



**Fourth Quarter 2008  
Earnings Presentation**





## Intergroup

- Intergroup's operating performance was strong in 2008. However, the global financial crisis and strict regulations on reserve requirements and provisioning led net earnings to decline 10% in 2008.
- Net earnings grew 46% QoQ as a result of strong operating trends at Interbank. However, earnings fell 6% YoY due to valuation losses in Interseguro's equity portfolio and higher reserve and provisioning requirements at Interbank.
- Excluding non-recurring items, net earnings rose 4% YoY and 1% QoQ.

## Interbank

- Interbank's net income grew 19% in 2008 mainly due to increased financial income from a larger loan portfolio.
- Net income grew 32.1% QoQ and 15.0% YoY as a result of increases in interest on loans and fee income.
- Interbank's loan portfolio grew 51% YoY and 15% QoQ leading to significant gains in market share.
- The average yield on loans remained stable QoQ, while NIM increased slightly despite lower returns on reserve deposits held with the Central Bank.
- Asset quality and coverage remain strong, with past due loans at 1.2% of total loans, and coverage at 283%. However, provision expenses doubled QoQ, partly as a result of new pro-cyclical provision requirements.

## Interseguro

- Interseguro reported S/.6.5mm net earnings in 2008, significantly below the S/.79.0mm of 2007 due to losses in the valuation of the investment portfolio.
- Valuation losses totaled S/.22mm in 4Q08 as Interseguro's equity portfolio of S/.221mm (equivalent to 12% of the company's total investment portfolio) declined 17% in value in 4Q08, affected by a 37% decline in the Lima Stock Exchange index.
- As a result, Interseguro reported a S/.7.3mm net loss in 4Q08, an improvement over the S/.16.0mm loss in 3Q08.

# Intergroup Financial Services

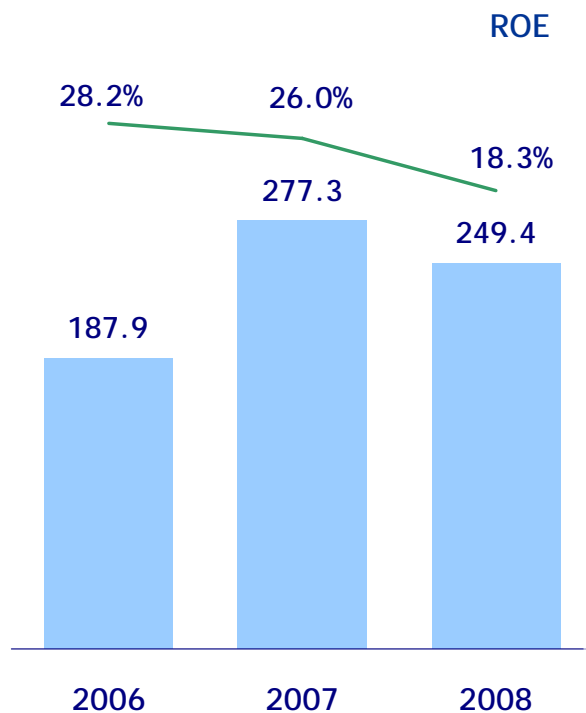


# Net income decreased 10% during 2008 due to a decline in earnings at Interseguro



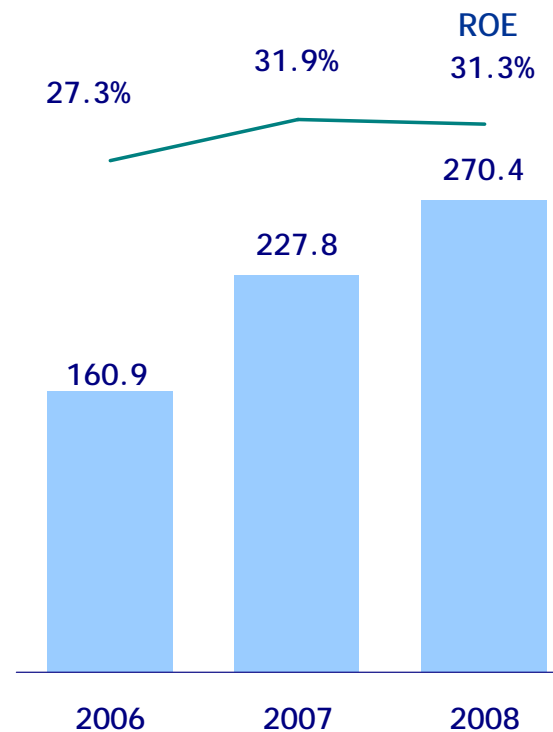
## Intergroup

S/. million



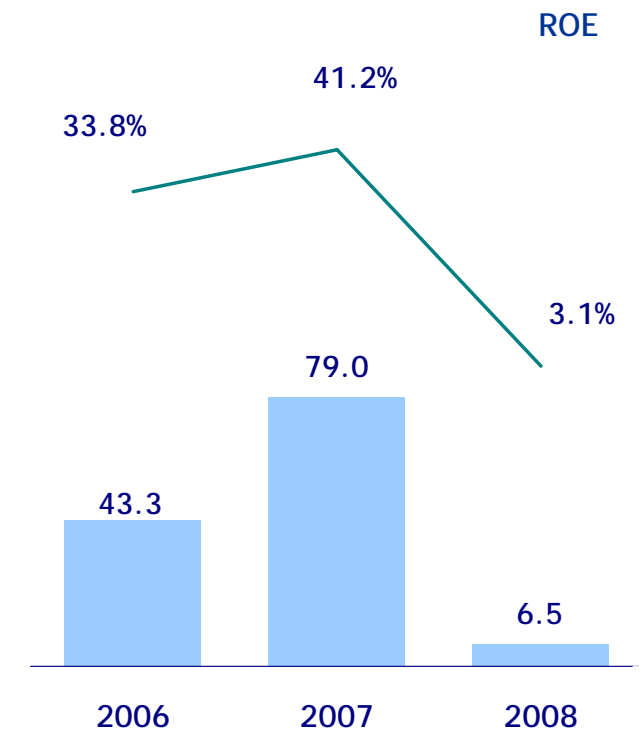
## Interbank

S/. million



## Interseguro

S/. million

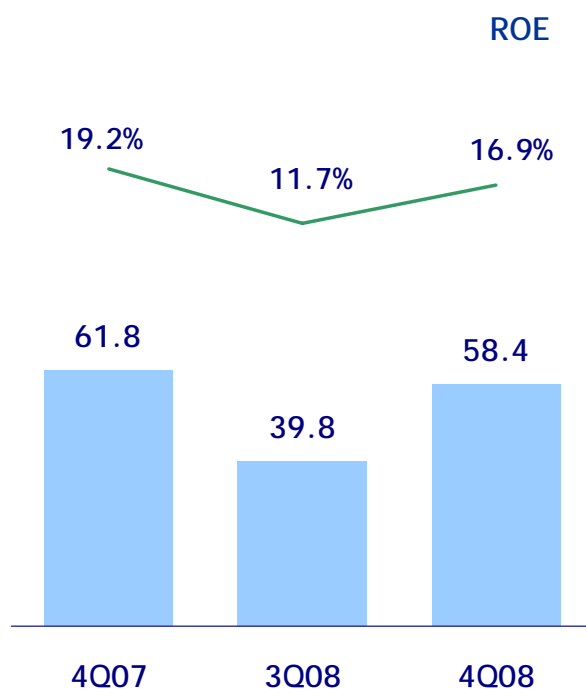


# Net income increased 47% QoQ and decreased 6% YoY



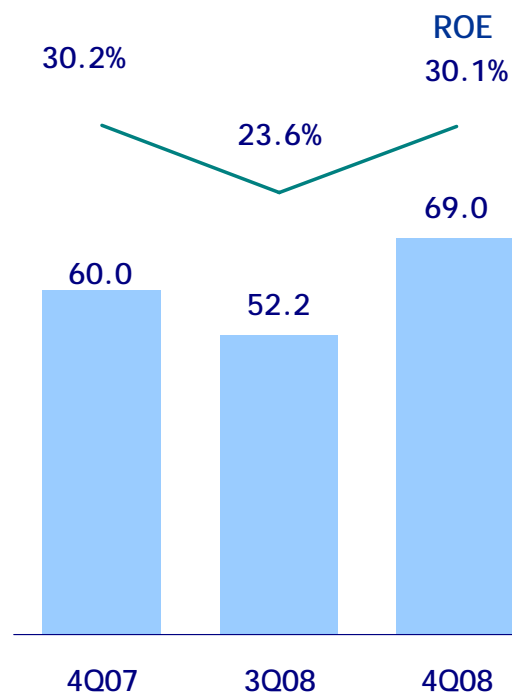
## Intergroup

S/. million



## Interbank

S/. million



## Interseguro

S/. million



# Net earnings



Intergroup's Profit and Loss Statement Summary					
S/. million	4Q07	3Q08	4Q08	%chg QoQ	%chg YoY
Financial income	326	378	419	11%	28%
Financial expenses	-85	-153	-143	-6%	69%
<b>Gross financial margin</b>	<b>241</b>	<b>226</b>	<b>276</b>	<b>22%</b>	<b>14%</b>
Provisions	-26	-50	-107	116%	309%
<b>Net financial margin</b>	<b>215</b>	<b>176</b>	<b>168</b>	<b>-4%</b>	<b>-22%</b>
Fee income from financial services, net	66	82	91	11%	39%
Result from insurance underwriting, net	-15	-19	-4	-78%	-73%
Administrative expenses	-166	-188	-192	2%	16%
<b>Net operating margin</b>	<b>99</b>	<b>51</b>	<b>63</b>	<b>24%</b>	<b>-36%</b>
Depreciation and amortization	-13	-15	-16	3%	24%
Other income (expenses)	8	31	10	-66%	26%
<b>Income before tax and profit sharing</b>	<b>95</b>	<b>66</b>	<b>58</b>	<b>-13%</b>	<b>-39%</b>
Income tax and profit sharing	-31	-30	1	-103%	-103%
Income from continuing operations	64	37	59	61%	-7%
<b>Net income</b>	<b>64</b>	<b>37</b>	<b>59</b>	<b>61%</b>	<b>-7%</b>
<b>Attributable to IFS shareholders</b>	<b>62</b>	<b>40</b>	<b>58</b>	<b>47%</b>	<b>-6%</b>
<b>EPS</b>	<b>0.67</b>	<b>0.43</b>	<b>0.62</b>		

# The contribution of both subsidiaries improved QoQ



## Intergroup's Profit and Loss Statement Summary

S/. million	4Q07	3Q08	4Q08	%chg QoQ	%chg YoY
Interbank	58	55	69	24%	18%
Interseguro	7	-16	-7	n.m.	n.m.
Intergroup accounts:					
Return on investment portfolio	4	4	14	208%	229%
Exchange loss, net	-9	-1	1	n.m.	n.m.
Taxes on dividends	0	-2	-1	n.m.	n.m.
Other expenses and other income	-2	-2	-2	7%	16%
Consolidation adjustments	3	0	-14	n.m.	n.m.
<b>Total</b>	<b>61</b>	<b>40</b>	<b>58</b>	<b>47%</b>	<b>-5%</b>

**Interbank**





# Interbank's net income rose 19% in 2008



## Profit and Loss Statement Summary

S/. million	2006	2007	2008	%chg 08/07	%chg 07/06
Financial income	764	1,001	1,393	39%	82%
Financial expenses	-187	-263	-416	58%	122%
<b>Gross financial margin</b>	<b>577</b>	<b>737</b>	<b>978</b>	<b>33%</b>	<b>69%</b>
Provisions	-127	-125	-232	86%	83%
<b>Net financial margin</b>	<b>451</b>	<b>612</b>	<b>745</b>	<b>22%</b>	<b>65%</b>
Fee income from financial services, net	222	271	341	26%	54%
Administrative expenses	-394	-529	-704	33%	79%
<b>Net operating margin</b>	<b>279</b>	<b>355</b>	<b>382</b>	<b>8%</b>	<b>37%</b>
Depreciation and amortization	-48	-49	-56	15%	17%
Other income (expenses)	7	31	37	nm	nm
<b>Income before tax and profit sharing</b>	<b>237</b>	<b>336</b>	<b>363</b>	<b>8%</b>	<b>53%</b>
Income tax and profit sharing	-76	-108	-92	-15%	21%
<b>Net Income</b>	<b>161</b>	<b>228</b>	<b>270</b>	<b>19%</b>	<b>68%</b>

# Net income increased 32% QoQ and 15% YoY



## Profit and Loss Statement Summary

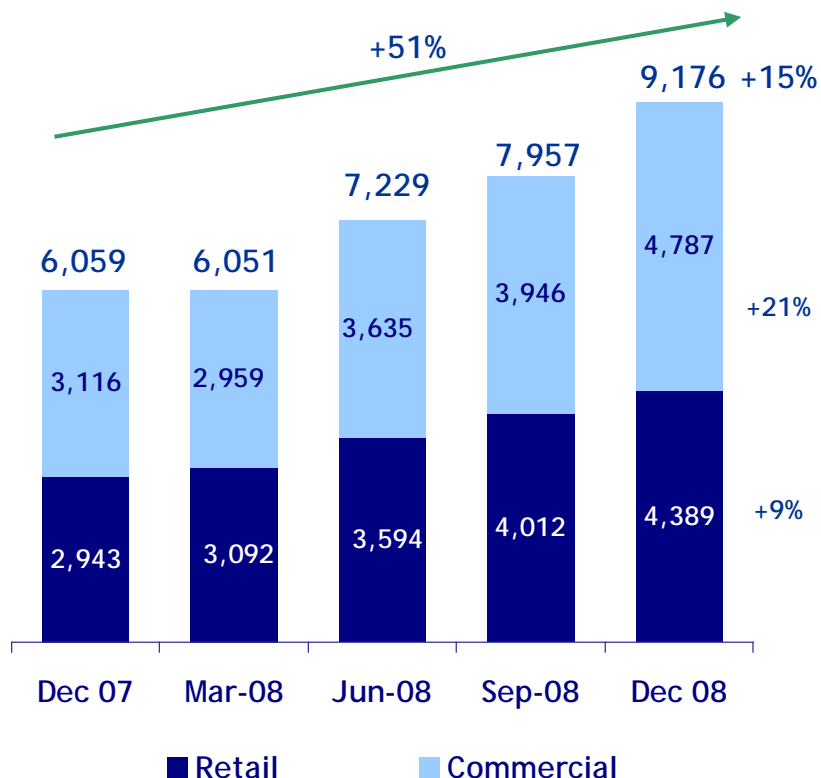
S/. million	4Q07	3Q08	4Q08	%chg QoQ	%chg YoY
Financial income	283	322	402	25%	42%
Financial expenses	-75	-108	-131	21%	74%
<b>Gross financial margin</b>	<b>207</b>	<b>214</b>	<b>270</b>	<b>26%</b>	<b>30%</b>
Provisions	-26	-50	-107	116%	309%
<b>Net financial margin</b>	<b>181</b>	<b>164</b>	<b>163</b>	<b>-1%</b>	<b>-10%</b>
Fee income from financial services, net	76	89	103	15%	36%
Administrative expenses	-155	-182	-189	4%	22%
<b>Net operating margin</b>	<b>102</b>	<b>72</b>	<b>77</b>	<b>8%</b>	<b>-24%</b>
Depreciation and amortization	-12	-15	-15	4%	25%
Other income (expenses)	-1	22	4	nm	nm
<b>Income before tax and profit sharing</b>	<b>89</b>	<b>79</b>	<b>66</b>	<b>-17%</b>	<b>-26%</b>
Income tax and profit sharing	-29	-27	3	-112%	-111%
<b>Net Income</b>	<b>60</b>	<b>52</b>	<b>69</b>	<b>32%</b>	<b>15%</b>

# Performing loans grew 51% YoY and 15% QoQ leading to significant gains in market share



## Performing loans

S/. million



## Breakdown of retail loans

S/. million

	4Q07	3Q08	4Q08	%chg QoQ	%chg YoY
<b>Consumer loans:</b>					
Credit cards	842	1,244	1,421	14%	69%
Other consumer	1,280	1,717	1,806	5%	41%
<b>Total consumer loans</b>	<b>2,123</b>	<b>2,961</b>	<b>3,227</b>	<b>9%</b>	<b>52%</b>
Mortgages	821	1,050	1,162	11%	42%
<b>Total retail loans</b>	<b>2,943</b>	<b>4,012</b>	<b>4,389</b>	<b>9%</b>	<b>49%</b>

## Market Share of Current Retail Loans

%	4Q07	3Q08	4Q08	%chg QoQ	%chg YoY
<b>Consumer loans:</b>					
Credit cards	15.3%	19.0%	20.1%	1.1%	4.8%
Other consumer	17.8%	18.4%	20.3%	1.9%	2.5%
<b>Total consumer loans</b>	<b>16.8%</b>	<b>18.6%</b>	<b>20.4%</b>	<b>1.8%</b>	<b>3.6%</b>
Mortgages	10.1%	11.0%	10.1%	-0.9%	0.0%
<b>Total retail loans</b>	<b>14.2%</b>	<b>15.8%</b>	<b>16.1%</b>	<b>0.3%</b>	<b>1.9%</b>

# Deposits increased 2.5% QoQ and 32.3% YoY



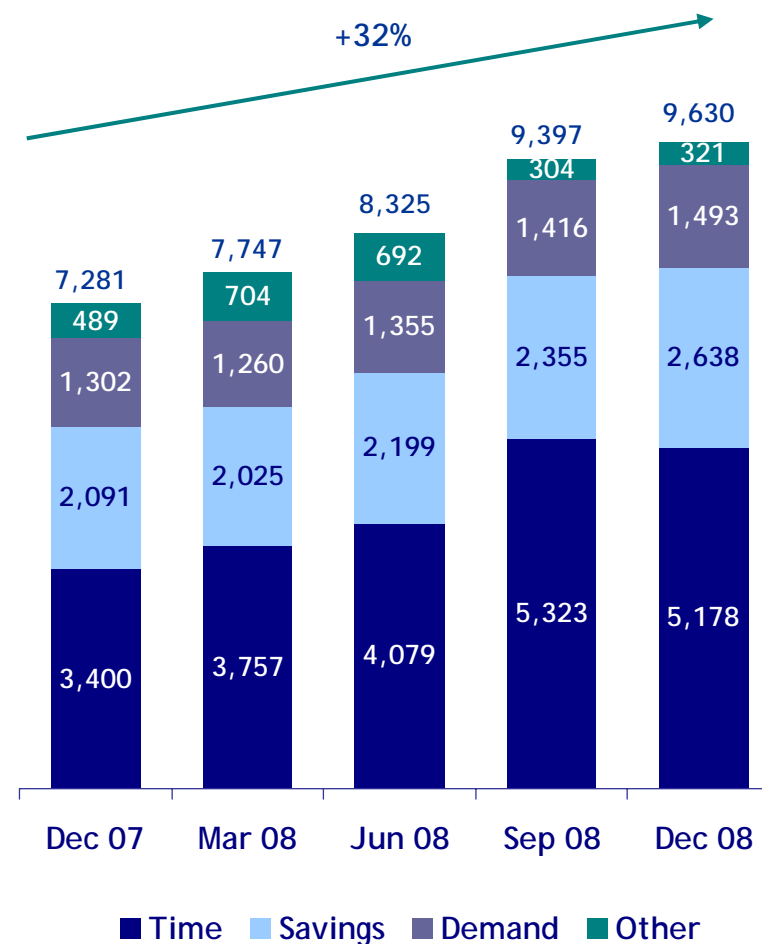
## Funding Structure

S/. million	4Q07	3Q08	4Q08	%chg QoQ	%chg YoY
Deposits and obligations	7,281.2	9,397.2	9,629.8	2.5%	32.3%
Due to banks:					
Short term	1,163.6	1,742.4	2,066.6	18.6%	77.6%
Long term	287.4	881.1	925.2	5.0%	221.9%
Total due to banks	1,450.9	2,623.5	2,991.7	14.0%	106.2%
Bonds and obligations	180.1	377.0	482.0	27.8%	167.7%
<b>Total</b>	<b>8,912.3</b>	<b>12,397.8</b>	<b>13,103.5</b>	<b>5.7%</b>	<b>47.0%</b>
AUM (Interfondos)	1,961	1,400	1,257	-10.2%	-35.9%

## Market Share of Deposits

%	4Q07	3Q08	4Q08	%chg QoQ	%chg YoY
Retail Deposits	11.1%	11.1%	11.8%	0.6%	0.6%
Commercial Deposits	8.2%	9.5%	8.3%	-1.2%	0.2%
<b>Total Deposits</b>	<b>9.2%</b>	<b>10.1%</b>	<b>9.7%</b>	<b>-0.4%</b>	<b>0.4%</b>

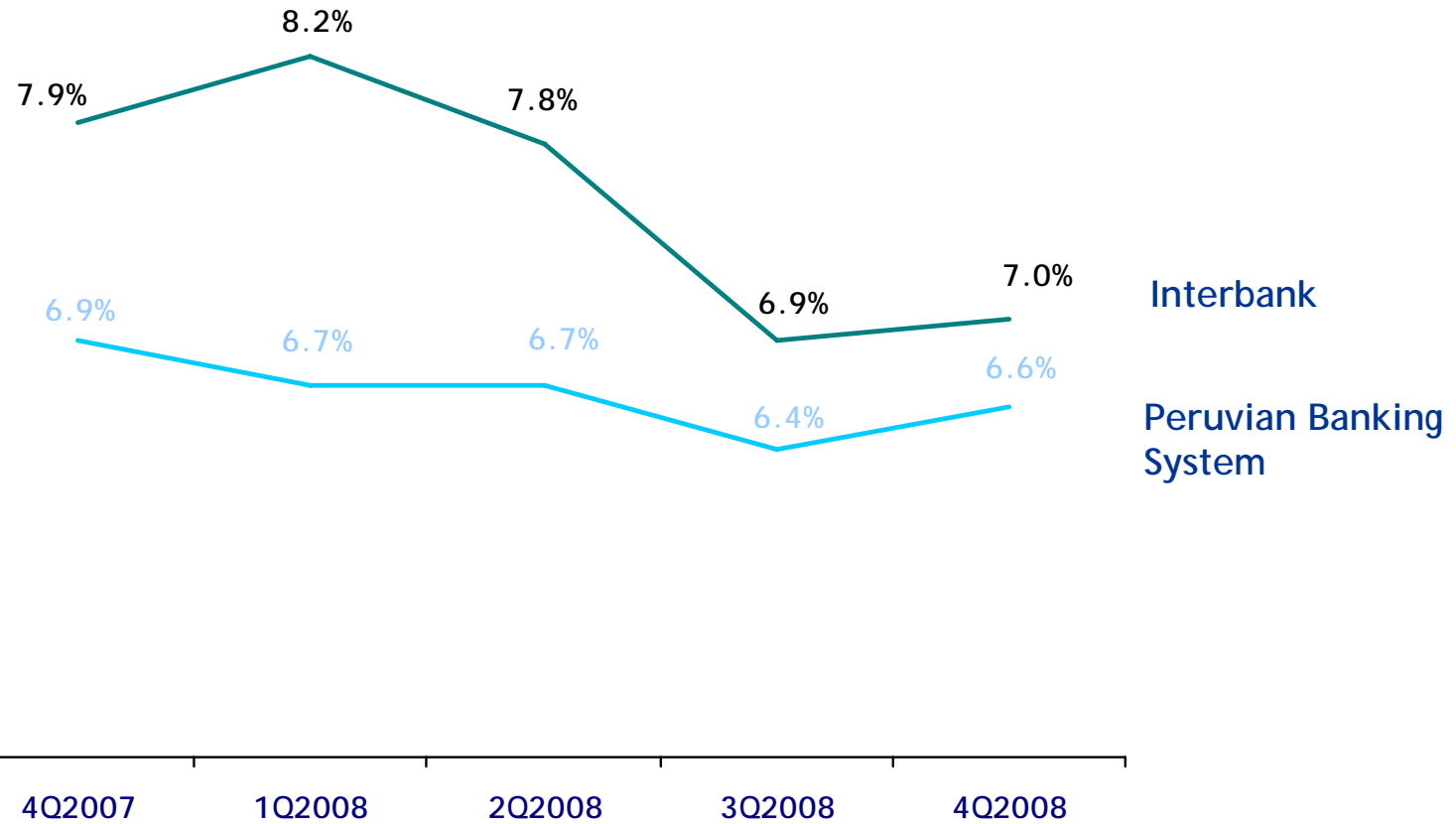
## Deposit Breakdown



# NIM recovered in 4Q08



## Net Interest Margin (%)



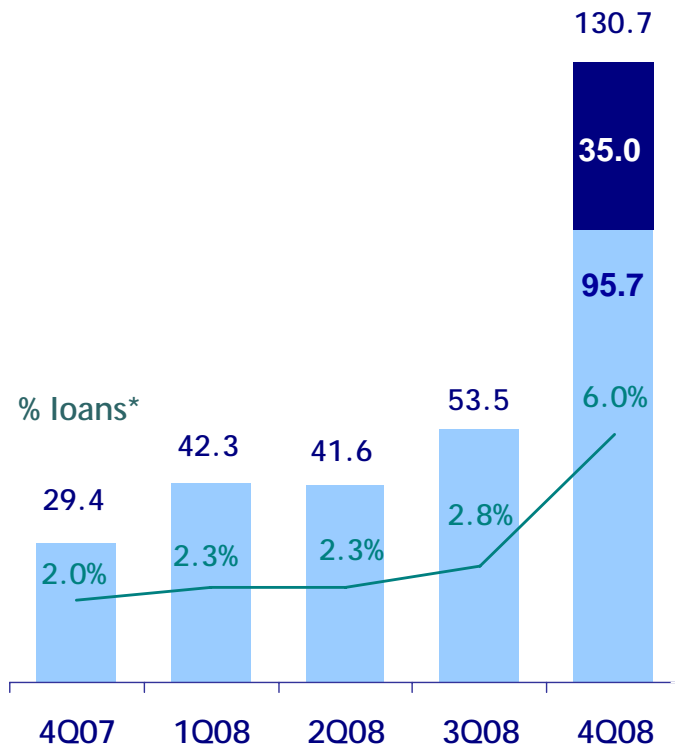
Source: ASBANC

# Asset quality and coverage remain strong



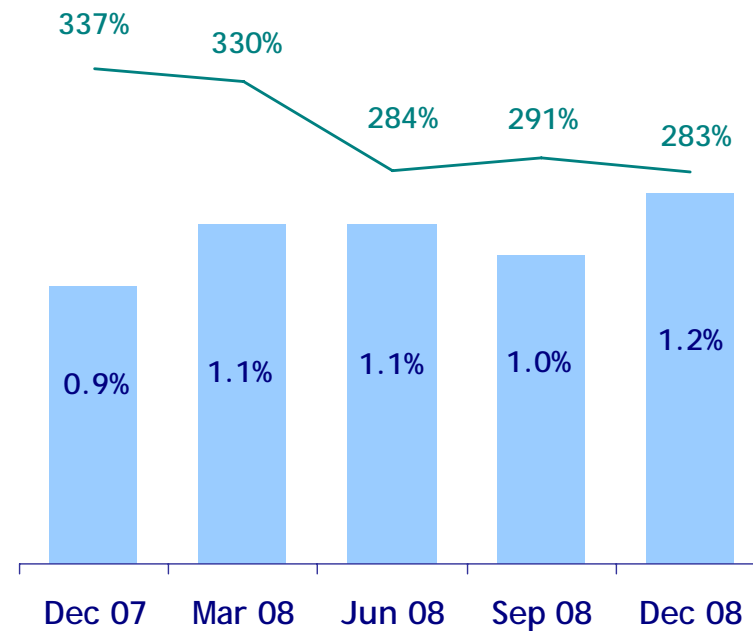
## Loan Provision Expense

S/. million



\*Annualized

## PDL & Coverage Ratios



■ PDLs / Loans — Reserves / PDLs

# Gross financial margin increased significantly, driven by higher interest on loans



Interbank Net Financial Margin					
S/. million	4Q07	3Q08	4Q08	%chg QoQ	%chg YoY
<b>Financial Income:</b>					
Loans	207	287	327	14%	58%
Investments	29	17	26	56%	-11%
Interest on due from banks and interbank funds	13	12	10	-19%	-22%
Exchange difference	34	6	39	504%	16%
<b>Total Financial Income</b>	<b>283</b>	<b>322</b>	<b>402</b>	<b>25%</b>	<b>42%</b>
<b>Financial Expenses:</b>					
Deposits	51	63	70	10%	37%
Other	19	28	39	37%	106%
<b>Total Financial Expenses</b>	<b>70</b>	<b>91</b>	<b>108</b>	<b>18%</b>	<b>55%</b>
<b>Gross Financial Margin</b>	<b>213</b>	<b>231</b>	<b>294</b>	<b>27%</b>	<b>38%</b>
Provisions	26	50	107	116%	309%
<b>Net Financial Margin</b>	<b>187</b>	<b>181</b>	<b>186</b>	<b>3%</b>	<b>0%</b>

# Fee income increased 36% YoY and 15% QoQ as a result of volume and transaction growth



Fee Income from Financial Services, Net					
S/. million	4Q07	3Q08	4Q08	%chg QoQ	%chg YoY
Credit and debit card	28	35	38	9%	40%
Fees for services	28	35	34	-3%	22%
Contingent operations	4	6	7	20%	101%
Fees for collection and payment services	6	5	5	10%	-9%
Others	18	18	25	41%	41%
<b>Fee income from financial services</b>	<b>83</b>	<b>99</b>	<b>110</b>	<b>11%</b>	<b>33%</b>
Expenses relating to financial services	-7	-10	-7	-24%	9%
<b>Fee income from financial services, net</b>	<b>76</b>	<b>89</b>	<b>103</b>	<b>15%</b>	<b>36%</b>



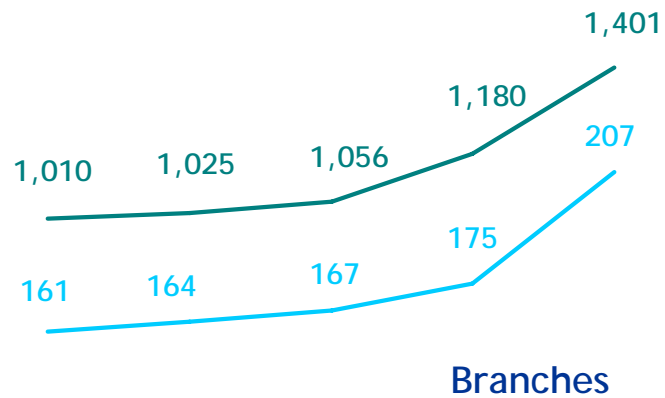
# Operating expenses rose 3.8% QoQ



## Distribution network

Units

ATMs

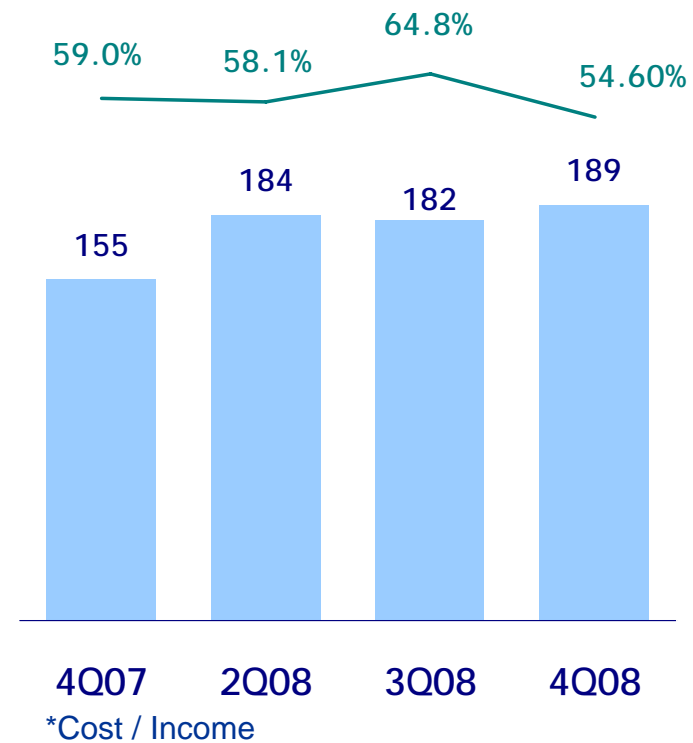


Dec 07   Mar 08   Jun 08   Sep 08   Dec 08

## Operating expenses

S/. million

Efficiency ratio\*



**Interseguro**



# Interseguro's 2008 net income was affected by valuation losses



Profit and Loss Statement Summary					
S/. million	2006	2007	2008	%chg 08/07	%chg 07/06
Premiums	304.9	235.5	211.4	-10.2%	-22.8%
Premiums ceded	-4.3	-5.2	-6.2	19.2%	20.9%
Fees	-8.3	-8.2	-7.1	-13.4%	-1.2%
Claims	-127.8	-152.3	-123.1	-19.2%	19.2%
Change in reserves	-217.3	-129.3	-136.5	5.6%	-40.5%
Diverse Income, net	-4.5	-7.1	-2.8	-60.6%	57.8%
<b>Technical margin</b>	<b>-57.3</b>	<b>-66.6</b>	<b>-64.3</b>	<b>-3.5%</b>	<b>16.2%</b>
Adm. expenses	-27.8	-30.5	-32.7	7.2%	9.7%
Investment income, net	128.4	176.1	103.5	-41.2%	37.1%
<b>Net income</b>	<b>43.3</b>	<b>79.0</b>	<b>6.5</b>	<b>-91.8%</b>	<b>82.4%</b>

# Valuation losses led Interseguro to post a S/.7.3mm net loss in 4Q08



Profit and Loss Statement Summary					
S/. million	4Q07	3Q08	4Q08	%chg QoQ	%chg YoY
Premiums	58.9	57.5	54.3	-5.6%	-7.9%
Premiums ceded	-1.1	-1.6	-1.7	11.3%	55.9%
Fees	-1.8	-2.0	-2.1	1.9%	15.8%
Claims	-43.9	-33.5	-25.4	-24.1%	-42.1%
Change in reserves	-32.2	-38.6	-30.3	-21.5%	-6.1%
Diverse Income, net	-2.2	-1.0	-0.8	-17.5%	-63.0%
<b>Technical margin</b>	<b>-22.3</b>	<b>-19.1</b>	<b>-6.0</b>	<b>-68.5%</b>	<b>-73.0%</b>
Adm. expenses	-9.8	-8.9	-8.7	-2.2%	-10.4%
Investment income, net*	39.4	12.1	7.4	-38.6%	-81.1%
<b>Net income</b>	<b>7.3</b>	<b>-16.0</b>	<b>-7.3</b>	<b>54.2%</b>	<b>-199.7%</b>

# Premiums declined 6% QoQ due a 14% decrease in annuity sales



Premiums by Business Line					
S/. million	4Q07	3Q08	4Q08	%chg QoQ	%chg YoY
Individual Life	4.9	6.1	5.6	-7.4%	15.6%
Annuities	31.5	38.2	32.7	-14.4%	3.7%
Group Life	5.4	7.3	9.0	23.1%	68.0%
Disability and survivor benefits	13.1	0.4	0.3	-34.1%	-98.1%
Mandatory traffic accident	4.0	5.5	4.8	-13.1%	18.6%
Non Life Insurance	0.0	0.0	1.9	100.0%	100.0%
<b>Total</b>	<b>58.9</b>	<b>57.5</b>	<b>54.3</b>	<b>-5.6%</b>	<b>-7.9%</b>

# The financial crisis affected the value of Interseguro's equity portfolio



Investment Portfolio					
S/. million	4Q07	3Q08	4Q08	%chg QoQ	%chg YoY
Fixed Income	1,084.9	1,099.3	1,212.1	10.3%	11.7%
Equity and Mutual Funds	247.6	235.2	220.7	-6.2%	-10.9%
Real estate	262.6	424.8	406.8	-4.2%	54.9%
Others*	13.1	4.4	5.8	30.8%	-55.8%
<b>Total</b>	<b>1,608.1</b>	<b>1,763.6</b>	<b>1,845.4</b>	<b>4.6%</b>	<b>14.8%</b>

Investment Income, Net					
S/. million	4Q07	3Q08	4Q08	%chg QoQ	%chg YoY
<b>Income:</b>					
Fixed Income	27.1	18.2	23.6	30.1%	-12.8%
Equity and Mutual Funds	7.9	-16.3	-22.1	-35.1%	-379.4%
Real estate	3.3	10.0	11.2	11.8%	244.2%
<b>Total income</b>	<b>38.3</b>	<b>11.9</b>	<b>12.8</b>	<b>7.8%</b>	<b>-66.5%</b>
Expenses	-1.3	-2.1	-2.2	7.8%	65.7%
Exchange difference	3.1	2.2	-2.7	-222.4%	-185.9%
Others*	-0.7	0.1	-0.5	-	-29.4%
<b>Net income</b>	<b>39.4</b>	<b>12.1</b>	<b>7.4</b>	<b>-38.6%</b>	<b>-81.1%</b>



 Interbank



**Intergroup**  
*financial services*