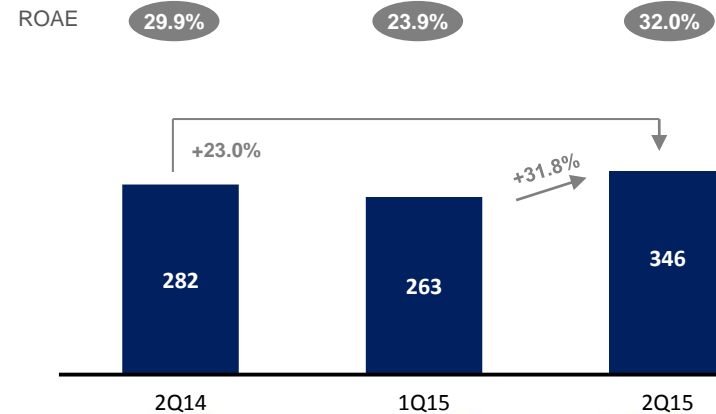
### Interseguro

Net profit in S/. million



### IFS

Net profit in S/. million



**Interbank**

# Interbank's net profit grew 13.7% YoY

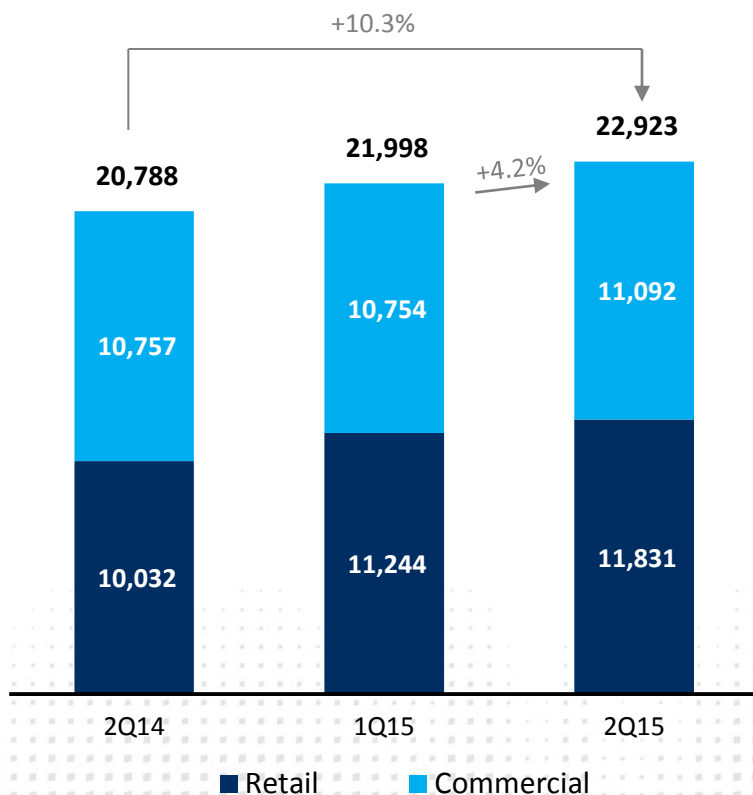
IFRS

Banking Segment's P&L Statement					
S/. million	2Q14	1Q15	2Q15	%chg QoQ	%chg YoY
Interest and similar income	627.1	668.6	732.8	9.6%	16.9%
Interest and similar expenses	-186.0	-191.5	-203.8	6.4%	9.6%
<b>Net interest and similar income</b>	<b>441.0</b>	<b>477.1</b>	<b>529.0</b>	<b>10.9%</b>	<b>19.9%</b>
Provision for loan losses, net of recoveries	-118.4	-148.8	-172.2	15.7%	45.5%
<b>Net interest and similar income after provision for loan losses</b>	<b>322.7</b>	<b>328.3</b>	<b>356.7</b>	<b>8.7%</b>	<b>10.6%</b>
Fee income from financial services, net	159.6	173.2	171.4	-1.0%	7.4%
Other income	68.9	125.1	111.9	-10.6%	62.2%
Other expenses	-307.7	-340.3	-355.8	4.6%	15.6%
<b>Income before translation result and income tax</b>	<b>243.5</b>	<b>286.2</b>	<b>284.2</b>	<b>-0.7%</b>	<b>16.7%</b>
Translation result	-0.5	-12.4	-10.0	-19.4%	n.m.
Income tax	-66.3	-68.6	-73.2	6.7%	10.4%
<b>Profit for the period</b>	<b>176.7</b>	<b>205.2</b>	<b>201.0</b>	<b>-2.1%</b>	<b>13.7%</b>
<b>ROAE</b>	<b>25.4%</b>	<b>25.5%</b>	<b>24.6%</b>		
<b>Efficiency ratio</b>	<b>45.9%</b>	<b>42.3%</b>	<b>41.7%</b>		
<b>NIM</b>	<b>6.11%</b>	<b>6.27%</b>	<b>6.83%</b>		
<b>NIM on loans</b>	<b>8.62%</b>	<b>8.99%</b>	<b>9.12%</b>		

# Performing loans grew 4.2% QoQ and 10.3% YoY

## Performing loans

S/. million



## Breakdown of loans

S/. million

	2Q14	1Q15	2Q15	%chg QoQ	%chg YoY
<b>Consumer loans:</b>					
Credit cards	2,837.5	3,347.2	3,632.7	8.5%	28.0%
Other consumer	3,338.9	3,741.7	3,924.4	4.9%	17.5%
<b>Total consumer loans</b>	<b>6,176.4</b>	<b>7,089.0</b>	<b>7,557.2</b>	<b>6.6%</b>	<b>22.4%</b>
Mortgages	3,855.6	4,154.5	4,274.1	2.9%	10.9%
<b>Total retail loans</b>	<b>10,031.9</b>	<b>11,243.5</b>	<b>11,831.3</b>	<b>5.2%</b>	<b>17.9%</b>
<b>Total commercial</b>	<b>10,756.5</b>	<b>10,754.4</b>	<b>11,092.0</b>	<b>3.1%</b>	<b>3.1%</b>
<b>Total loans</b>	<b>20,788.5</b>	<b>21,997.9</b>	<b>22,923.3</b>	<b>4.2%</b>	<b>10.3%</b>

## Market share in loans <sup>(1)</sup>

S/. million

	2Q14	1Q15	2Q15	bps QoQ	bps YoY
<b>Consumer loans:</b>					
Credit cards	23.9%	24.9%	24.9%	0	100
Other consumer	18.7%	18.9%	19.2%	30	50
<b>Total consumer loans</b>	<b>20.8%</b>	<b>21.4%</b>	<b>21.6%</b>	<b>20</b>	<b>80</b>
Mortgages	12.9%	12.5%	12.6%	10	-30
<b>Total retail loans</b>	<b>16.9%</b>	<b>17.0%</b>	<b>17.2%</b>	<b>20</b>	<b>30</b>
<b>Total commercial</b>	<b>9.1%</b>	<b>8.1%</b>	<b>8.1%</b>	<b>0</b>	<b>-100</b>
<b>Total loans</b>	<b>11.8%</b>	<b>11.1%</b>	<b>11.2%</b>	<b>10</b>	<b>-60</b>

<sup>(1)</sup> Based on Local GAAP Figures

# Interbank's deposits grew 3.9% YoY driven by strong retail deposit growth of 17.1%

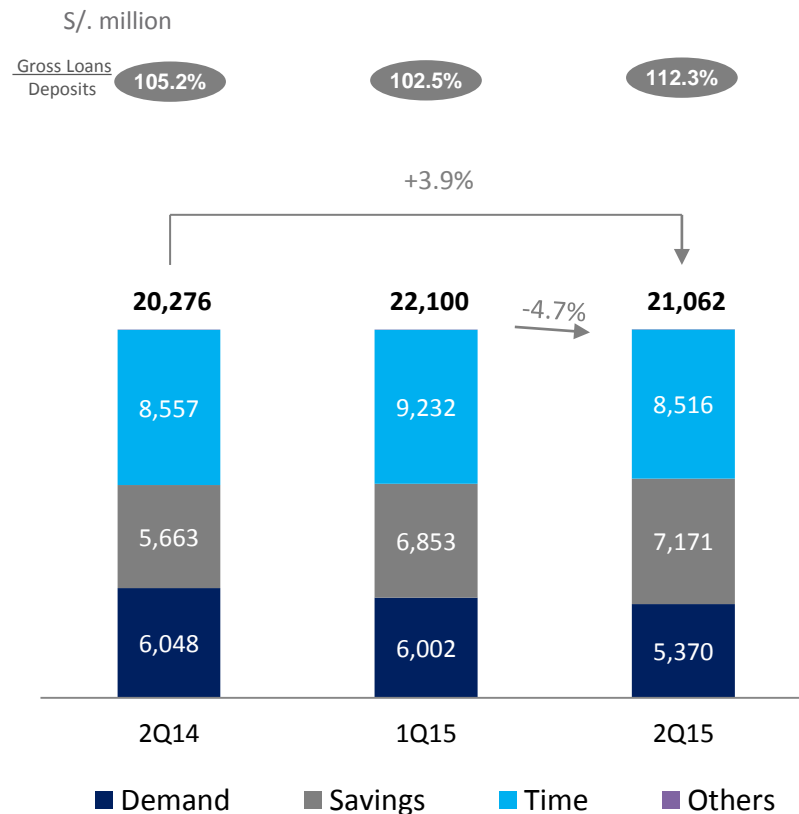
## Funding structure

S/. million	2Q14	1Q15	2Q15	%chg QoQ	%chg YoY
Deposits	20,275.7	22,099.6	21,061.9	-4.7%	3.9%
Retail	8,217.3	9,271.6	9,625.6	3.8%	17.1%
Commercial <sup>(1)</sup>	12,058.5	12,828.1	11,436.3	-10.8%	-5.2%
Due to banks	2,876.1	3,974.0	5,649.6	42.2%	96.4%
Bonds	3,963.7	4,377.4	4,400.3	0.5%	11.0%
<b>Total</b>	<b>27,115.6</b>	<b>30,451.0</b>	<b>31,111.8</b>	<b>2.2%</b>	<b>14.7%</b>
AUM (Interfondos)	2,496.6	2,673.4	2,696.5	0.9%	8.0%
Average cost of funding	-3.2%	-3.1%	-3.1%	0 bps	10 bps

## Market share in deposits<sup>(2)</sup>

S/. million	2Q14	1Q15	2Q15	bps QoQ	bps YoY
Retail Deposits	12.0%	12.1%	12.3%	20	30
Commercial Deposits <sup>(3)</sup>	10.8%	11.3%	9.9%	-140	-90
<b>Total Deposits</b>	<b>11.3%</b>	<b>11.6%</b>	<b>10.9%</b>	<b>-70</b>	<b>-40</b>

## Deposit breakdown



<sup>(1)</sup> Includes Institutional and others

<sup>(2)</sup> Based on Local GAAP Figures

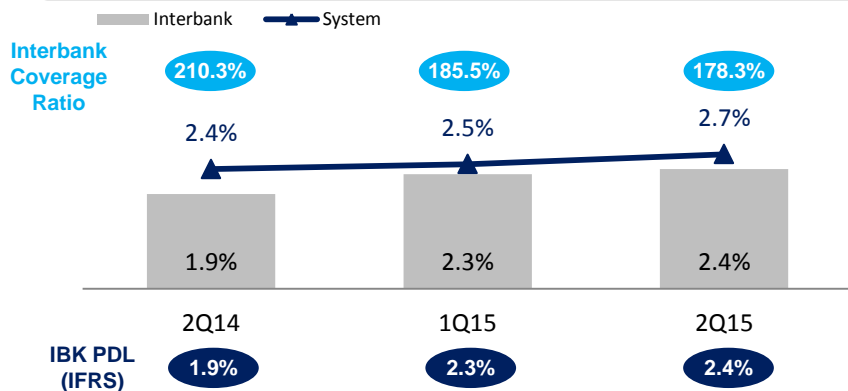
<sup>(3)</sup> Includes demand and savings deposits



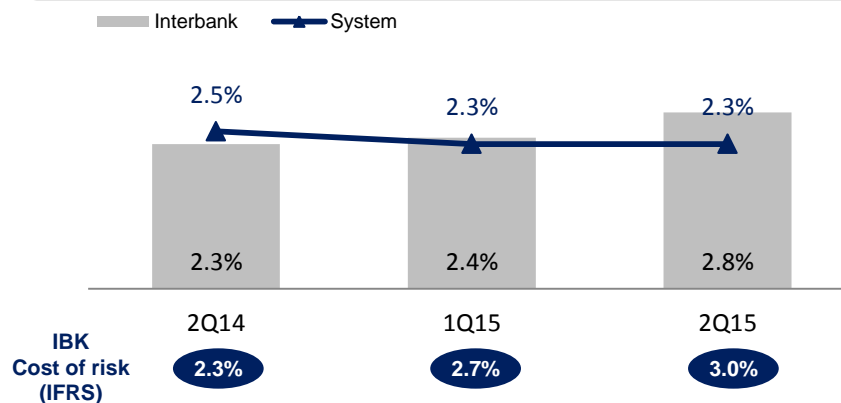
# Asset quality remains strong, better than the system in most products

Local GAAP & IFRS figures

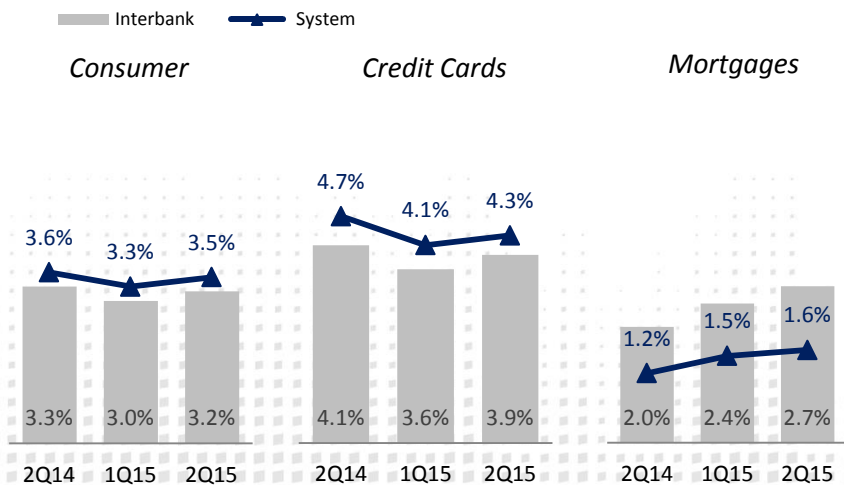
## PDL vs. System



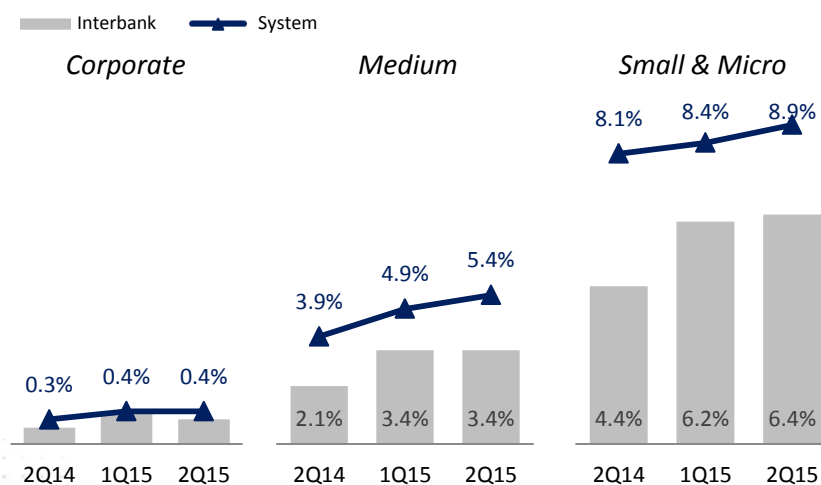
## Loan provision expense vs. System



## PDL retail banking vs. System

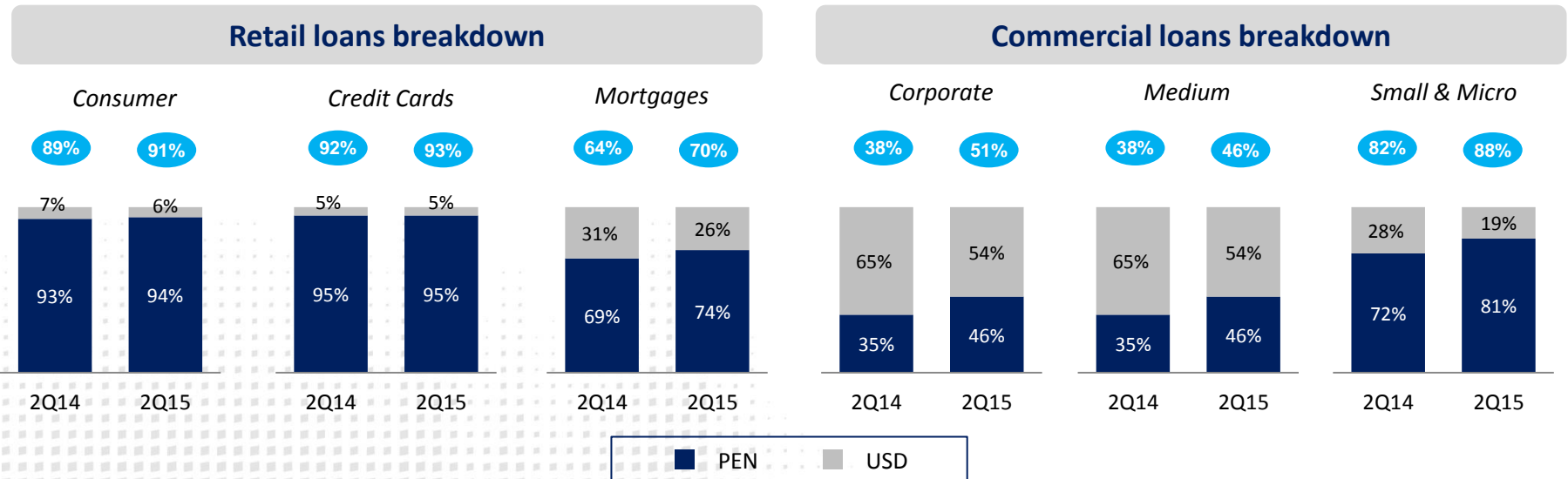
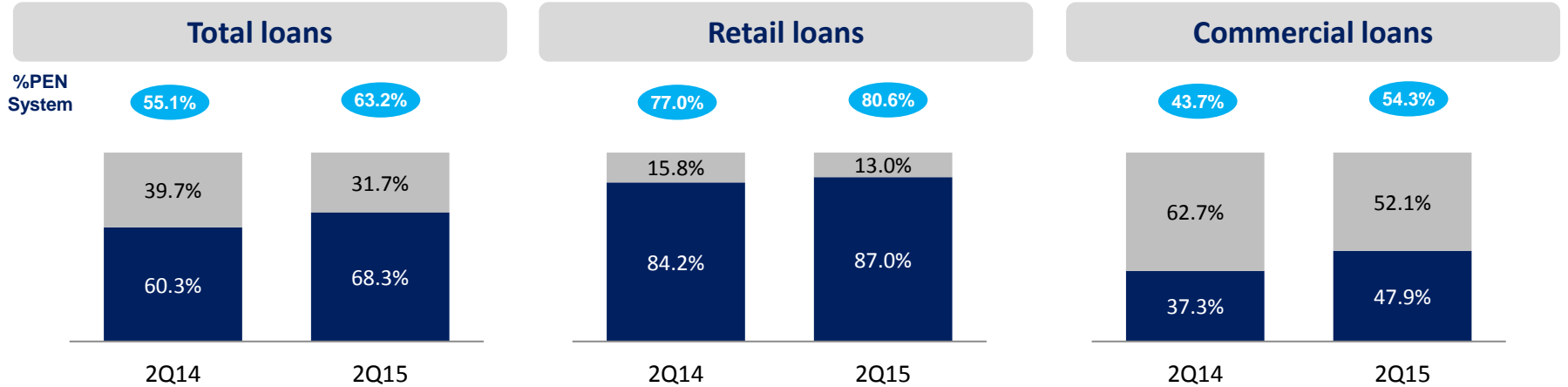


## PDL commercial banking vs. System



# Strong de-dollarization trend in the last year

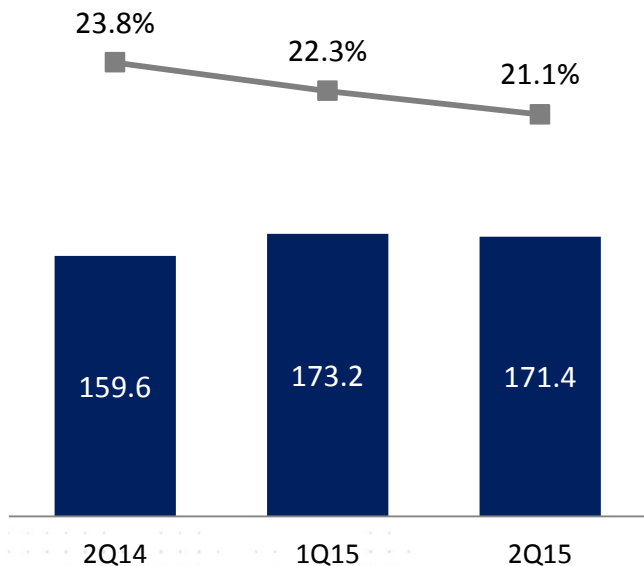
Local GAAP figures



# Fee income increased 7.4% YoY and efficiency ratio improved considerably

## Fee income

S/. million

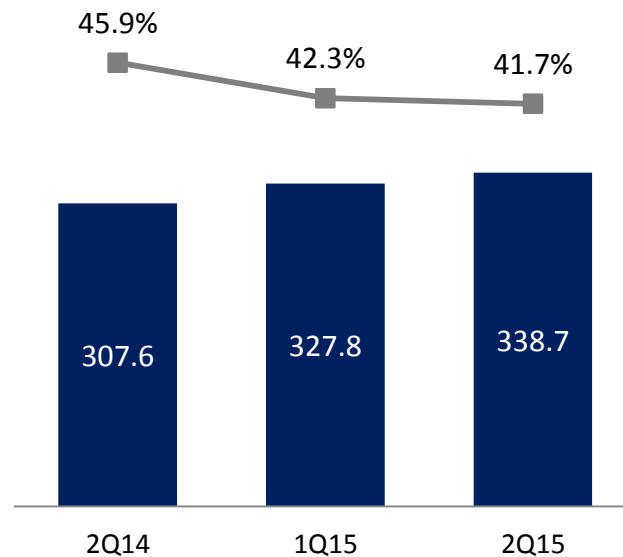


■ Net Fee income

■ Fee income / (Net interest income + Fee income + Other income)

## Operating expenses

S/. million



■ Salaries, administrative and D&A expenses

■ Efficiency ratio <sup>(1)</sup>

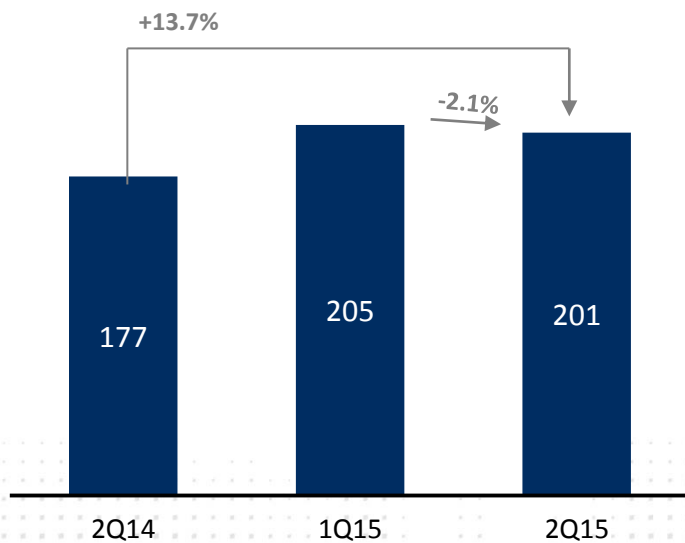
(1) Efficiency ratio is defined as (Salaries and employee benefits + Administrative expenses + Depreciation and amortization) / (Net interest income + Fee income + Other income)

# Strong quarter at Interbank with solid ROAE levels

IFRS

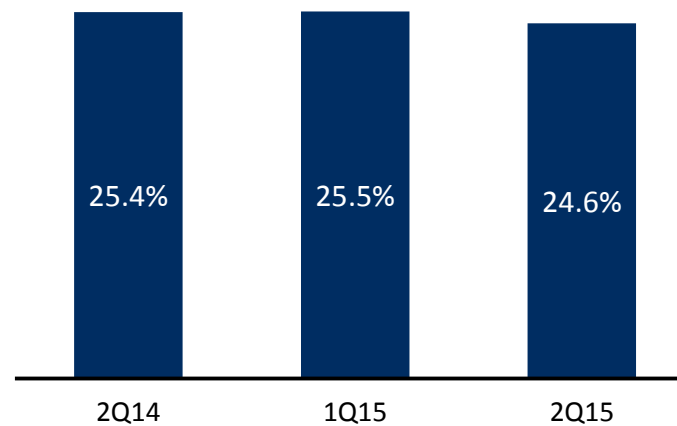
## Net profit

S/. million

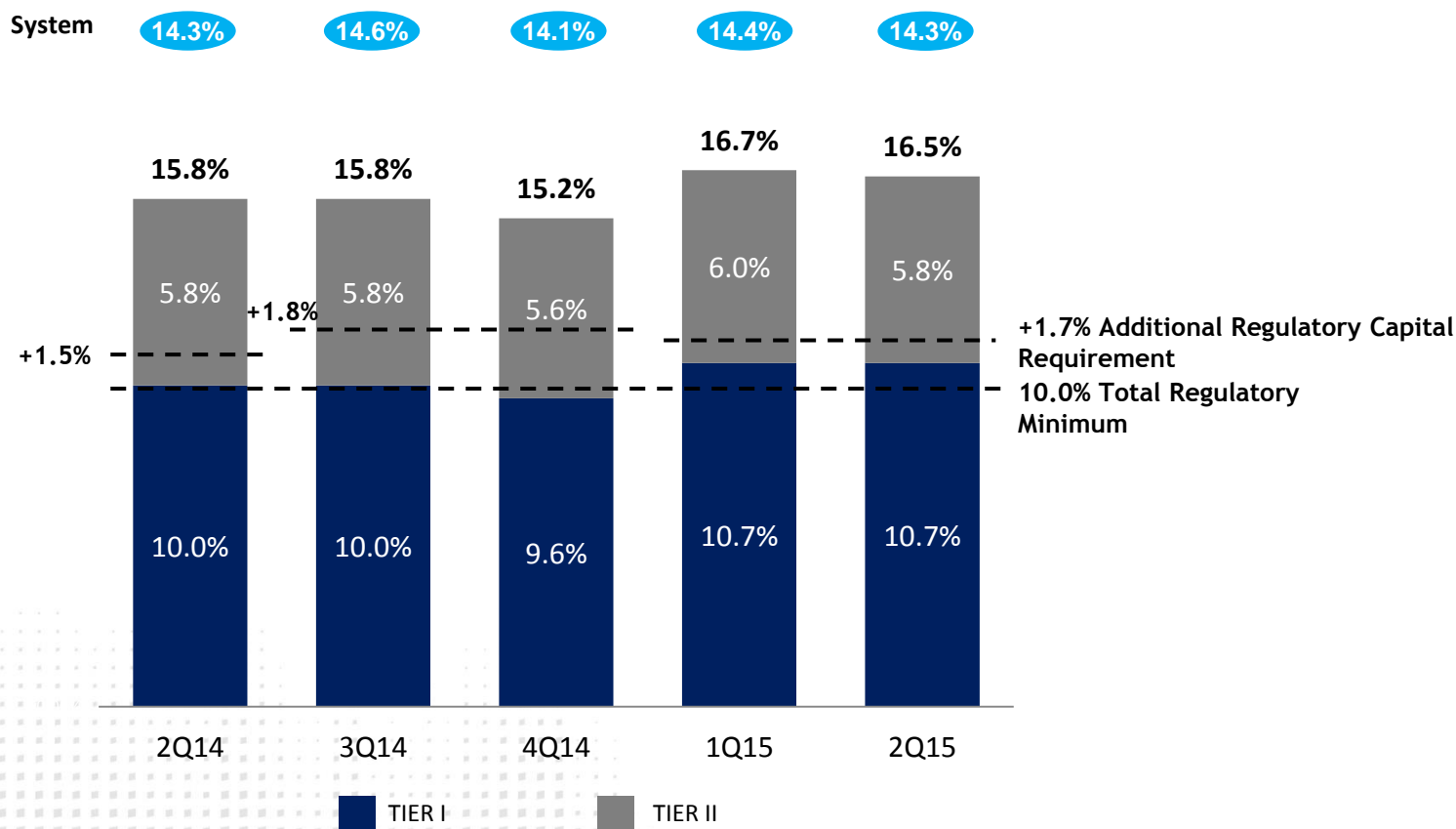


## ROAE

Annualized



# Interbank's BIS ratio remained well above regulatory requirements



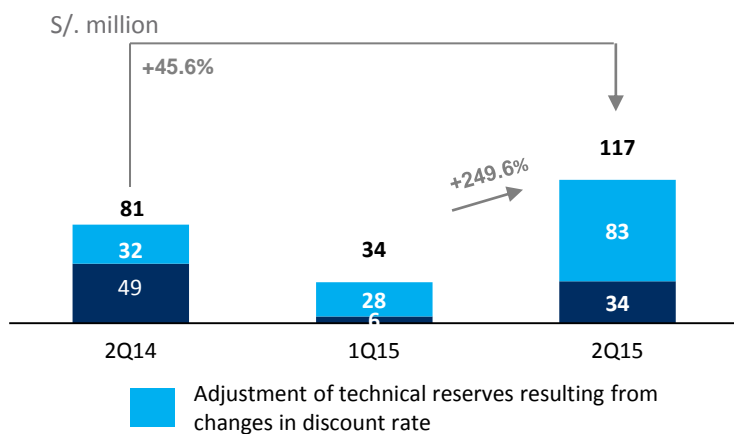
# Interseguro

# Interseguro's profit attributable to shareholders more than tripled QoQ and increased 45.6% YoY

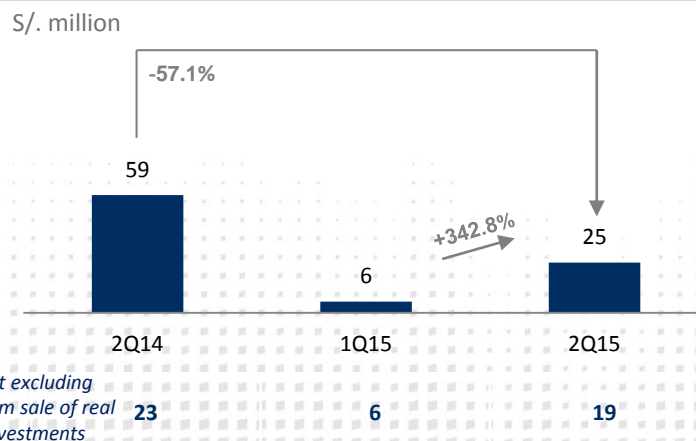
Insurance Segment's P&L Statement					
S/. million	2Q14	1Q15	2Q15	%chg QoQ	%chg YoY
Net Interest and similar income	51.1	53.3	64.9	21.7%	26.9%
Fee income from financial services, net	-0.4	-0.7	-1.1	53.6%	144.1%
Other income	63.8	41.0	44.4	8.2%	-30.5%
Total premiums earned less claims and benefits	13.2	-12.0	62.9	n.m.	n.m.
Other expenses	-48.0	-47.4	-53.4	12.6%	11.2%
<b>Income before translation result and income tax</b>	<b>79.8</b>	<b>34.2</b>	<b>117.7</b>	<b>243.8%</b>	<b>47.6%</b>
Translation result	0.9	-0.7	-0.6	-15.5%	n.m.
Income tax	-0.0	0.2	0.1	-74.3%	n.m.
<b>Profit for the period</b>	<b>80.7</b>	<b>33.8</b>	<b>117.2</b>	<b>246.6%</b>	<b>45.3%</b>
Attributable to non-controlling interest <sup>(1)</sup>	0.0	-0.2	0.3	n.m.	n.m.
<b>Profit attributable to shareholders</b>	<b>80.7</b>	<b>33.6</b>	<b>117.5</b>	<b>249.6%</b>	<b>45.6%</b>
Discount rate impacts on technical reserves	31.8	28.0	83.1	197.1%	161.3%
<b>Profit excluding discount rate impacts</b>	<b>48.9</b>	<b>5.6</b>	<b>34.4</b>	<b>n.m.</b>	<b>-29.6%</b>
<b>ROAE</b>	<b>74.2%</b>	<b>23.3%</b>	<b>95.4%</b>		
<b>Efficiency ratio</b>	<b>15.0%</b>	<b>16.9%</b>	<b>10.4%</b>		

# Interseguro's net profit IFRS vs. Local GAAP

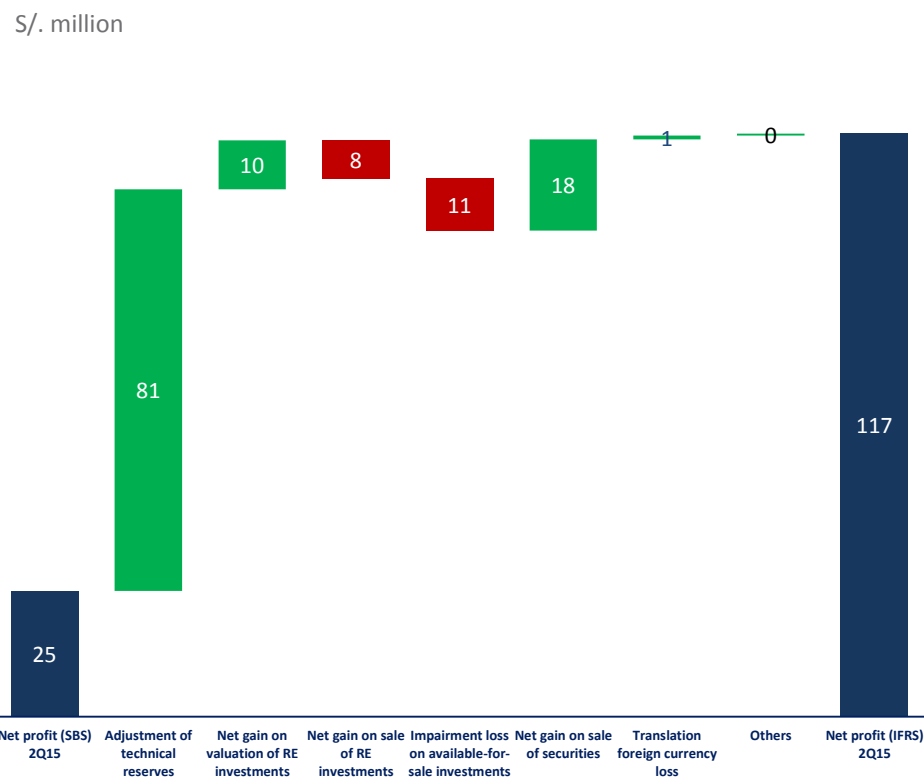
## Net profit – IFRS



## Net profit – Local GAAP



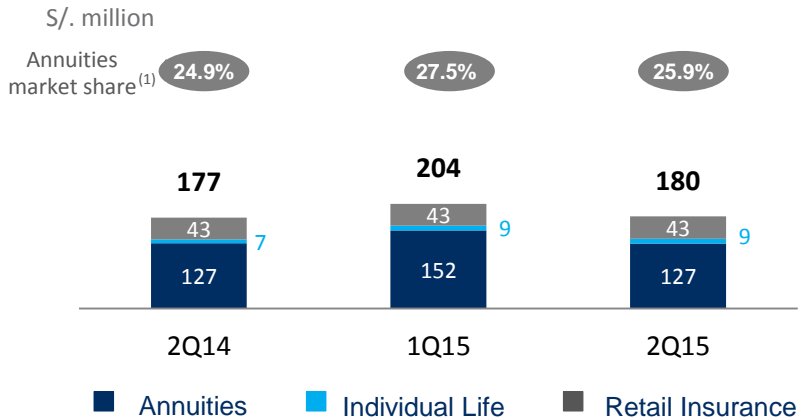
## Net profit bridge from Local GAAP to IFRS (2Q15)



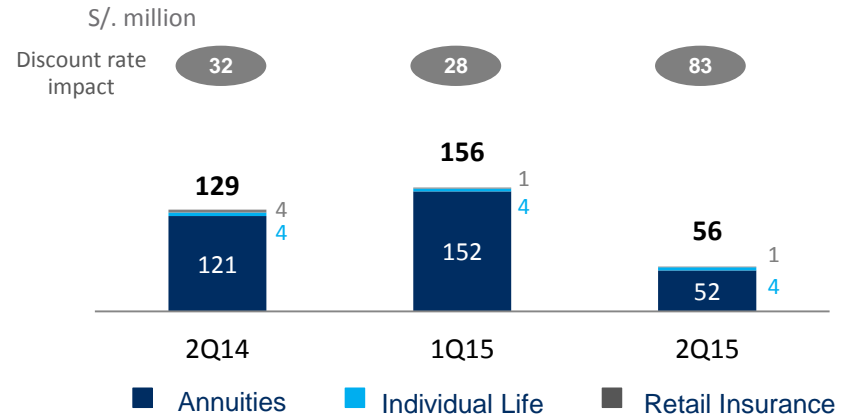


# Adjustment of technical reserves declined 63.9% QoQ and 56.1% YoY due to a positive discount rate impact of S/. 83.1 million in 2Q15

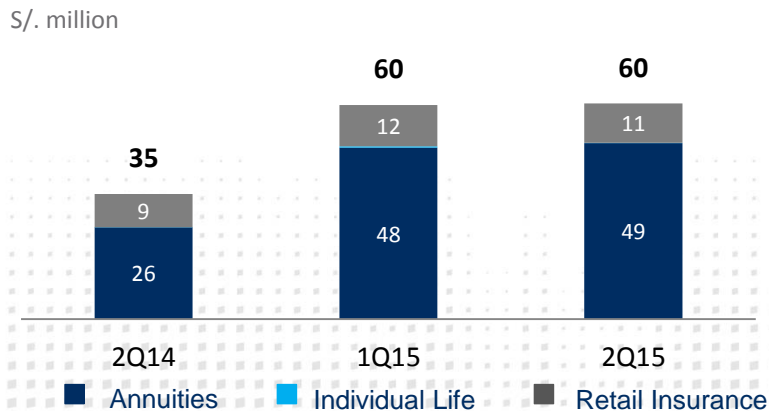
## Net premiums



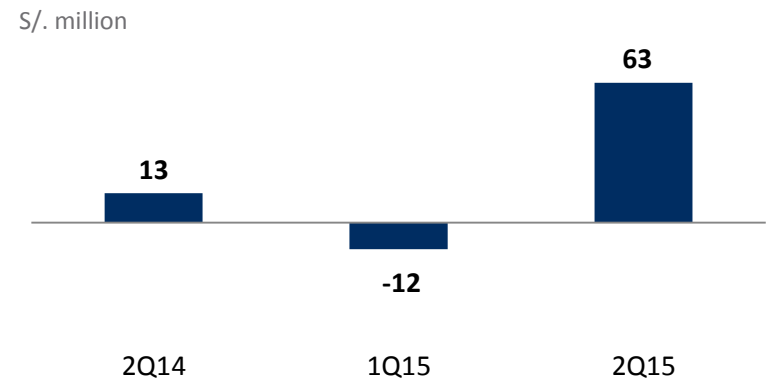
## Adjustment of technical reserves



## Net claims and benefits incurred



## Total premiums earned less claims and benefits

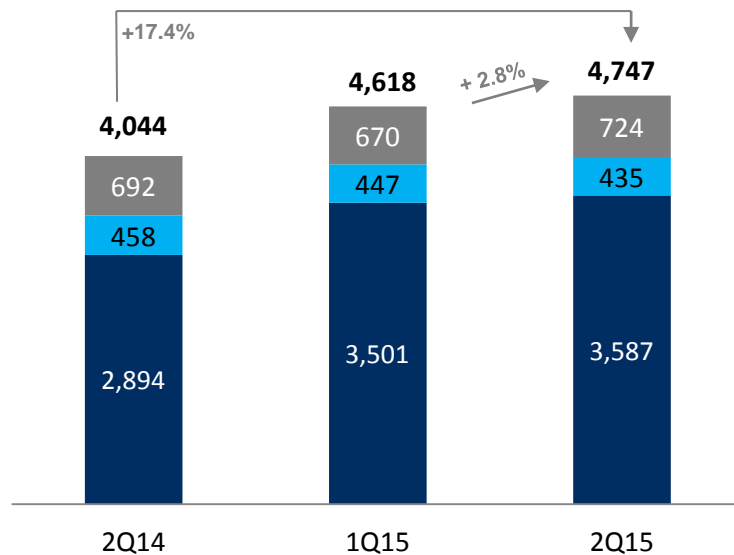


(1) Annuities market share measures the percentage of net premiums earned by Interseguro compared to the total of industry quarterly  
 Note: Annuities include Disability and Survivorship.

# Interseguro's investment portfolio grew 17.4% YoY

## Investment portfolio

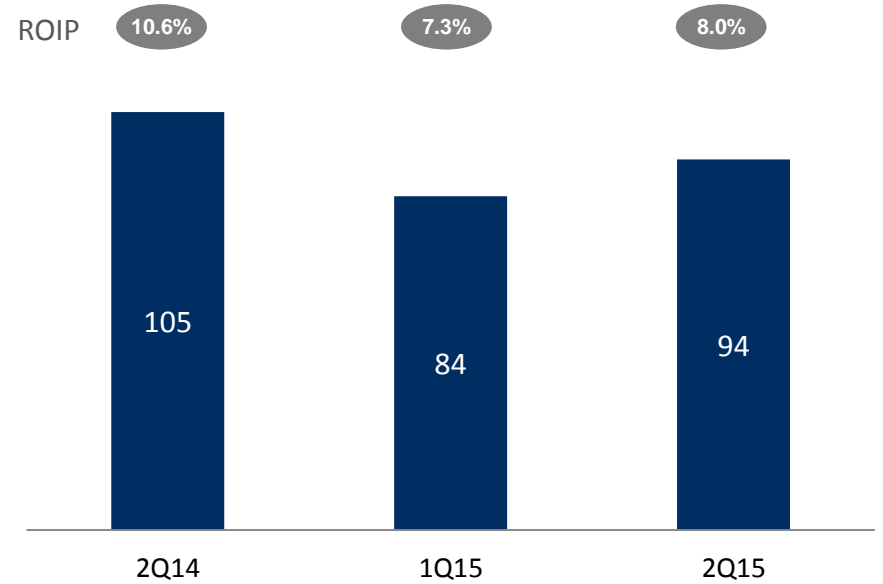
S/. million



■ Fixed income ■ Equity & Mutual funds ■ Real estate

## Results from investments<sup>(1)</sup>

S/. million



■ Results from Investments

(1) Only includes transactions related to investments

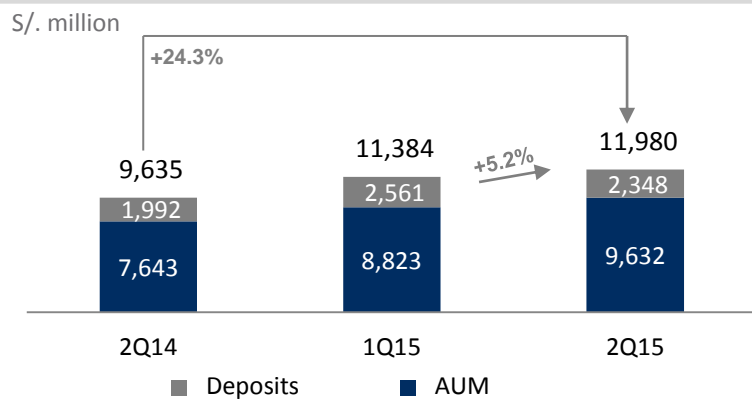
**Inteligo**

# Inteligo's net profit increased 38.6% QoQ and 17.6% YoY

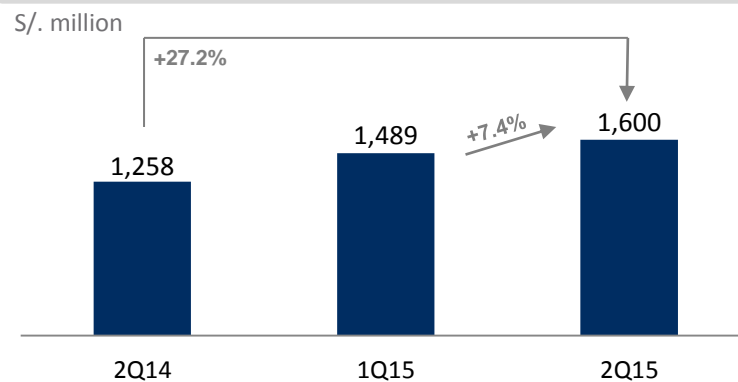
Wealth Management Segment's P&L Statement					
S/. million	2Q14	1Q15	2Q15	%chg QoQ	%chg YoY
Interest and similar income	28.1	27.7	35.9	29.4%	27.5%
Interest and similar expenses	-12.4	-13.4	-12.8	-4.5%	3.0%
<b>Net interest and similar income</b>	<b>15.7</b>	<b>14.3</b>	<b>23.1</b>	<b>61.2%</b>	<b>46.9%</b>
Fee income from financial services, net	25.0	31.2	30.1	-3.5%	20.4%
Other income	24.4	8.5	18.8	n.m.	-22.9%
Other expenses	-22.6	-17.9	-22.2	23.8%	-2.0%
<b>Income before translation result and income tax</b>	<b>42.5</b>	<b>36.2</b>	<b>49.9</b>	<b>37.9%</b>	<b>17.2%</b>
Translation result	0.0	0.0	0.2	n.m.	n.m.
Income tax	0.0	0.0	0.0	n.m.	n.m.
<b>Profit for the period</b>	<b>42.6</b>	<b>36.1</b>	<b>50.0</b>	<b>38.6%</b>	<b>17.6%</b>
<b>ROAE</b>	<b>34.2%</b>	<b>29.1%</b>	<b>38.2%</b>		
<b>Efficiency ratio</b>	<b>24.1%</b>	<b>33.1%</b>	<b>30.8%</b>		

# Inteligo's key indicators

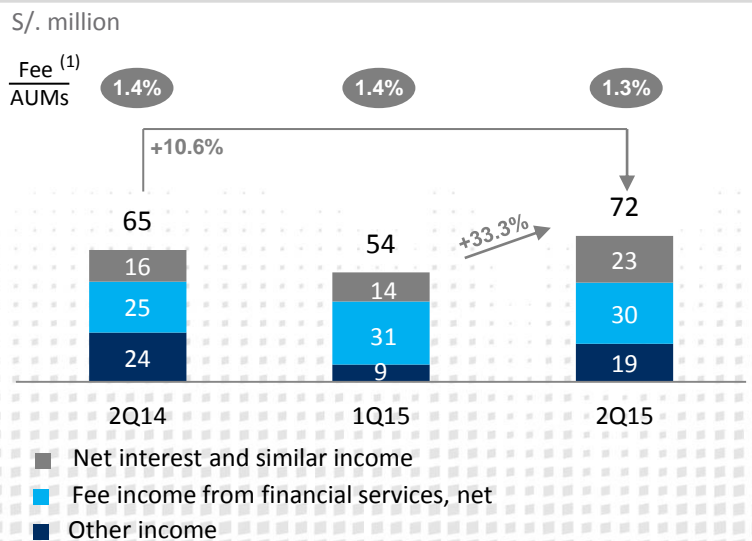
## AUMs + Deposits



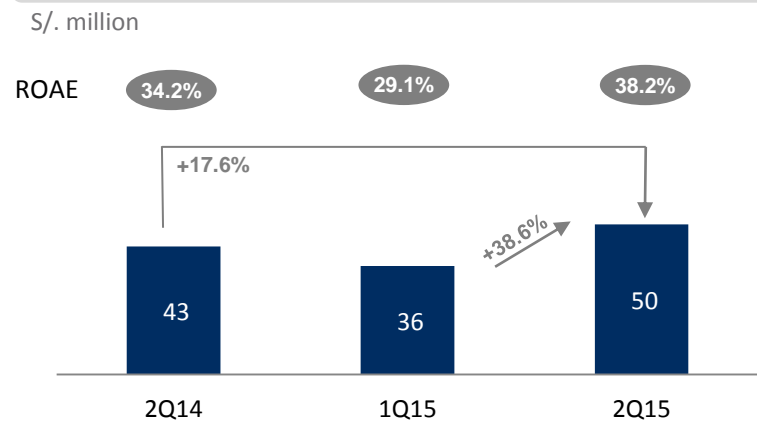
## Loans



## Revenues



## Net profit



(1) Corresponds to Inteligo Bank

## Summary

# In 2Q15 IFS continued to deliver strong operating performance in all 3 segments

## ✓ **Interbank**

- ✓ 22.4% YoY growth in consumer loans and 17.1% YoY growth in retail deposits
- ✓ 2.4% PDL ratio below the system's 2.7%
- ✓ 420 bps improvement in the efficiency ratio YoY, to 41.7%

## ✓ **Interseguro**

- ✓ Market leader in annuities for six consecutive years as of 2Q15
- ✓ 17.4% YoY growth on investment portfolio

## ✓ **Inteligo**

- ✓ AuM + deposits increased 5.2% QoQ and 24.3% YoY
- ✓ Loans grew 7.4% QoQ and 27.2% YoY

## ✓ **High profitability**

- ✓ 31.8% QoQ and 23.0% YoY growth in net profit at IFS in 2Q15
- ✓ 2Q15 annualized ROAE of 32.0%

# Appendix



# IFS 2Q15 P&L

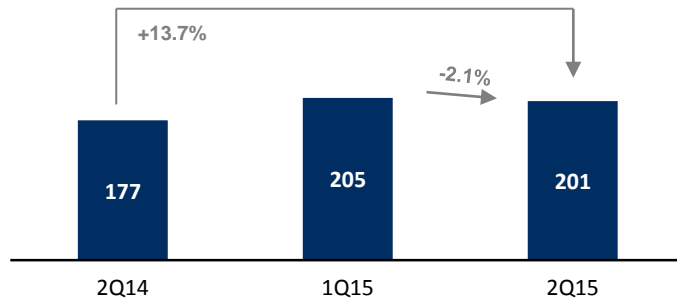
## IFRS

Intercorp Financial Services' P&L statement					
S/. million	2Q14	1Q15	2Q15	%chg QoQ	%chg YoY
Interest and similar income	692.5	753.5	817.1	8.4%	18.0%
Interest and similar expense	-200.4	-207.7	-218.0	5.0%	8.8%
<b>Net interest and similar income</b>	<b>492.1</b>	<b>545.8</b>	<b>599.1</b>	<b>9.8%</b>	<b>21.8%</b>
Provision for loan losses, net of recoveries	-118.4	-148.8	-172.2	15.7%	45.5%
<b>Net interest and similar income after provision for loan losses</b>	<b>373.7</b>	<b>397.0</b>	<b>426.9</b>	<b>7.5%</b>	<b>14.2%</b>
Fee income from financial services, net	176.6	194.8	194.0	-0.4%	9.8%
Other income	154.3	171.7	178.7	4.1%	15.8%
Total premiums earned less claims and benefits	13.2	-12.0	62.9	n.m.	n.m.
Net Premiums	177.0	204.3	179.6	-12.1%	1.5%
Adjustment of technical reserves	-128.8	-156.5	-56.5	-63.9%	-56.1%
Net claims and benefits incurred	-35.0	-59.9	-60.3	0.7%	72.1%
Other expenses	-366.1	-399.9	-427.3	6.8%	16.7%
<b>Income before translation result and income tax</b>	<b>351.8</b>	<b>351.6</b>	<b>435.1</b>	<b>23.8%</b>	<b>23.7%</b>
Translation result	1.2	-10.6	-8.3	-21.8%	n.m.
Income tax	-71.4	-78.1	-80.4	3.0%	12.7%
<b>Profit for the period</b>	<b>281.6</b>	<b>262.9</b>	<b>346.4</b>	<b>31.8%</b>	<b>23.0%</b>
<b>Attributable to equity holders of the group</b>	<b>280.4</b>	<b>261.2</b>	<b>345.2</b>	<b>32.2%</b>	<b>23.1%</b>
<b>EPS</b>	<b>2.56</b>	<b>2.39</b>	<b>3.16</b>		
<b>ROAE</b>	<b>29.9%</b>	<b>23.9%</b>	<b>32.0%</b>		

# Interbank's net profit IFRS vs. Local GAAP

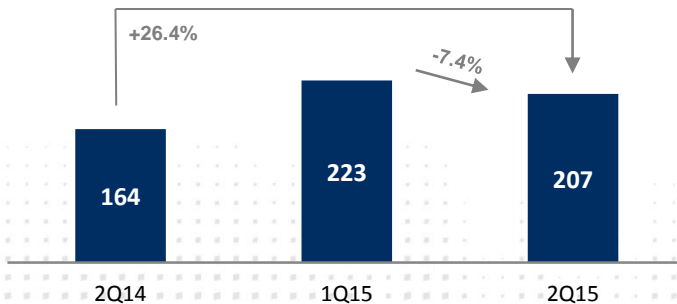
## Net profit – IFRS

S/. million



## Net profit – Local GAAP

S/. million



## Net profit bridge from Local GAAP to IFRS (2Q15)

S/. million



(1) Includes D&A expenses (S/. 1.6 million) and tax expenses (S/. 4.3 million)



**Intercorp** Financial Services