



## Fourth Quarter 2011 Earnings Presentation

 **Intergroup**  
Financial Services

# Intergroup Financial Services

# Highlights

## Intergroup:

- Intergroup's net earnings were S/. 695.7 million in 2011, a 39.4% increase compared to 2010, driven by record contributions from Interbank and Interseguro
- In 4Q11, net earnings increased 2.7% QoQ and 99.8% YoY
- QoQ growth was driven by an increase in gross financial margin, partially offset by higher administrative expenses and provisions as well as a decrease in other income
- YoY net earnings growth was driven by strong investment income at Interseguro and increases in exchange gains and interest on loans at Interbank
- Intergroup's ROE was 36.9% in 4Q11, below the 39.8% in 3Q11, but above the 20.4% in 4Q10

## Interbank:

- Interbank's net earnings rose 8.7% in 2011 and reached a record S/. 540.8 million, as a result of significant growth in fee income with stable provisions and administrative expenses
- Retail loan growth was strong at 20.8% in 2011
- Net earnings were S/. 126.3 million in 4Q11, a decline of 8.7% YoY and 22.8% QoQ due to lower non-recurring investment gains when compared to 4Q10 and 3Q11
- Recurring net earnings remained stable QoQ and increased 10.6% YoY
- Recurring NIM increased from 7.4% in 3Q11 to 7.7% in 4Q11
- Asset quality remained strong as the past-due loan ratio declined from 1.6% to 1.5% QoQ

## Interseguro:

- Interseguro's net earnings reached a record S/. 187.5 million in 2011, driven by strong investment income
- 4Q11 earnings almost tripled QoQ and increased by almost five times YoY, mainly as a result of higher investment income
- Annuity sales decreased QoQ and YoY due to a market contraction

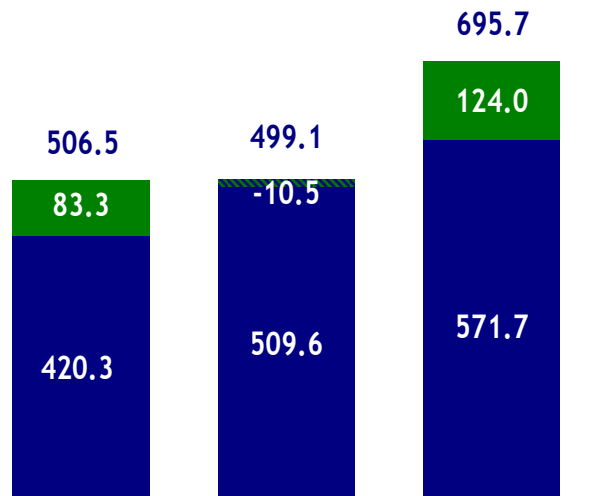
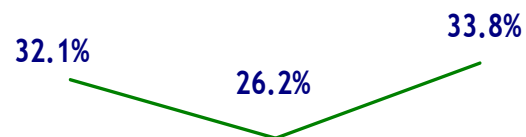
# Intergroup's net earnings increased 39.4% in 2011

## Intergroup

Net income\*

S/. million

ROE



2009

2010

2011

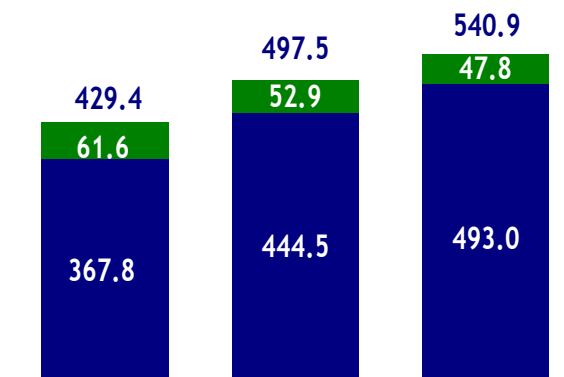
\*Attributable to IFS shareholders

## Interbank

Net income

S/. million

ROE



2009

2010

2011

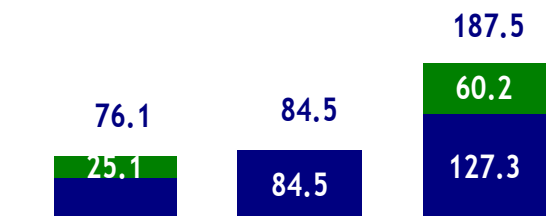
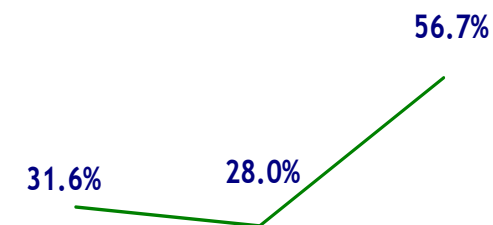
■ Recurring ■ Non-recurring

## Interseguro

Net income

S/. million

ROE



2009

2010

2011



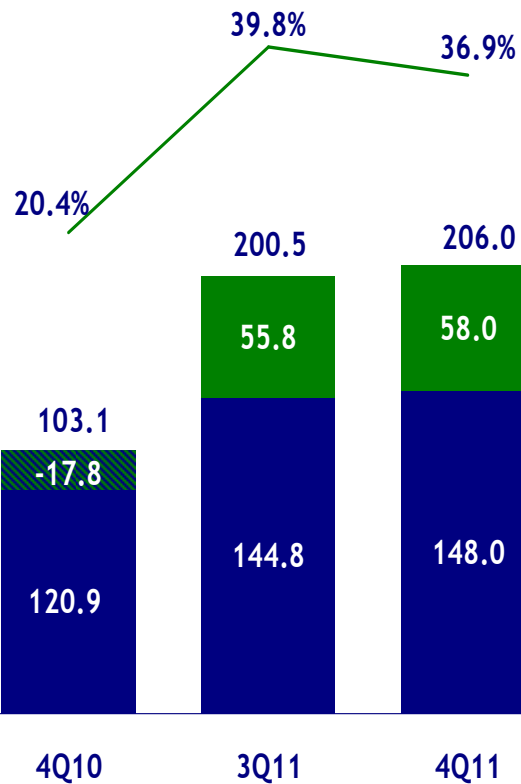
# Intergroup's 4Q11 earnings doubled YoY and increased 2.7% QoQ

## Intergroup

Net income\*

S/. million

ROE



\*Attributable to IFS shareholders

## Interbank

Net income

S/. million

ROE



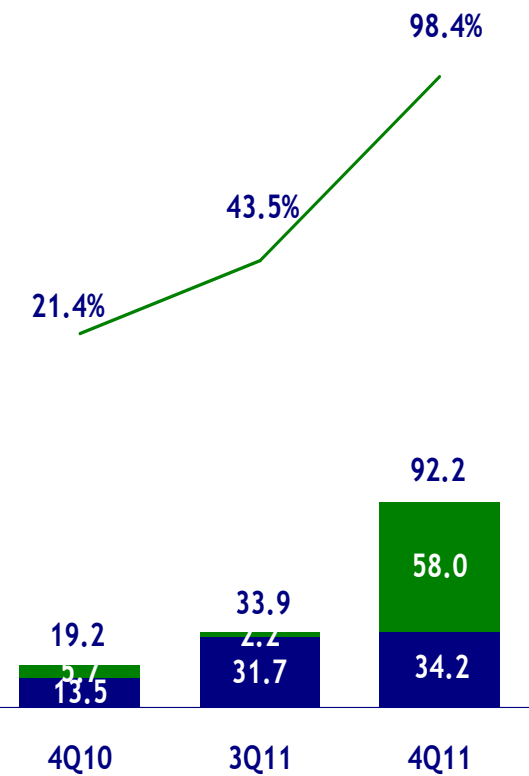
■ Recurring ■ Non-recurring

## Interseguro

Net income

S/. million

ROE



# Intergroup's net earnings reached a record S/. 206.0 million in 4Q11

Intergroup's Profit and Loss Statement Summary					
S/. million	4Q10	3Q11	4Q11	%chg QoQ	%chg YoY
Financial income	551.0	601.6	678.4	12.8%	23.1%
Financial expenses	-119.7	-133.4	-140.0	5.0%	16.9%
<b>Gross financial margin</b>	<b>431.3</b>	<b>468.2</b>	<b>538.4</b>	<b>15.0%</b>	<b>24.8%</b>
Provisions	-111.6	-99.9	-122.9	23.0%	10.1%
<b>Net financial margin</b>	<b>319.7</b>	<b>368.3</b>	<b>415.5</b>	<b>12.8%</b>	<b>30.0%</b>
Fee income from financial services, net	132.9	131.5	141.6	7.7%	6.6%
Result from insurance underwriting, net	-12.7	-14.2	-20.3	43.2%	59.8%
Administrative expenses	-276.6	-250.2	-283.9	13.5%	2.6%
<b>Net operating margin</b>	<b>163.2</b>	<b>235.4</b>	<b>252.8</b>	<b>7.4%</b>	<b>55.0%</b>
Depreciation and amortization	-28.4	-23.3	-23.3	0.1%	-17.8%
Other income (expenses)	18.5	55.1	26.8	-51.5%	44.8%
<b>Income before tax</b>	<b>153.3</b>	<b>267.2</b>	<b>256.2</b>	<b>-4.1%</b>	<b>67.2%</b>
Income tax	-49.2	-65.5	-49.4	-24.6%	0.4%
<b>Net income</b>	<b>104.1</b>	<b>201.7</b>	<b>206.9</b>	<b>2.6%</b>	<b>98.7%</b>
<b>Attributable to IFS shareholders</b>	<b>103.1</b>	<b>200.5</b>	<b>206.0</b>	<b>2.7%</b>	<b>99.8%</b>
<b>EPS</b>	<b>1.1</b>	<b>2.1</b>	<b>2.2</b>		
<b>ROE</b>	<b>20.4%</b>	<b>39.8%</b>	<b>36.9%</b>		

# Interbank

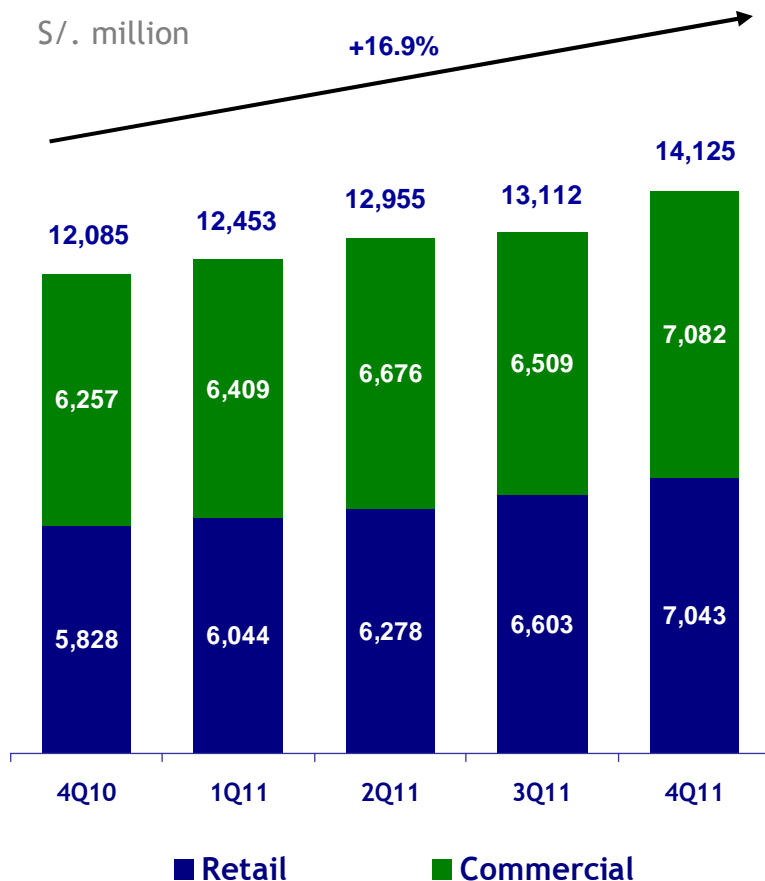
# Interbank's net income was S/. 126.3 million in 4Q11

Profit and Loss Statement Summary					
S/. million	4Q 10	3Q 11	4Q 11	% chg QoQ	% chg YoY
Financial income	526.7	521.7	538.5	3.2%	2.2%
Financial expenses	-123.1	-129.4	-132.1	2.1%	7.3%
<b>Gross financial margin</b>	<b>403.6</b>	<b>392.3</b>	<b>406.4</b>	<b>3.6%</b>	<b>0.7%</b>
Provisions	-112.3	-99.9	-122.9	23.0%	9.4%
<b>Net financial margin</b>	<b>291.3</b>	<b>292.4</b>	<b>283.5</b>	<b>-3.0%</b>	<b>-2.7%</b>
Fee income from financial services, net	134.2	135.2	140.7	4.1%	4.9%
Administrative expenses	-234.2	-224.9	-247.6	10.1%	5.7%
<b>Net operating margin</b>	<b>191.3</b>	<b>202.7</b>	<b>176.7</b>	<b>-12.9%</b>	<b>-7.6%</b>
Depreciation and amortization	-27.7	-22.6	-22.5	-0.3%	-18.8%
Other income (expenses)	21.8	45.5	19.5	-57.0%	-10.3%
<b>Income before taxes</b>	<b>185.4</b>	<b>225.6</b>	<b>173.7</b>	<b>-23.0%</b>	<b>-6.3%</b>
Income tax	-47.1	-62.0	-47.4	-23.6%	0.7%
<b>Net income</b>	<b>138.3</b>	<b>163.7</b>	<b>126.3</b>	<b>-22.8%</b>	<b>-8.7%</b>
<b>ROE</b>	<b>34.4%</b>	<b>38.7%</b>	<b>27.1%</b>		



# Loan growth remained strong at 16.9% YoY and 7.7% QoQ

## Performing loans



## Breakdown of loans

S/. million	4Q 10	3Q 11	4Q 11	% chg QoQ	% chg YoY
<b>Consumer loans:</b>					
Credit cards	1,740	1,994	2,166	8.6%	24.5%
Other consumer	2,296	2,409	2,565	6.5%	11.7%
<b>Total consumer loans</b>	<b>4,036</b>	<b>4,403</b>	<b>4,730</b>	<b>7.4%</b>	<b>17.2%</b>
Mortgages	1,792	2,200	2,312	5.1%	29.0%
<b>Total retail loans</b>	<b>5,828</b>	<b>6,603</b>	<b>7,043</b>	<b>6.7%</b>	<b>20.8%</b>
<b>Total commercial</b>	<b>6,257</b>	<b>6,509</b>	<b>7,082</b>	<b>8.8%</b>	<b>13.2%</b>
<b>Total loans</b>	<b>12,085</b>	<b>13,112</b>	<b>14,125</b>	<b>7.7%</b>	<b>16.9%</b>

## Market share in loans

S/. million	4Q 10	3Q 11	4Q 11	% chg QoQ	% chg YoY
<b>Consumer loans:</b>					
Credit cards	20.8%	20.9%	21.1%	0.2%	0.2%
Other consumer	21.9%	19.9%	20.3%	0.4%	-1.6%
<b>Total consumer loans</b>	<b>22.6%</b>	<b>21.3%</b>	<b>21.7%</b>	<b>0.4%</b>	<b>-0.9%</b>
Mortgages	11.7%	12.1%	12.2%	0.1%	0.4%
<b>Total retail loans</b>	<b>17.6%</b>	<b>17.0%</b>	<b>17.3%</b>	<b>0.3%</b>	<b>-0.3%</b>
<b>Total commercial</b>	<b>8.5%</b>	<b>8.0%</b>	<b>8.4%</b>	<b>0.4%</b>	<b>-0.1%</b>
<b>Total loans</b>	<b>11.3%</b>	<b>10.9%</b>	<b>11.3%</b>	<b>0.4%</b>	<b>0.0%</b>

Does not include Crediscotia

# Core deposits grew significantly YoY

## Funding Structure

S/. million	4Q 10	3Q 11	4Q 11	% chg QoQ	% chg YoY
Deposits and obligations	11,967	12,176	13,113	7.7%	9.6%
Due to banks	2,941	2,263	2,266	0.1%	-23.0%
Bonds and obligations	2,182	2,124	2,038	-4.1%	-6.6%
Interbank funds	93	271	83	-69.5%	-11.2%
<b>Total</b>	<b>17,184</b>	<b>16,834</b>	<b>17,499</b>	<b>4.0%</b>	<b>1.8%</b>
AUM (Interfondos)	2,447	2,080	2,090	0.5%	-14.6%

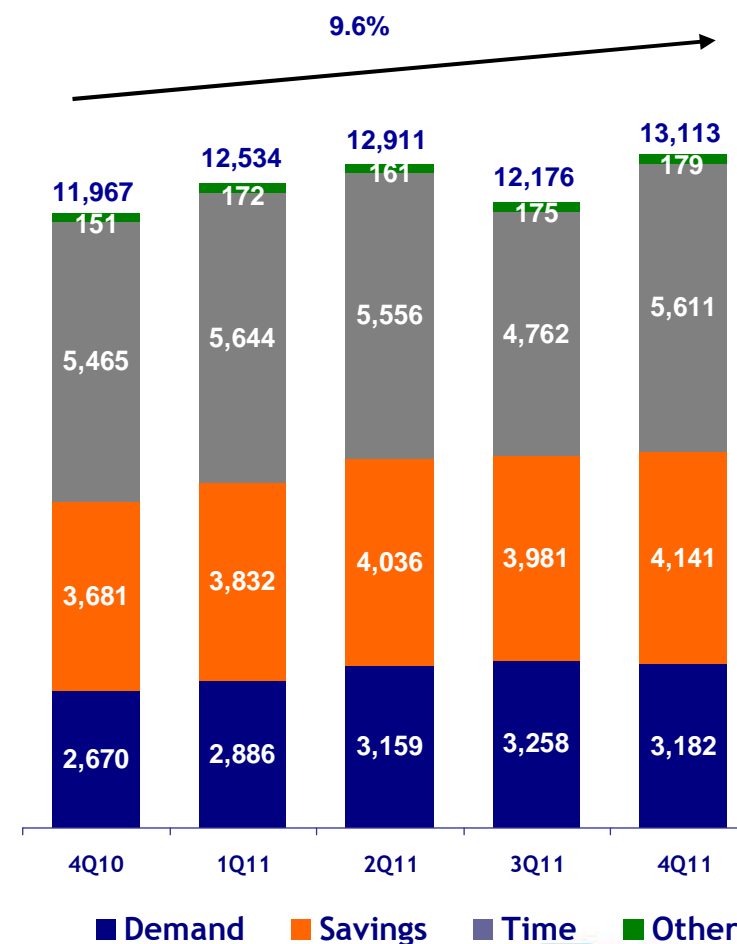
## Market Share in Deposits

S/. million	4Q 10	3Q 11	4Q 11	% chg QoQ	% chg YoY
Retail Deposits	12.2%	12.0%	11.9%	-0.1%	-0.3%
Commercial Deposits <sup>(1)</sup>	8.8%	9.1%	8.7%	-0.4%	-0.1%

Does not include Crediscotia

<sup>(1)</sup> Includes demand and savings deposits

## Deposit Breakdown

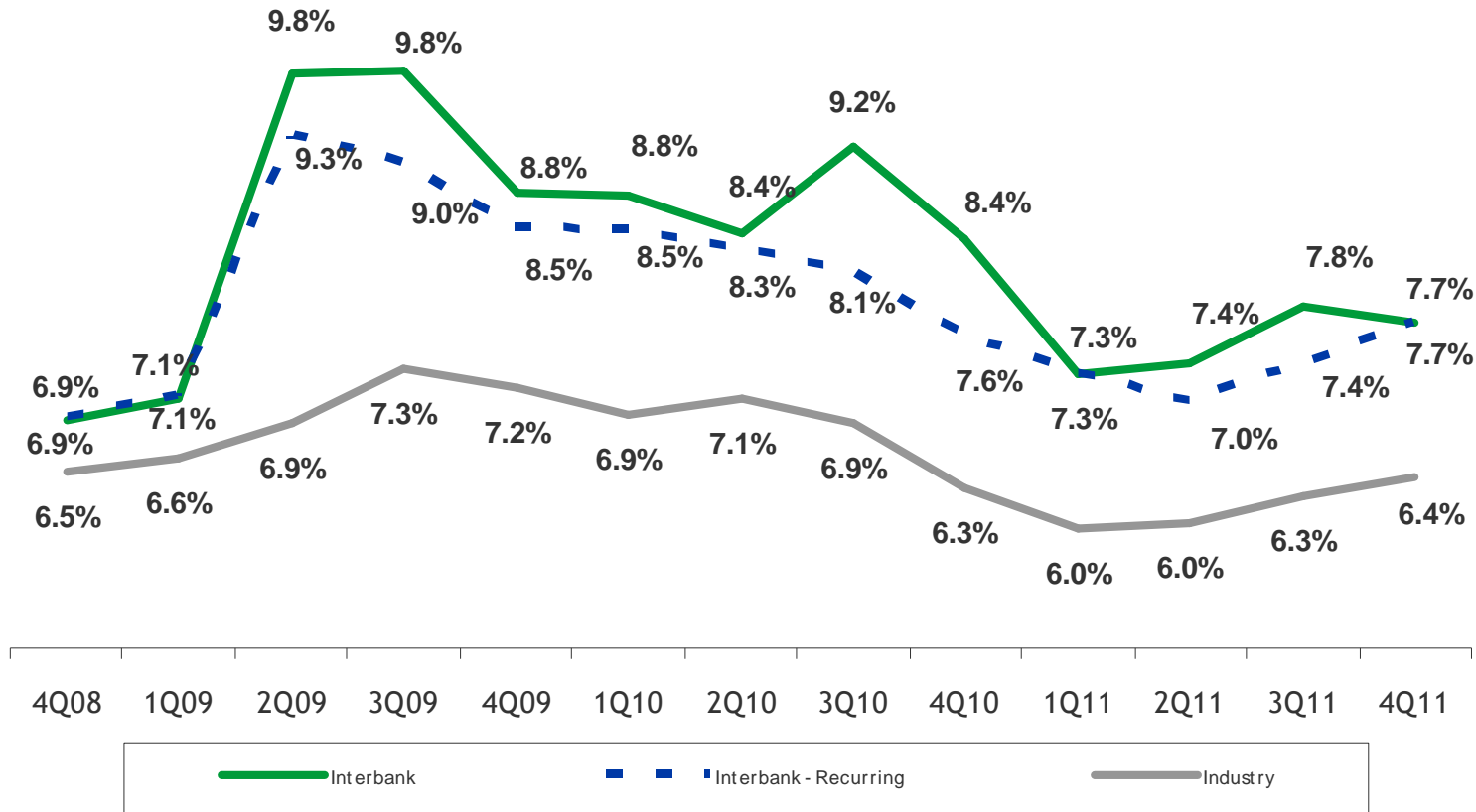


# Gross financial margin increased 3.6% QoQ and 0.7% YoY

Interbank Gross Financial Margin					
S/. million	4Q 10	3Q 11	4Q 11	% chg QoQ	% chg YoY
<b>Financial income:</b>					
Loans	416.4	433.4	440.5	1.6%	5.8%
Investments	62.6	58.6	27.8	-52.6%	-55.6%
Interest on due from banks and interbanks funds	11.1	3.9	2.8	-27.0%	-74.5%
Exchange and derivatives gains	34.3	23.9	65.2	172.8%	90.2%
Other	2.3	2.0	2.2	12.6%	-1.9%
<b>Total financial income</b>	<b>526.7</b>	<b>521.7</b>	<b>538.5</b>	<b>3.2%</b>	<b>2.2%</b>
<b>Financial expenses:</b>					
Deposits	42.7	51.6	50.5	-2.0%	18.3%
Others	80.4	77.8	81.6	4.9%	1.4%
<b>Total financial expenses</b>	<b>123.1</b>	<b>129.4</b>	<b>132.1</b>	<b>2.1%</b>	<b>7.3%</b>
<b>Gross Financial Margin</b>	<b>403.6</b>	<b>392.3</b>	<b>406.4</b>	<b>3.6%</b>	<b>0.7%</b>

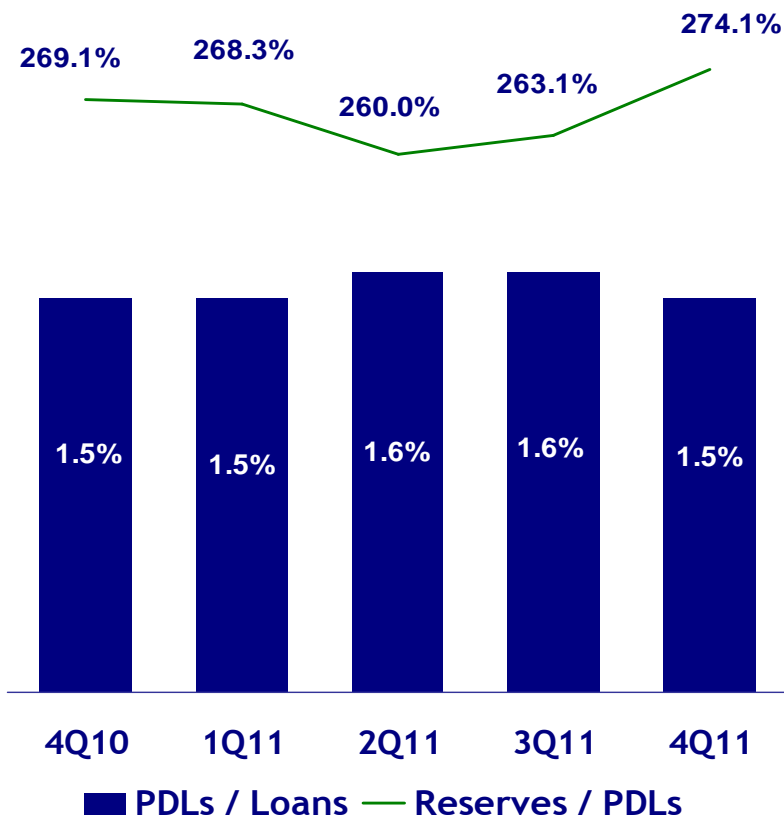
# NIM remains significantly above the industry's average

## Net Interest Margin (%)

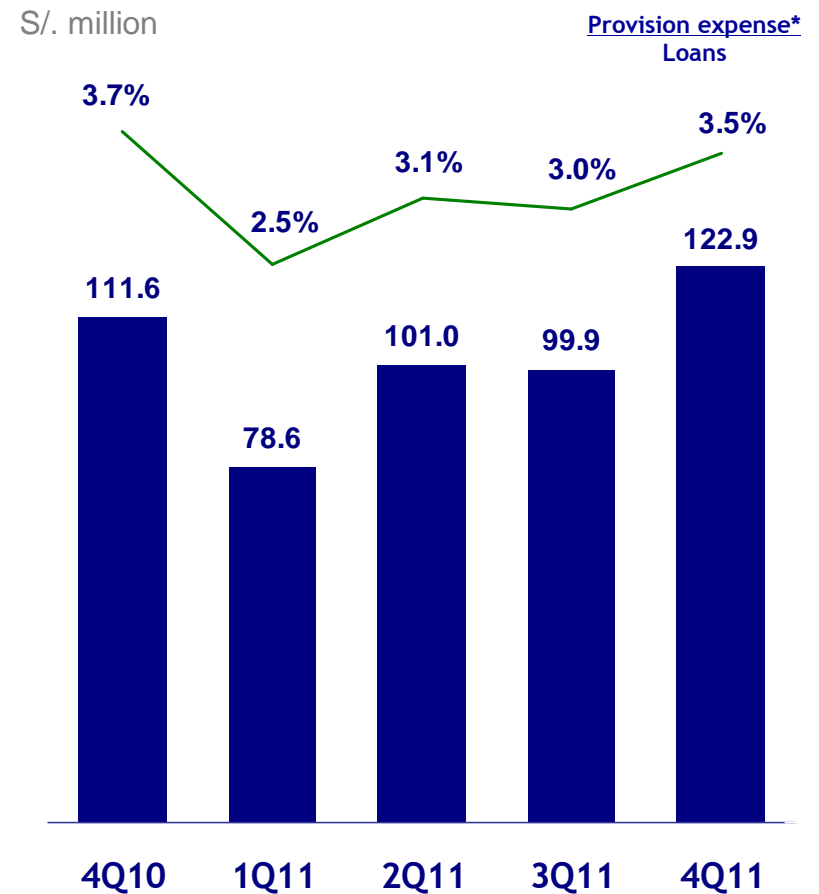


# Provisions increased 23.0% QoQ due to strong loan growth

## PDL & Coverage Ratios



## Loan Provision Expense



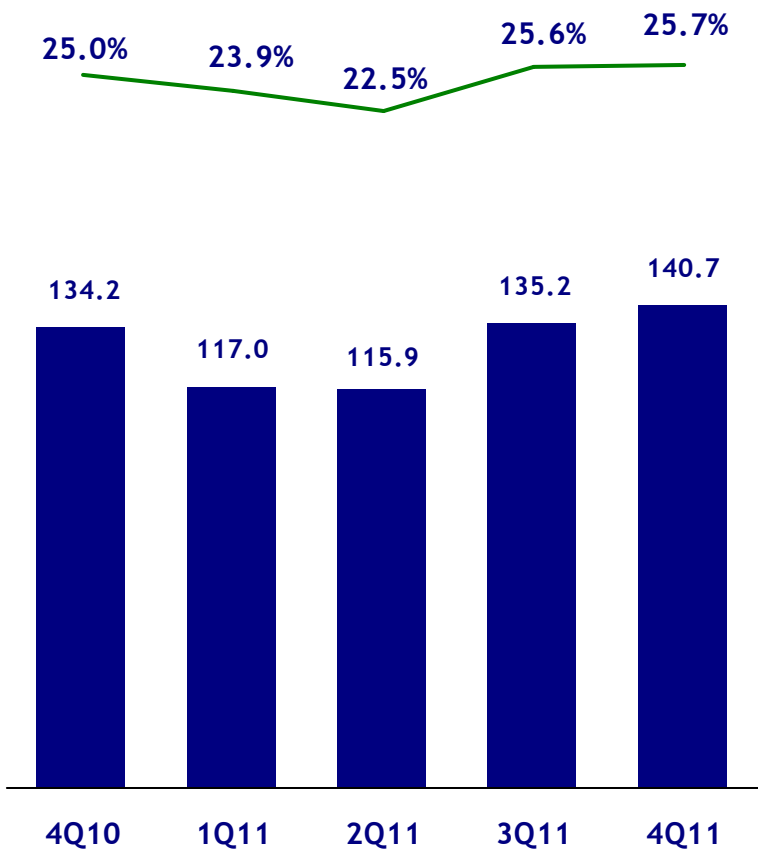
\*Annualized

# Fee income grew 4.9% YoY, while operating expenses increased only 3.1% YoY

## Fee income

S/. million

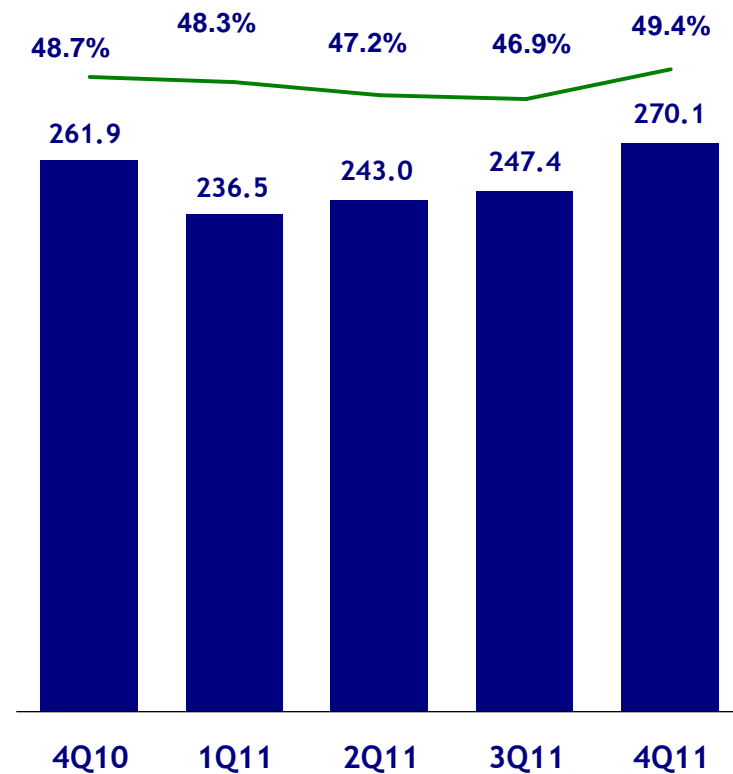
- Net fee income
- Fee income / operating revenues



## Operating expenses

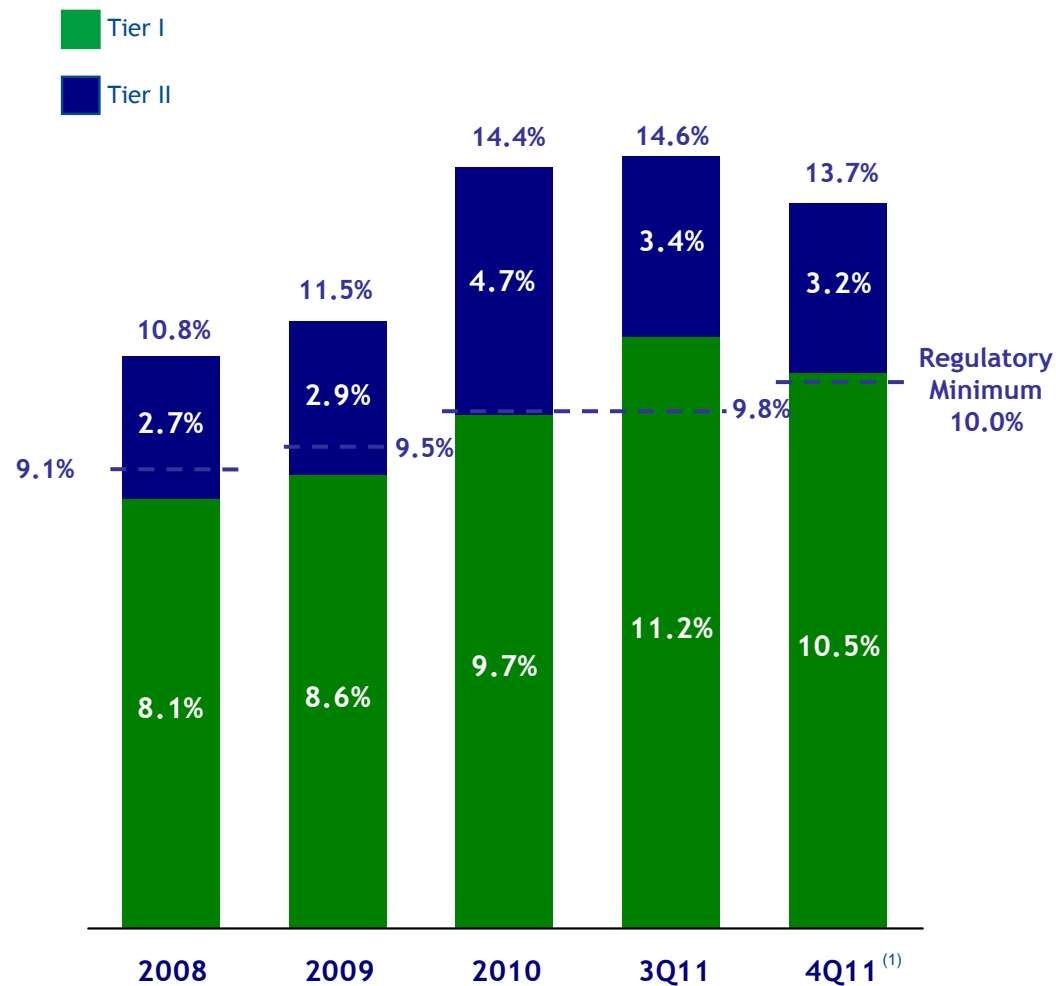
S/. million

Efficiency ratio\*



\*Cost / Income

# Interbank's BIS ratio remained significantly above the regulatory minimum of 10.0%



(1) On April 2010 Interbank issued US\$200 million in non-cumulative junior subordinated notes which are considered as Tier I and II capital. Under Peruvian regulation junior subordinated notes that receive Tier 1 capital treatment are capped at 17.65% of capital and reserves. As of December 31, 2011 only 55% of the notes qualified as Tier 1 and the remaining 45% qualified as Tier II.

# Interseguro



# Interseguro's net income increased by almost five times YoY

## Profit and Loss Statement Summary

S/. million	4Q10	3Q11	4Q11	% chg QoQ	% chg YoY
Premiums	153.9	117.1	107.0	-8.6%	-30.5%
Premiums ceded	-1.6	-2.3	-2.4	1.9%	48.2%
Fees	-3.4	-2.9	-4.2	45.6%	25.1%
Claims	-28.5	-33.2	-33.3	0.5%	16.7%
Change in reserves	-135.4	-93.9	-86.7	-7.8%	-36.0%
Diverse Income, net	-0.6	-1.0	0.2	n.m.	n.m.
<b>Technical margin</b>	<b>-15.5</b>	<b>-16.2</b>	<b>-19.4</b>	<b>19.4%</b>	<b>24.7%</b>
Administrative expenses	-16.0	-15.8	-16.6	5.2%	3.7%
Investment income, net*	50.8	65.9	128.1	94.4%	152.3%
<b>Net income</b>	<b>19.2</b>	<b>33.9</b>	<b>92.2</b>	<b>171.8%</b>	<b>379.1%</b>
<b>ROE</b>	<b>21.4%</b>	<b>43.5%</b>	<b>98.4%</b>		

\*Includes exchange rate difference

## Premiums decreased 8.6% QoQ and 30.5% YoY due to a market contraction in annuities

Premiums by Business Line					
S/. million	4Q10	3Q11	4Q11	% chg QoQ	% chg YoY
Individual Life	5.7	7.8	7.0	-10.4%	22.4%
Annuities	128.8	88.6	78.2	-11.7%	-39.3%
Group Life	10.4	10.9	12.7	16.8%	22.9%
Disability and survivor benefits	0.1	0.1	0.1	0.0%	0.0%
Mandatory traffic accident	5.6	6.8	5.8	-13.6%	3.6%
Non Life Insurance	3.3	2.9	3.1	8.3%	-4.1%
<b>Total</b>	<b>153.9</b>	<b>117.1</b>	<b>107.0</b>	<b>-8.6%</b>	<b>-30.5%</b>

# Investment income more than doubled YoY

Investment Portfolio					
S/. million	4Q10	3Q11	4Q11	%chg QoQ	%chg YoY
Fixed Income	1,482.7	1,731.0	1,897.0	9.6%	27.9%
Equity and Mutual Funds	238.7	286.7	296.0	3.3%	24.0%
Real estate	459.8	538.0	443.5	-17.6%	-3.5%
Others	4.7	4.8	4.8	0.0%	3.6%
<b>TOTAL</b>	<b>2,185.9</b>	<b>2,560.4</b>	<b>2,641.4</b>	<b>3.2%</b>	<b>20.8%</b>

Investment Income, Net					
S/. million	4Q10	3Q11	4Q11	%chg QoQ	%chg YoY
<b>Income:</b>					
Fixed Income	38.0	43.7	38.7	-11.4%	1.8%
Interest	22.6	30.8	34.2	11.0%	51.1%
Realized Gains	15.4	12.9	4.5	-65.0%	-70.8%
Equity and Mutual Funds	9.8	11.2	7.0	-37.6%	-28.6%
Real estate	7.4	16.2	82.6	409.1%	1013.5%
Total Income	55.3	71.1	128.3	80.4%	132.3%
Expenses	-1.4	-1.7	-0.5	-68.3%	-61.5%
Exchange difference and others	-3.1	-3.5	0.3	n.m.	n.m.
<b>Net income</b>	<b>50.8</b>	<b>65.9</b>	<b>128.1</b>	<b>94.4%</b>	<b>152.3%</b>



**Intergroup**

Financial Services