

## Intercorp Financial Services Inc. First Quarter 2015 Earnings

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Lima, Peru, May 13, 2015. Intercorp Financial Services Inc. (Bolsa de Valores de Lima: IFS) announced today its unaudited results for the first quarter 2015. These results are reported on a consolidated basis under IFRS in nominal Peruvian Nuevos Soles.

### Intercorp Financial Services:

- 1Q15 net profit was S/. 262.9 million, a 95.1% increase YoY and a 3.1% decrease QoQ. The YoY growth was mainly explained by strong performances at Interbank and Interseguro; while the quarterly decrease was driven by seasonality factors, as well as increases in provisions at Interbank and in adjustment of technical reserves at Interseguro
- 1Q15 annualized ROAE was 23.9%

### Interbank:

- 1Q15 net profit was S/. 205.2 million, a 29.6% growth YoY and a 1.7% decrease QoQ. The yearly performance was attributed to increases of 13.2% in net interest and similar income, 82.9% in other income and 15.0% in fee income, factors which were partially offset by a 43.3% growth in provisions
- Performing loans and deposits grew 10.1% and 4.1% YoY, respectively, while retail deposits increased 15.4% YoY
- NIM improved 33 bps YoY, to 6.27% in 1Q15, while the efficiency ratio improved 400 bps YoY, to 42.3%
- 1Q15 annualized ROAE was 25.5%

### Interseguro:

- 1Q15 net profit<sup>1</sup> was S/. 33.6 million, an increase of S/. 90.7 million YoY and a decrease of S/. 19.6 million or 36.8% QoQ. The YoY growth was mainly explained by increases of 23.6% in total premiums earned and 44.7% in other income
- Annuity sales increased 29.3% YoY supported by Interseguro's leadership position in a market that continues to expand
- 1Q15 annualized ROAE was 23.3%

### Inteligo:

- 1Q15 net profit was S/. 36.1 million in 1Q15, a 133.8% increase QoQ and a 25.0% decrease YoY. The quarterly increase was mainly due to higher fee income and other income
- Net interest and similar income was S/. 14.3 million in 1Q15, a 12.1% decrease QoQ and a 37.3% increase YoY. The QoQ performance was explained by lower income received from investments compared to the previous quarter
- AuM + deposits increased 6.2% QoQ and 21.6% YoY
- 1Q15 annualized ROAE was 29.1%

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<sup>1</sup> Attributable to shareholders

## Intercorp Financial Services

Net profit was S/. 262.9 million in 1Q15, a 3.1% decrease QoQ and a 95.1% increase YoY. IFS annualized ROAE was 23.9% in 1Q15, below the 26.0% registered in 4Q14 but above the 14.4% reported in 1Q14.

It is worth to mention that certain figures for the 4Q14 have been amended after the financial statements audit process. However, these adjustments were not material and do not change any trend analysis.

Intercorp Financial Services' P&L statement					
S/. million	1Q14	4Q14	1Q15	%chg QoQ	%chg YoY
Interest and similar income	660.9	759.1	753.5	-0.7%	14.0%
Interest and similar expense	-185.3	-202.7	-207.7	2.5%	12.1%
<b>Net interest and similar income</b>	<b>475.6</b>	<b>556.4</b>	<b>545.8</b>	<b>-1.9%</b>	<b>14.8%</b>
Provision for loan losses, net of recoveries	-103.8	-105.8	-148.8	40.6%	43.3%
<b>Net interest and similar income after provision for loan losses</b>	<b>371.7</b>	<b>450.5</b>	<b>397.0</b>	<b>-11.9%</b>	<b>6.8%</b>
Fee income from financial services, net	161.9	197.0	194.8	-1.1%	20.4%
Other income	127.8	140.7	171.7	22.0%	34.3%
Total premiums earned less claims and benefits	-88.3	7.4	-12.0	n.m.	-86.4%
Net Premiums	165.3	165.3	204.3	23.7%	23.6%
Adjustment of technical reserves	-202.7	-109.5	-156.5	42.9%	-22.8%
Net claims and benefits incurred	-50.9	-48.3	-59.9	23.9%	17.6%
Other expenses	-377.3	-407.7	-399.9	-1.9%	6.0%
<b>Income before translation result and income tax</b>	<b>195.8</b>	<b>387.9</b>	<b>351.6</b>	<b>-9.4%</b>	<b>79.5%</b>
Translation result	-0.4	-9.7	-10.6	9.5%	n.m.
Income tax	-60.7	-107.1	-78.1	-27.1%	28.7%
<b>Profit for the period</b>	<b>134.7</b>	<b>271.2</b>	<b>262.9</b>	<b>-3.1%</b>	<b>95.1%</b>
<b>Profit excl. non-recurring factors</b>	<b>134.7</b>	<b>277.7</b>	<b>262.9</b>	<b>-5.3%</b>	<b>95.1%</b>
<b>Attributable to equity holders of the group <sup>(1)</sup></b>	<b>133.7</b>	<b>261.3</b>	<b>261.2</b>	<b>0.0%</b>	<b>95.4%</b>
<b>EPS</b>	<b>1.22</b>	<b>2.39</b>	<b>2.39</b>		
<b>ROAE</b>	<b>14.4%</b>	<b>26.0%</b>	<b>23.9%</b>		

(1) Starting 4Q14, Interseguro began consolidating a real estate investment shared by Interseguro and Intercorp Real Estate Inc, a subsidiary of Intercorp. Intercorp RE's part is then reported as attributable to non-controlling interest.

Intercorp Financial Services' Statement of financial position					
S/. million	1Q14	4Q14	1Q15	%chg QoQ	%chg YoY
<b>Assets</b>					
Cash and due from banks and inter-bank funds	8,120.2	6,668.5	8,492.9	27.4%	4.6%
Trading securities and investments available for sale	6,276.4	8,409.0	7,932.6	-5.7%	26.4%
Loans, net of unearned income	21,898.0	23,436.9	24,362.2	3.9%	11.3%
Allowance for loan losses	-727.6	-819.7	-886.1	8.1%	21.8%
Property, furniture and equipment, net	566.8	577.2	570.1	-1.2%	0.6%
Other assets	2,103.5	2,104.4	2,089.4	-0.7%	-0.7%
<b>Total assets</b>	<b>38,237.3</b>	<b>40,376.3</b>	<b>42,561.1</b>	<b>5.4%</b>	<b>11.3%</b>
<b>Liabilities and equity</b>					
Deposits and obligations	23,033.5	23,381.4	24,118.8	3.2%	4.7%
Due to banks and correspondents	2,695.1	3,140.9	3,904.6	24.3%	44.9%
Bonds, notes and other obligations	4,359.8	4,565.3	4,712.9	3.2%	8.1%
Insurance contract liabilities	3,349.3	3,743.0	3,996.8	6.8%	19.3%
Other liabilities	1,003.2	1,243.4	1,341.8	7.9%	33.8%
<b>Total liabilities</b>	<b>34,440.9</b>	<b>36,074.1</b>	<b>38,074.9</b>	<b>5.5%</b>	<b>10.6%</b>
<b>Equity</b>					
Equity holders of IFS	3,777.3	4,191.0	4,375.6	4.4%	15.8%
Non-controlling interest	19.1	111.2	110.6	-0.6%	479.7%
<b>Total equity</b>	<b>3,796.4</b>	<b>4,302.3</b>	<b>4,486.2</b>	<b>4.3%</b>	<b>18.2%</b>
<b>Total liabilities and equity</b>	<b>38,237.3</b>	<b>40,376.3</b>	<b>42,561.1</b>	<b>5.4%</b>	<b>11.3%</b>

### Quarter-on-quarter performance

Profits decreased 3.1% QoQ mainly due to increases of 42.9% in adjustment of technical reserves and 40.6% in provisions, partially offset by growths of 23.7% in net premiums and 22.0% in other income.

Net interest and similar income decreased 1.9% QoQ mainly explained by a 3.9% increase in interest on bonds, notes and other obligations, and a 0.8% decrease in interest on loans at Interbank.

Provision expenses increased 40.6% mainly as a result of a low 4Q14 in provisions as the last quarter is normally one of the lowest in the year, specially for credit cards due to higher amortizations and better collections in December, in addition to a slight deterioration in asset quality, particularly in mortgages and small business.

Fee income from financial services decreased 1.1% QoQ mainly explained by a 4.3% decrease in fee income at Interbank, related to lower fees from insurance premiums sold for Interseguro. This was partially offset by a 18.7% increase in fee income at Inteligo, related to higher fees from funds management services.

Interseguro's total premiums earned less claims and benefits declined by S/. 19.4 million QoQ, largely explained by an increase of S/. 47.0 million in adjustment of technical reserves. Additionally, net claims and benefits incurred increased by S/. 11.6 million, offset by an increase of S/. 39.0 million in net premiums.

Other income grew 22.0% QoQ mainly due to a 52.6% increase at Interbank, which was related to growths in net gain on foreign exchange transactions and in net gain on sale of securities, partially offset by losses in net trading. However, Inteligo

contributed to a higher net trading gain, as mark to market valuations of securities held for trading were positively impacted by market conditions.

Other expenses decreased 1.9% mainly explained by decreases of 31.9% at Inteligo and 7.4% at Interseguro, in such account. The decrease in expenses at Inteligo was related to an impairment loss on available for sale investments reported in 4Q14; while the decrease at Interseguro was mainly due to lower expenses related to rental income and a lower impairment loss on available-for-sale investments.

IFS effective tax rate decreased QoQ, from 28.3% in 4Q14 to 22.9% in 1Q15, as a result of a non-recurrent negative adjustment of S/. 6.4 million in net tax provisions in the previous quarter, which resulted from lower expected future tax credits due to a Peruvian tax regulation introduced by the government in December 2014.

### Year-on-year performance

Profits increased 95.1% YoY mainly due to increases of 23.6% in net premiums, 20.4% in fee income from financial services, net and 14.8% in net interest and similar income. Such growths were partially offset by increases of 43.3% in provisions and 6.0% in other expenses.

Net interest and similar income rose 14.8% mainly explained by a 26.5% increase in the average volume of Interseguro's investment portfolio, and a 13.1% increase in interest on loans at Interbank. These factors were partially offset by an 11.5% increase in interest and similar expenses at Interbank.

Provision expenses increased 43.3% mainly as a result of higher provisioning in both retail and commercial loans, driven by loan growth in the first case and by asset quality deterioration in mortgages, SMEs and specific corporate clients.

Fee income from financial services increased 20.4% YoY as a result of increases of 58.7% at Inteligo and 15.0% at Interbank. The increase in fee income from Inteligo was mainly explained by higher funds management fees, in line with AuM expansion; while the increase at Interbank was driven by higher fees related to credit cards and higher insurance premiums sold.

Interseguro's total premiums earned less claims and benefits increased by S/. 76.3 million, mainly explained by a S/. 46.2 million lower adjustment of technical reserves and by S/. 39.0 million higher net premiums.

Other income increased 34.3% YoY mainly due to increases of 82.9% at Interbank and 44.7% at Interseguro, in such account. The increase at Interbank was mainly explained by higher net gain on foreign exchange transactions; while the growth at Interseguro was mainly explained by increases in profits from sale of investment property and in net gain on sale of securities.

Other expenses grew 6.0% YoY mainly due to increases in such accounts of 21.8% at Interseguro, 11.0% at Inteligo, and 6.1% at Interbank. The higher expense at Interseguro was driven by a higher impairment loss on available-for-sale investments and a higher expense related to provisions for uncollectible premiums in line with a new insurance contract law; while the increase at Inteligo was related to higher administrative expenses. Moreover, the increase at Interbank was also explained by increases in administrative expenses, and in salaries and employee benefits.

IFS effective tax rate decreased from 31.1% in 1Q14 to 22.9% in 1Q15 as a result of a higher profit contribution from Interseguro, whose investment income is tax-exempt, as well as a lower tax rate that was introduced in December 2014.

### CONTRIBUTION BY SEGMENTS

The following table shows the contribution of Interbank, Interseguro and Inteligo to Intercorp Financial Services' net profit. The performance of each of the three segments is discussed in detail in the following sections.

Intercorp Financial Services' Profit by segment					
S/. million	1Q14	4Q14	1Q15	%chg QoQ	%chg YoY
Interbank	158.3	208.7	205.2	-1.7%	29.6%
Interseguro	-57.0	61.5	33.8	-45.0%	n.m.
Inteligo	48.2	15.4	36.1	133.8%	-25.0%
Corporate and eliminations	-14.7	-14.5	-12.2	-15.6%	-17.0%
<b>IFS profit for the period</b>	<b>134.7</b>	<b>271.2</b>	<b>262.9</b>	<b>-3.1%</b>	<b>95.1%</b>

## Interbank

### SUMMARY

Interbank's profits reached S/. 205.2 million in 1Q15, a S/. 3.5 million decrease QoQ and a S/. 46.9 million increase YoY. The quarterly decrease was mainly due to a S/. 43.0 million increase provisions and a S/. 7.3 million decrease in net interest and similar income, factors which were partially offset by a S/. 43.1 million growth in other income.

The annual growth in net profit was due to a S/. 55.5 million increase in net interest and similar income and a S/. 56.7 million growth in other income, which were partially offset by a S/. 45.0 million increase in provision expenses.

Interbank's ROAE was 25.5% in 1Q15, lower than the 26.3% registered in 4Q14, but above the 23.1% reported in 1Q14.

Banking Segment's P&L Statement					
S/. million	1Q14	4Q14	1Q15	%chg QoQ	%chg YoY
Interest and similar income	593.3	671.8	668.6	-0.5%	12.7%
Interest and similar expenses	-171.7	-187.5	-191.5	2.2%	11.5%
<b>Net interest and similar income</b>	<b>421.6</b>	<b>484.4</b>	<b>477.1</b>	<b>-1.5%</b>	<b>13.2%</b>
Provision for loan losses, net of recoveries	-103.8	-105.8	-148.8	40.6%	43.3%
<b>Net interest and similar income after provision for loan losses</b>	<b>317.8</b>	<b>378.5</b>	<b>328.3</b>	<b>-13.3%</b>	<b>3.3%</b>
Fee income from financial services, net	150.6	181.0	173.2	-4.3%	15.0%
Other income	68.4	82.0	125.1	52.6%	82.9%
Other expenses	-320.8	-328.3	-340.3	3.7%	6.1%
<b>Income before translation result and income tax</b>	<b>215.9</b>	<b>313.2</b>	<b>286.2</b>	<b>-8.6%</b>	<b>32.6%</b>
Translation result	-0.8	-9.6	-12.4	29.3%	n.m.
Income tax	-56.7	-94.9	-68.6	-27.7%	21.0%
<b>Profit for the period</b>	<b>158.3</b>	<b>208.7</b>	<b>205.2</b>	<b>-1.7%</b>	<b>29.6%</b>
<b>Profit excl. non-recurring factors</b>	<b>158.3</b>	<b>215.2</b>	<b>205.2</b>	<b>-4.7%</b>	<b>29.6%</b>
<b>ROAE</b>	<b>23.1%</b>	<b>26.3%</b>	<b>25.5%</b>		
<b>Efficiency ratio</b>	<b>46.3%</b>	<b>43.7%</b>	<b>42.3%</b>		
<b>NIM</b>	<b>5.94%</b>	<b>6.61%</b>	<b>6.27%</b>		

### INTEREST-EARNING ASSETS

Interbank's interest-earning assets reached S/. 31,179.5 million in 1Q15, an increase of 4.9% QoQ and 6.0% YoY.

The quarterly increase was due to growths of 20.4% in cash and due from banks and 3.9% in loans, partially offset by a 7.0% decrease in investments available for sale. The increase in cash and due from banks was mainly a result of higher reserve funds in the Central Bank, whereas the decline in investments was mainly due to a lower volume of Central Bank Certificates of Deposit (CDBCR). The growth in loans was explained by increases in our retail and commercial portfolios.

The annual growth in interest-earning assets was attributed to increases of 27.3% in investments available for sale and 10.5% in loans, partially offset by a 18.5% decline

in cash and due from banks. The increase in investments was mainly due to higher volumes of fixed income investments, while growth in loans was mostly focused in credit cards and other consumer loans.

Interest-earning assets					
S/. million	1Q14	4Q14	1Q15	%chg QoQ	%chg YoY
Cash and due from banks and inter-bank funds	6,132.6	4,150.7	4,996.8	20.4%	-18.5%
Investments available for sale	2,602.1	3,560.4	3,311.3	-7.0%	27.3%
Loans	20,692.5	22,005.2	22,871.4	3.9%	10.5%
<b>Total Interest-earning assets</b>	<b>29,427.2</b>	<b>29,716.2</b>	<b>31,179.5</b>	<b>4.9%</b>	<b>6.0%</b>

Loan portfolio					
S/. million	1Q14	4Q14	1Q15	%chg QoQ	%chg YoY
Performing loans					
Retail	9,611.9	10,832.5	11,243.5	3.8%	17.0%
Commercial	10,360.7	10,277.2	10,754.4	4.6%	3.8%
<b>Total Performing loans</b>	<b>19,972.6</b>	<b>21,109.7</b>	<b>21,997.9</b>	<b>4.2%</b>	<b>10.1%</b>
Restructured and refinanced loans					
Past due loans	126.9	140.7	145.7	3.5%	14.8%
	383.0	540.7	516.1	-4.5%	34.8%
<b>Total gross loans</b>	<b>20,482.4</b>	<b>21,791.0</b>	<b>22,659.7</b>	<b>4.0%</b>	<b>10.6%</b>
Add (less)					
Accrued and deferred interest	210.1	214.2	211.7	-1.2%	0.7%
Allowance for loan losses	-726.3	-818.2	-884.6	8.1%	21.8%
<b>Total direct loans, net</b>	<b>19,966.2</b>	<b>21,186.9</b>	<b>21,986.8</b>	<b>3.8%</b>	<b>10.1%</b>

Performing loans grew 4.2% QoQ as a result of a 3.8% increase in retail loans and a 4.6% growth in commercial loans. Retail loans increased due to growths of 5.1% in credit cards, 4.5% in other consumer loans and 2.1% in mortgage loans. In credit cards, 1Q15 was the eighth consecutive quarter of solid growth, notwithstanding the past-due-loan ratio in such product declined from 3.6% in 4Q14 to 3.4% in 1Q15, and also reduced from the 3.7% registered in 1Q14. Commercial loans grew in volume mainly driven by increases of 17.5% in trade finance loans and 4.2% in medium-term loans.

Performing loans grew 10.1% YoY due to increases of 17.0% in retail loans and 3.8% in commercial loans. Retail loans grew driven by growths of 26.9% in credit cards, 17.0% in other consumer loans and 10.0% in mortgage loans. Commercial loans grew mainly due to increases in medium-term loans within the corporate and middle market businesses.

Breakdown of retail loans					
S/. million	1Q14	4Q14	1Q15	%chg QoQ	%chg YoY
Consumer loans:					
Credit cards	2,637.4	3,183.4	3,347.2	5.1%	26.9%
Other consumer	3,198.4	3,581.4	3,741.7	4.5%	17.0%
<b>Total consumer loans</b>	<b>5,835.8</b>	<b>6,764.8</b>	<b>7,089.0</b>	<b>4.8%</b>	<b>21.5%</b>
Mortgages	3,776.1	4,067.6	4,154.5	2.1%	10.0%
<b>Total retail loans</b>	<b>9,611.9</b>	<b>10,832.5</b>	<b>11,243.5</b>	<b>3.8%</b>	<b>17.0%</b>

## FUNDING STRUCTURE

Funding structure					
S/. million	1Q14	4Q14	1Q15	%chg QoQ	%chg YoY
Deposits	21,221.6	21,124.1	22,099.6	4.6%	4.1%
Due to banks and inter-bank funds	2,767.5	3,219.1	3,974.0	23.5%	43.6%
Bonds	3,942.8	4,197.2	4,377.4	4.3%	11.0%
<b>Total</b>	<b>27,931.9</b>	<b>28,540.4</b>	<b>30,451.0</b>	<b>6.7%</b>	<b>9.0%</b>
% of funding					
Deposits	76.0%	74.0%	72.6%		
Due to banks and inter-bank funds	9.9%	11.3%	13.1%		
Bonds	14.1%	14.7%	14.4%		

Interbank's funding base grew 6.7% QoQ, above the growth in interest-earning assets. This was mainly due to increases of 23.5% in due to banks and 4.6% in deposits. The increase in due to banks and inter-bank funds was driven by higher short and long term funding from COFIDE and Central Bank, while the increase in deposits was explained by increases of 6.6% in institutional deposits, 4.6% in commercial deposits and 3.0% in retail deposits.

The bank's total funding base increased 9.0% YoY, above the growth in interest-earning assets. The increase was due to growths of 43.6% in due to banks and inter-bank funds, 11.0% in bonds, and 4.1% in deposits.

The yearly growth in due to banks and inter-bank funds was mainly due to a sharp increase in the utilization of short-term credit lines and long-term funding from COFIDE and Central Bank, partially offset by a decrease in long term funding from foreign correspondent banks.

The YoY growth in bonds was mainly explained by a 10.3% depreciation of the exchange rate during the last 12 months, which originated an increase in the value of bonds issued in dollars.

The YoY growth in deposits was attributed to increases of 15.4% in retail deposits and 6.8% in institutional deposits, partly offset by a decrease of 11.6% in commercial deposits. As a result, the proportion of retail deposits to total deposits increased from 37.9% in 1Q14 to 42.0% in 1Q15.



Breakdown of deposits					
S/. million	1Q14	4Q14	1Q15	%chg QoQ	%chg YoY
By customer service:					
Retail	8,033.2	9,001.1	9,271.6	3.0%	15.4%
Commercial	7,818.6	6,604.1	6,909.7	4.6%	-11.6%
Institutional	5,148.7	5,161.1	5,501.4	6.6%	6.8%
Other	221.1	357.8	417.0	16.5%	88.6%
<b>Total</b>	<b>21,221.6</b>	<b>21,124.1</b>	<b>22,099.6</b>	<b>4.6%</b>	<b>4.1%</b>
By type:					
Demand	6,855.3	5,440.0	6,001.7	10.3%	-12.5%
Savings	5,636.5	6,828.1	6,853.2	0.4%	21.6%
Time	8,716.7	8,850.1	9,231.7	4.3%	5.9%
Other	13.1	5.9	13.0	121.4%	-0.5%
<b>Total</b>	<b>21,221.6</b>	<b>21,124.1</b>	<b>22,099.6</b>	<b>4.6%</b>	<b>4.1%</b>

## NET INTEREST AND SIMILAR INCOME

Net interest and similar income					
S/. million	1Q14	4Q14	1Q15	%chg QoQ	%chg YoY
Interest and similar income	593.3	671.8	668.6	-0.5%	12.7%
Interest and similar expense	-171.7	-187.5	-191.5	2.2%	11.5%
<b>Net interest and similar income</b>	<b>421.6</b>	<b>484.4</b>	<b>477.1</b>	<b>-1.5%</b>	<b>13.2%</b>
<b>NIM</b>	<b>5.9%</b>	<b>6.6%</b>	<b>6.3%</b>	<b>-30 bps</b>	<b>40 bps</b>

Interest and similar income					
S/. million	1Q14	4Q14	1Q15	%chg QoQ	%chg YoY
<b>Interest and similar income</b>					
Due from banks and inter-bank funds	4.1	1.9	1.6	-15.6%	-60.8%
Investments available for sale	18.3	19.3	21.6	11.7%	17.9%
Loans	570.9	650.6	645.4	-0.8%	13.1%
<b>Total Interest and similar income</b>	<b>593.3</b>	<b>671.8</b>	<b>668.6</b>	<b>-0.5%</b>	<b>12.7%</b>
Average interest-earning assets	28,391.9	29,313.0	30,447.9	3.9%	7.2%
Average yield on assets (annualized)	8.4%	9.2%	8.8%	-40 bps	40 bps

Interest and similar expense					
S/. million	1Q14	4Q14	1Q15	%chg QoQ	%chg YoY
<b>Interest and similar expense</b>					
Deposits and obligations	-81.6	-80.6	-78.4	-2.8%	-3.9%
Due to banks and correspondents	-37.6	-37.3	-40.8	9.5%	8.7%
Bonds, notes and other obligations	-52.6	-69.6	-72.3	3.9%	37.5%
<b>Total Interest and similar expense</b>	<b>-171.7</b>	<b>-187.5</b>	<b>-191.5</b>	<b>2.2%</b>	<b>11.5%</b>
Average interest-bearing liabilities	23,288.9	23,934.2	24,771.1	3.5%	6.4%
Average cost of funding (annualized)	-2.9%	-3.1%	-3.1%	0 bps	-20 bps

## QoQ Performance

Net interest and similar income decreased 1.5% QoQ as the result of a 0.5% decline in interest and similar income and a 2.2% increase in interest and similar expense.

The decline in interest and similar income was mainly due to a decrease of 0.8% in interest on loans, partially offset by a 11.7% increase in income from investments available for sale.

The slight decline in interest on loans was due to a 40 basis points decrease in the average yield, from 11.9% in 4Q14 to 11.5% in 1Q15, partially offset by a 2.4% increase in the average volume of the loan portfolio. The lower average rate was explained by a decrease of 60 basis points in the retail portfolio, while the yield on the commercial portfolio remained stable. The yield decline on retail loans was mainly due to lower rates on payroll-deduction loans and credit cards. In the commercial portfolio, a higher average yield on trade finance loans was offset by a lower average yield on medium-term loans. The higher average volume of loans was attributed to increases of 3.7% in retail loans and 0.8% in commercial loans. In the retail portfolio, higher volume was due to growths of 4.9% in credit cards, 4.2% in other consumer loans and 2.4% in mortgages. In the commercial portfolio, volumes increased 3.1% in medium-term loans, partially offset by decreases of 3.0% in leasing and 2.4% in trade finance loans.

Interest on investments available for sale increased by S/. 2.3 million, or 11.7%, as a result of a higher average rate on the investment portfolio and a higher average volume. The increase in the nominal average rate, from 2.3% in 4Q14 to 2.5% in 1Q15, accounted for a S/. 1.8 million increase in interest income and was attributable to a higher local currency component within the investment portfolio, which bears a higher rate. The increase in average volume accounted for a S/. 0.5 million increase in interest income and was a result of higher investments in bonds.

The nominal average rate on interest-earning assets decreased by 40 basis points QoQ, from 9.2% in 4Q14 to 8.8% in 1Q15, mainly due to a lower yield on the loan portfolio.

Interest and similar expense rose 2.2% QoQ due to increases of 9.5% in interest due to banks and correspondents; and 3.9% in interest on bonds, notes and other obligations. Such increases were partially offset by a 2.8% decrease in interest on deposits and obligations.

The increase in interest due to banks and correspondents was explained by a 14.5% increase in the average volume, partially offset by a 20 basis point reduction in the nominal average cost. The higher average volume was the result of an increase in local funding from COFIDE and Central Bank, while the decrease in the nominal average cost was driven by a decrease in the average cost of foreign and local funding.

Interest on bonds, notes and other obligations increased by S/. 2.7 million in 1Q15 as a result of a 3.1% growth in the average volume, while the nominal average cost remained stable. The higher average volume was attributable to a 3.7% depreciation of the nuevo sol against the U.S. dollar that resulted in a higher average volume of bonds denominated in dollars, which represent 90.2% of total bonds.

Interest on deposits and obligations decreased by S/. 2.2 million due to a slight decline in the nominal average cost, which was partially offset by a 1.5% increase in the average volume. The decline in the nominal average cost accounted for a S/. 3.4 million decrease in interest expense, while the higher average volume accounted for a S/. 1.2 million increase in interest expense and was mainly explained by growth in retail and commercial deposits.

The average cost of funds remained stable at 3.1% in 1Q15.

### YoY Performance

Net interest and similar income grew 13.2% YoY due to an increase of 12.7% in interest and similar income, partially offset by a 11.5% rise in interest and similar expense.

The growth in interest and similar income was due to increases of 13.1% in interest on loans and 17.9% in interest on investments available for sale, partially offset by a 60.8% reduction in interest due from banks and inter-bank funds.

The S/. 74.5 million growth in interest on loans was explained by increases of 10.2% in the average loan volume and 30 basis points in the average yield, from 11.2% in 1Q14 to 11.5% in 1Q15. Growth in average volume was due to increases of 16.4% in the retail portfolio and 3.2% in the commercial portfolio. The higher average volume of retail loans was due to growths of 26.1% in credit cards, 15.8% in other consumer and 10.2% in mortgage loans. In the commercial portfolio, volumes rose 9.9% in medium-term loans, partially offset by decreases of 7.3% in trade finance loans and 2.4% in leasing. The higher average yield was explained by increases of 40 basis points in the average rate of the retail portfolio and 10 basis points in the commercial portfolio, as well as a higher proportion of retail loans within the total loan portfolio. The increased yield on the retail portfolio was mainly attributed to higher rates on credit cards.

Interest on investments available for sale increased by S/. 3.3 million YoY, or 17.9%, as a result of a higher average volume which was partially offset by a lower nominal average rate. The growth in volume accounted for S/. 7.2 million of the increase and was a result of higher investments in CDBCR, global and corporate bonds. The lower average rate on the investment portfolio was due to lower returns in the CDBCR and global bonds portfolios.

The S/. 2.5 million decrease in interest on due from banks and inter-bank funds was explained by a 20 basis point decline in the nominal average rate, and a 20.4% decline in the average volume. The lower rate was mainly due to a reduced yield on overnight deposits in the Central Bank and on inter-bank funds. The lower volume was mainly attributable to lower reserve requirements by the Central Bank.

The nominal average rate on interest-earning assets was 8.8% in 1Q15, a 40 basis point increase with respect to the 8.4% registered in 1Q14, mainly as a result of the higher yield in the loan portfolio and its higher proportion within total interest-earning assets.

Interest and similar expense increased 11.5% YoY due to growths of 37.5% in interest on bonds, notes and other obligations, and 8.7% in interest due to banks and correspondents. Such increases were partly offset by a 3.9% decrease in interest on deposits and obligations.

Interest on bonds, notes and other obligations increased by S/. 19.7 million, or 37.5%, mainly as a result of a 22.3% increase in the average volume and a higher nominal average cost. The growth in average volume accounted for a S/. 13.2 million increase in interest expense and was explained by the issuance of a subordinated bond for US\$300.0 million in March 2014. The increase in the nominal average cost, from 6.0% in 1Q14 to 6.7% in 1Q15, was also attributable to the subordinated bond issuance, which only contributed partially to interest expenses during 1Q14 but completely during 1Q15.

The increase in interest due to banks and correspondents was explained by a 25.2% growth in the average volume, partly offset by a 70 basis points decline in the average cost. The higher average volume accounted for a S/. 8.2 million increase in interest expense and was due to an increase in local funding from COFIDE and Central Bank. The lower nominal average cost accounted for a S/. 4.9 million decrease in interest expense and was explained by a decline in the nominal average cost both in local and foreign currencies.

Interest on deposits and obligations decreased by S/. 3.2 million mainly attributable to a slight decrease in the nominal average cost and a 0.1% decline in the average volume. The lower average cost accounted for a S/. 3.1 million decrease in interest expense, while the decline in the average volume accounted for a S/. 0.1 million decrease in interest expense and was a result of lower commercial deposits.

The average cost of funds increased from 2.9% in 1Q14 to 3.1% in 1Q15, mainly as a result of two effects, the higher nominal average rate on bonds and the fact that they represented a larger portion of the total funding base.

#### Net Interest Margin

As a result of the above, net interest margin was 6.3% in 1Q15, 30 basis points lower than the 6.6% reported in 4Q14 but 40 basis points higher than the 5.9% registered in 1Q14.

#### **PROVISION FOR LOAN LOSSES, NET OF RECOVERIES**

Provision for loan losses, net of recoveries increased 40.6% QoQ and 43.3% YoY. As a result, the annualized ratio of provision expense to average loans was 2.7% in 1Q15, above the 2.0% and 2.1% reported in 4Q14 and 1Q14, respectively.

Provision expenses increased 40.6% QoQ mainly as a result of a low 4Q14 in provisions as the last quarter is normally one of the lowest in the year, specially for credit cards due to higher amortizations and better collections in December, in addition to a slight deterioration in asset quality, particularly in mortgages and small business. Notwithstanding, the past-due-loan ratio of credit cards slightly declined from 3.6% in 4Q14 to 3.4% in 1Q15.

Provision expenses increased 43.3% YoY mainly as a result of higher provisioning in both retail and commercial loans, driven by loan growth in the first case and by asset quality deterioration in mortgages, SMEs and specific corporate clients.

Provision for loan losses, net of recoveries					
S/. million	1Q14	4Q14	1Q15	%chg QoQ	%chg YoY
Provision for loan losses, net of recoveries	-103.8	-105.8	-148.8	40.6%	43.3%
Past-due-loan ratio (at end of period)	1.9%	2.5%	2.3%	-20 bps	40 bps
Provision for loan losses/average gross loans	2.1%	2.0%	2.7%	70 bps	60 bps
Coverage ratio (at end of period)	189.7%	151.3%	171.4%	n.m.	n.m.
Allowance for loan losses (at end of period)	726.3	818.2	884.6	8.1%	21.8%

The past-due-loan ratio was 2.3% in 1Q15, 20 basis points below the 2.5% reported in 4Q14 and 40 basis points above the 1.9% registered in 1Q14. The lower past-due-loan ratio QoQ was attributable to the partial recovery of certain commercial loans related to a specific client which deteriorated in 4Q14. The PDL ratio increased YoY due to higher PDL ratios for commercial and mortgage loans, which were partially offset by lower PDL ratios for consumer loans. As a consequence, the coverage ratio of the past-due loan portfolio was 171.4% in 1Q15, compared to 189.7% in 1Q14 and 151.3% in 4Q14.

## FEE INCOME FROM FINANCIAL SERVICES, NET

Fee income from financial services, net decreased by S/. 7.8 million QoQ, or 4.3%, but increased by S/. 22.6 million YoY, or 15.0%. The quarterly performance was mainly explained by a decrease of S/. 4.1 million in commissions from banking services, which was a result of lower fees from insurance premiums sold for Interseguro.

The YoY increase in fee income from financial services, net was mainly attributable to a S/. 10.1 million increase in commissions from banking services, and a S/. 9.7 million increase in fees from maintenance and mailing of accounts, interchange fees, transfers and credit and debit card services. The increase in commissions from banking services was a result of higher insurance premiums sold, while the higher fees from maintenance and mailing of accounts, interchange fees, transfers and credit and debit card services was due to a higher market share in credit cards.

Fee income from financial services, net					
S/. million	1Q14	4Q14	1Q15	%chg QoQ	%chg YoY
<b>Income</b>					
Maintenance and mailing of accounts, interchange fees, transfers and credit and debit card services	109.6	117.7	119.3	1.4%	8.9%
Commissions from banking services	58.2	72.4	68.3	-5.6%	17.4%
Fees for indirect loans	12.4	14.9	14.0	-5.9%	13.5%
Collection services	5.1	6.1	6.9	13.4%	36.0%
Funds management	6.8	6.9	7.0	0.5%	1.6%
Other	4.7	9.7	7.3	-25.2%	53.4%
<b>Total income</b>	<b>196.8</b>	<b>227.6</b>	<b>222.8</b>	<b>-2.1%</b>	<b>13.2%</b>
<b>Expenses</b>					
Insurance	-34.0	-34.6	-35.9	3.7%	5.6%
Fees paid to foreign banks	-2.4	-2.7	-2.1	n.m.	-14.8%
Other	-9.8	-9.3	-11.6	24.7%	18.4%
<b>Total expenses</b>	<b>-46.2</b>	<b>-46.6</b>	<b>-49.6</b>	<b>6.4%</b>	<b>7.2%</b>
<b>Fee income from financial services, net</b>	<b>150.6</b>	<b>181.0</b>	<b>173.2</b>	<b>-4.3%</b>	<b>15.0%</b>

## OTHER INCOME

Other income increased by S/. 43.1 million QoQ mainly due to increases of S/. 57.0 million in net gain on foreign exchange transactions and S/. 5.9 million in net gain on sale of securities, partially offset by a S/. 34.8 million reduction in net trading income.

Other income grew by S/. 56.7 million YoY as a result of a more than two-fold increase in net gain on foreign exchange transactions, which was mainly due to higher income from forward foreign exchange agreements with clients. Such increase was partially offset by a reduction in net trading income, which was mainly driven by derivatives instruments that were negatively affected by the appreciation of the U.S. dollar against the nuevo sol.

Other income					
S/. million	1Q14	4Q14	1Q15	%chg QoQ	%chg YoY
Net gain on foreign exchange transactions	46.4	57.0	114.0	99.8%	145.5%
Net gain on sale of securities	0.7	0.8	6.7	n.m	n.m
Net trading (loss) income	3.7	8.5	-26.3	n.m	n.m
Other	17.6	15.6	30.7	96.5%	74.7%
<b>Total other income</b>	<b>68.4</b>	<b>82.0</b>	<b>125.1</b>	<b>52.6%</b>	<b>82.9%</b>

## OTHER EXPENSES

Other expenses increased by S/. 12.0 million QoQ, or 3.7%, and by S/. 19.5 million YoY, or 6.1%. The quarterly growth was mainly due to an increase of 3.9% in salaries and employee benefits, partially offset by reductions of 2.4% in administrative expenses and 1.7% in depreciation and amortization.

The annual growth in other expenses was a result of increases of 11.9% in administrative expenses, 10.3% in salaries and employee benefits, and 4.1% in depreciation and amortization, partially offset by a 48.5% reduction in other expenses. The higher administrative expenses were related to property leases and publicity, while the increase in salaries and employee benefits was related to a higher average headcount in 1Q15 compared to 1Q14.

The efficiency ratio was 42.3% in 1Q15, below the 43.7% reported in 4Q14 and the 46.3% registered in 1Q14.

Other expenses					
S/. million	1Q14	4Q14	1Q15	%chg QoQ	%chg YoY
Salaries and employee benefits	-132.0	-140.1	-145.6	3.9%	10.3%
Administrative expenses	-140.6	-161.3	-157.4	-2.4%	11.9%
Depreciation and amortization	-23.8	-25.2	-24.8	-1.7%	4.1%
Other	-24.3	-1.8	-12.5	n.m.	-48.5%
<b>Total other expenses</b>	<b>-320.8</b>	<b>-328.3</b>	<b>-340.3</b>	<b>3.7%</b>	<b>6.1%</b>
<b>Efficiency ratio</b>	<b>46.3%</b>	<b>43.7%</b>	<b>42.3%</b>	<b>-140 bps</b>	<b>-400 bps</b>

## REGULATORY CAPITAL

The ratio of regulatory capital to risk-weighted assets (RWA) was 16.7% in 1Q15, above the 15.2% reported in 4Q14, but slightly below the 16.8% registered in 1Q14.

The QoQ increase in the capital ratio was due to a 11.5% growth in regulatory capital, partially offset by a 1.4% increase in RWA. The quarterly increase in regulatory capital was mainly due to a S/. 334.4 million capitalization agreement of earnings and reserves during the first quarter of 2015.

As of 1Q15, Interbank's capital ratio of 16.7% was 490 basis points above its risk-adjusted minimum capital ratio requirement, established at 11.8%. The minimum regulatory capital ratio requirement was 10.0%, while the additional capital requirement for Interbank was 1.8% as of 1Q15.

Regulatory capital					
S/. million	1Q14	4Q14	1Q15	%chg QoQ	%chg YoY
Tier I capital	2,821.8	2,959.1	3,340.7	12.9%	18.4%
Tier II capital	1,622.5	1,717.7	1,874.5	9.1%	15.5%
Total regulatory capital	4,444.3	4,676.8	5,215.2	11.5%	17.3%
Risk-weighted assets	26,523.8	30,845.1	31,264.3	1.4%	17.9%
<b>BIS ratio</b>	<b>16.8%</b>	<b>15.2%</b>	<b>16.7%</b>	<b>150 bps</b>	<b>-10 bps</b>
<b>Tier I capital / risk-weighted assets</b>	<b>10.6%</b>	<b>9.6%</b>	<b>10.7%</b>	<b>110 bps</b>	<b>10 bps</b>

## Interseguro

### SUMMARY

Interseguro's profit attributable to shareholders in 1Q15 was S/. 33.6 million, a decrease of S/. 19.6 million QoQ and an increase of S/. 90.7 million YoY. The annualized ROAE for 1Q15 was 23.3%, below the 36.9% registered in 4Q14 and above the -49.9% reported in 1Q14.

The QoQ decline in profits was mainly due to a S/. 24.7 million decrease in net gain on valuation of real estate investments (other income) and a S/. 19.4 million decrease in total premiums earned less claims and benefits, partially offset by an S/. 8.2 million increase in attributable to non controlling interest, an S/. 8.2 million increase in net gain on sale of securities (other income) and a S/. 3.8 million decrease in other expenses.

The YoY increase was mainly due to a S/. 76.3 million increase in total premiums earned less claims and benefits and a S/. 10.7 million increase in interest and similar income driven by the growth of Interseguro's investment portfolio.

Insurance Segment's P&L Statement					
S/. million	1Q14	4Q14	1Q15	%chg QoQ	%chg YoY
Net Interest and similar income	42.6	54.0	53.3	-1.2%	25.1%
Fee income from financial services, net	-0.6	-0.7	-0.7	-2.3%	20.7%
Other income	28.3	58.9	41.0	-30.3%	44.7%
Total premiums earned less claims and benefits	-88.3	7.4	-12.0	n.m	-86.4%
Net premiums	165.3	165.3	204.3	23.7%	23.6%
Adjustment of technical reserves	-202.7	-109.5	-156.5	42.9%	-22.8%
Net claims and benefits incurred	-50.9	-48.3	-59.9	23.9%	17.6%
Other expenses	-38.9	-51.2	-47.4	-7.4%	21.8%
<b>Income before translation result and income tax</b>	<b>-56.8</b>	<b>68.3</b>	<b>34.2</b>	<b>-49.9%</b>	<b>n.m</b>
Translation result	-0.2	-3.5	-0.7	-81.2%	197.0%
Income tax	-	-3.3	0.2	n.m	n.m
<b>Profit for the period</b>	<b>-57.0</b>	<b>61.5</b>	<b>33.8</b>	<b>-45.0%</b>	<b>n.m</b>
Attributable to non-controlling interest <sup>(1)</sup>	-0.0	-8.4	-0.2	-97.4%	n.m
<b>Profit attributable to shareholders</b>	<b>-57.1</b>	<b>53.2</b>	<b>33.6</b>	<b>-36.8%</b>	<b>n.m</b>
Discount rate impacts on technical reserves	-56.6	25.5	28.0	9.4%	n.m
<b>Profit excluding discount rate impacts</b>	<b>-0.5</b>	<b>27.6</b>	<b>5.6</b>	<b>-79.5%</b>	<b>n.m</b>
<b>ROAE</b>	<b>-49.9%</b>	<b>36.9%</b>	<b>23.3%</b>		
<b>Efficiency ratio</b>	<b>70.3%</b>	<b>11.9%</b>	<b>16.9%</b>		

(1) Starting 4Q14, Interseguro began consolidating a real estate investment shared by Interseguro and Intercorp Real Estate Inc, a subsidiary of Intercorp. Intercorp RE's part is then reported as attributable to non-controlling interest.



## RESULTS FROM INVESTMENTS

Results from Investments <sup>(1)</sup>					
S/. million	1Q14	4Q14	1Q15	%chg QoQ	%chg YoY
Interest and similar income	43.9	56.4	56.3	-0.1%	28.3%
Interest and similar expenses	-1.3	-2.4	-3.0	25.1%	138.2%
<b>Net interest and similar income</b>	<b>42.6</b>	<b>54.0</b>	<b>53.3</b>	<b>-1.2%</b>	<b>25.1%</b>
Fee income from financial services, net	-0.1	-0.2	-0.3	35.2%	n.m
Net gain on sale of securities	13.9	14.2	22.4	57.6%	60.4%
Net trading loss (income)	-1.3	1.3	0.8	-33.3%	n.m
Rental income	10.1	5.1	4.8	-4.7%	-52.4%
Profit from sale of investment property	-10.9	0.9	-	n.m	n.m
Valuation gain from investment property	14.4	34.2	9.5	-72.2%	-34.0%
Other <sup>(1)</sup>	0.2	-0.2	0.4	n.m	52.6%
<b>Other income</b>	<b>26.3</b>	<b>55.2</b>	<b>37.6</b>	<b>-31.9%</b>	<b>42.6%</b>
Expenses related to rental income	-1.3	-2.6	-0.1	-97.4%	-94.7%
Other <sup>(1)</sup>	-0.7	-9.8	-6.6	-32.8%	n.m
<b>Expenses</b>	<b>-1.9</b>	<b>-12.4</b>	<b>-6.7</b>	<b>-46.1%</b>	<b>246.2%</b>
<b>Results from investments</b>	<b>67.1</b>	<b>96.8</b>	<b>84.2</b>	<b>-13.0%</b>	<b>25.6%</b>

1. Only includes transactions related to investments.

### NET INTEREST AND SIMILAR INCOME

Net interest and similar income in 1Q15 was S/. 53.3 million, a decrease of S/. 0.7 million QoQ and an increase of S/. 10.7 million YoY.

The YoY growth was mainly due to an increase in interest on investments available-for-sale as a result of a 26.5% increase in the average volume of Interseguro's investment portfolio and a 2 basis point increase in the nominal average rate.

### OTHER INCOME

Other income in 1Q15 was S/. 37.6 million, a decrease of S/. 17.6 million QoQ and an increase of S/. 11.3 million YoY.

The QoQ decrease was largely explained by a decrease of S/. 24.7 million in valuation gain from investment property, partially offset by an increase of S/. 8.2 million in net gain on sale of securities. The decrease in valuation gain from investment property was due to real estate appreciation recognized in 4Q14 driven by both changes in macroeconomic conditions and projects implemented in underdeveloped areas. The increase in net gain on sale of securities was mainly determined by a higher profit in equity and bonds.

The YoY increase in other income was mainly explained by an increase of S/. 10.9 million in profit from sale of investment property and an S/. 8.5 million increase in net gain on sale of securities, partially offset by a lower rental income of S/. 5.3 million and a S/. 4.9 million decrease in valuation gain from investment property. The increase in profit from sale of investment property was due to a loss incurred from the sale of real estate recognized in 1Q14. The higher net gain on sale of

securities was explained by higher profits in the sale of equity and bonds. The decrease in rental income was explained by the sale in 3Q14 of a shopping mall located in the historical center of Lima, partially offset by greater revenues from a property located northeast of Peru that started operations in 3Q14. The lower valuation gain from investment property was mainly due to a real estate appreciation of a property located in the financial center of Lima, recognized in 1Q14.

## TOTAL PREMIUMS EARNED LESS CLAIMS AND BENEFITS

Total Premiums Earned Less Claims And Benefits					
S/. million	1Q14	4Q14	1Q15	%chg QoQ	%chg YoY
Net premiums	165.3	165.3	204.3	23.7%	23.6%
Adjustment of technical reserves	-202.7	-109.5	-156.5	42.9%	-22.8%
Net claims and benefits incurred	-50.9	-48.3	-59.9	23.9%	17.6%
<b>Total premiums earned less claims and benefits</b>	<b>-88.3</b>	<b>7.4</b>	<b>-12.0</b>	<b>n.m</b>	<b>-86.4%</b>

Interseguro's total premiums earned less claims and benefits was -S/. 12.0 million in 1Q15, a decrease of S/. 19.4 million QoQ and an increase of S/. 76.3 million YoY.

The QoQ decrease was largely explained by an increase of S/. 47.0 million in adjustment of technical reserves. Additionally, net claims and benefits incurred increased by S/. 11.6 million, offset by an increase of S/. 39.0 million in net premiums.

The YoY growth was explained by S/. 46.2 million lower adjustment of technical reserves and by S/. 39.0 million higher net premiums.

By year-end 2014, Interseguro subscribed a two-year contract of disability and survivorship insurance related to the Private Pension System for the period 2015-2016. Premiums under this contract are totally reinsured.

## NET PREMIUMS

Net Premiums by Business Line					
S/. million	1Q14	4Q14	1Q15	%chg QoQ	%chg YoY
Annuities	117.7	116.1	152.1	31.1%	29.3%
Individual Life	7.3	8.6	9.2	6.5%	25.2%
Retail Insurance	40.3	40.6	43.0	6.1%	6.7%
Credit Life Insurance	20.1	22.0	23.2	5.2%	15.4%
Mandatory Traffic Accident (SOAT)	7.8	6.0	8.3	38.3%	6.4%
Card Protection	6.8	5.5	4.5	-17.4%	-33.8%
Other	5.7	7.1	7.1	-0.4%	25.3%
<b>Net Premiums</b>	<b>165.3</b>	<b>165.3</b>	<b>204.3</b>	<b>23.7%</b>	<b>23.6%</b>

Annuities include premiums from disability and survivorship insurance

Net premiums in 1Q15 were S/. 204.3 million, an increase of S/. 39.0 million QoQ and YoY.

The QoQ growth was mainly due to increases of S/. 36.0 million in Annuities and S/. 2.4 million in Retail Insurance. The increase in Annuities was due to a market expansion of 7.4% and a market share gain of 470 basis points. The increase in Retail

Insurance was driven by an increase in Mandatory Traffic Accident (SOAT) and Credit Life Insurance, partially offset by a decrease in Card Protection. The growth in Mandatory Traffic Accident (SOAT) premiums was due to higher sales through Interbank agencies and third-party brokers. In Credit Life Insurance, the increase was due to higher sales related to Interbank's mortgages.

The YoY growth in net premiums was mainly attributable to higher Annuities and Retail Insurance premiums. The increase in Annuities was achieved by Interseguro's leadership position in a market that increased 26.9%. The increase in Retail Insurance was due to higher Credit Life Insurance premiums.

## ADJUSTMENT OF TECHNICAL RESERVES

Adjustment of Technical Reserves					
S/. million	1Q14	4Q14	1Q15	%chg QoQ	%chg YoY
Annuities	-195.8	-107.6	-151.7	41.0%	-22.5%
Individual Life	-1.9	-2.3	-3.6	55.9%	93.2%
Retail Insurance	-5.0	0.4	-1.1	n.m	-77.2%
<b>Adjustment of technical reserves</b>	<b>-202.7</b>	<b>-109.5</b>	<b>-156.5</b>	<b>42.9%</b>	<b>-22.8%</b>

Annuities include adjustment of technical reserves from disability and survivorship insurance

Interseguro's adjustment of technical reserves in 1Q15 was S/. 156.5 million, an increase of S/. 47.0 million QoQ but a decrease of S/. 46.2 million YoY.

The QoQ increase was mainly driven by higher sales partially offset by the use of a higher weighted average discount rate to calculate technical reserves for annuities. The weighted average discount rate increased from 4.12% in 3Q14 to 4.21% in 4Q14 leading to release technical reserves during 4Q14. The weighted average discount rate further increased to 4.28% in 1Q15 causing an additional release of technical reserves.

The YoY decrease is driven by changes in the weighted average discount rates, as in 1Q15 these changes led to a release of technical reserves whereas in 1Q14 they constituted higher technical reserves.

## NET CLAIMS AND BENEFITS INCURRED

Net Claims and Benefits Incurred					
S/. million	1Q14	4Q14	1Q15	%chg QoQ	%chg YoY
Annuities	-40.3	-39.9	-47.9	20.2%	19.1%
Individual Life	0.1	-0.4	-0.4	-4.0%	n.m
Retail Insurance	-10.7	-8.0	-11.5	43.5%	7.5%
Credit Life Insurance	-6.5	-4.9	-8.3	70.2%	28.1%
Mandatory Traffic Accident (SOAT)	-2.4	-2.2	-3.0	34.6%	24.6%
Card Protection	-0.1	-0.2	-0.1	-64.7%	-60.5%
Other	-1.7	-0.8	-0.2	-73.0%	-87.5%
<b>Net claims and benefits incurred</b>	<b>-50.9</b>	<b>-48.3</b>	<b>-59.9</b>	<b>23.9%</b>	<b>17.6%</b>

Annuities include net claims and benefits incurred from disability and survivorship insurance

Net claims and benefits incurred in 1Q15 were S/. 59.9 million, an increase of S/. 11.6 million QoQ and S/. 9.0 million YoY.

The QoQ growth was due to increases of S/. 8.0 million in claims related to Annuities and S/. 3.5 million in Retail Insurance. The increase in Annuities was due to a reversal of claim provisions for disability and survivorship insurance policies that were determined to be non-claimable in 4Q14. The increase in Retail Insurance was due to higher Credit Life Insurance claims.

The YoY growth was due to increases of S/. 7.6 million in Annuities, S/. 0.8 million in Retail Insurance and S/. 0.5 million in Life Insurance.

## OTHER EXPENSES

Other Expenses					
S/. million	1Q14	4Q14	1Q15	%chg QoQ	%chg YoY
Salaries and employee benefits	-15.9	-13.5	-16.1	19.5%	1.3%
Administrative expenses	-7.0	-5.8	-6.8	17.4%	-2.5%
Depreciation and amortization	-0.7	-0.8	-1.1	34.9%	49.9%
Third-party commissions	-11.9	-13.2	-12.4	-6.1%	4.4%
Expenses related to rental income	-1.6	-2.6	-0.1	-97.4%	-95.9%
Other	-1.8	-15.3	-10.9	-28.7%	n.m
<b>Other expenses</b>	<b>-38.9</b>	<b>-51.2</b>	<b>-47.4</b>	<b>-7.4%</b>	<b>21.8%</b>

Other expenses in 1Q15 were S/. 47.4 million, a decrease of S/. 3.8 million QoQ and an increase of S/. 8.5 million YoY.

The QoQ reduction was due to a decrease in other expenses by S/. 4.4 million and lower expenses related to rental income by S/. 2.5 million, partially offset by increases of S/. 2.6 million in salaries and employee benefits and S/. 1.0 million in administrative expenses. The decrease in other expenses was due to a S/. 2.3 million decrease in impairment loss on available-for-sale investments and a S/. 2.3 million tax credit loss provision registered in 4Q14. The increase in salaries and employee benefits was mainly due to an increase of S/. 1.0 million in sales force commissions and a S/. 1.3 million increase in back office personnel expenses in line with business growth. The increase in administrative expenses was due to higher expenses from Interseguro's subsidiaries.

The YoY growth in expenses was due to a S/. 9.1 million increase in other expenses and a S/. 0.5 million increase in third-party commissions, partially offset by lower expenses related to rental income by S/. 1.5 million. The increase in other expenses was due to a higher impairment loss on available-for-sale investments by S/. 4.5 million and a higher expense related to provisions for uncollectible premiums in line with a new insurance contract law. The increase in third-party commissions was in line with the increase in Retail Insurance premiums.

## Inteligo

### SUMMARY

Inteligo's net profit in 1Q15 was S/. 36.1 million, a S/. 20.7 million or 133.8% increase QoQ and a S/. 12.1 million or 25.0% decrease YoY. The quarterly increase was mainly attributable to higher fees from financial services and other income.

AuMs plus client deposits reached S/. 11,383.9 million in 1Q15, higher by S/. 660.3 million or 6.2% when compared to the previous quarter, and also higher by S/. 2,025.5 million or 21.6% when compared to 1Q14.

Inteligo's annualized ROAE for 1Q15 was 29.1%, higher than the 13.2% reported in 4Q14 but lower than the 41.1% registered in 1Q14.

Wealth Management Segment's P&L Statement					
S/. million	1Q14	4Q14	1Q15	%chg QoQ	%chg YoY
Interest and similar income	23.0	29.3	27.7	-5.3%	20.6%
Interest and similar expenses	-12.5	-13.0	-13.4	3.2%	6.8%
<b>Net interest and similar income</b>	<b>10.4</b>	<b>16.3</b>	<b>14.3</b>	<b>-12.1%</b>	<b>37.3%</b>
Fee income from financial services, net	19.7	26.3	31.2	18.7%	58.7%
Other income	34.0	0.2	8.5	n.m.	-75.0%
Other expenses	-16.1	-26.3	-17.9	-31.9%	11.0%
<b>Income before translation result and income tax</b>	<b>48.0</b>	<b>16.5</b>	<b>36.2</b>	<b>119.2%</b>	<b>-24.6%</b>
Translation result	0.2	0.5	0.0	-107.0%	-116.0%
Income tax	0.0	-1.5	0.0	n.m.	n.m.
<b>Profit for the period</b>	<b>48.2</b>	<b>15.4</b>	<b>36.1</b>	<b>133.8%</b>	<b>-25.0%</b>
<b>ROAE</b>	<b>41.1%</b>	<b>13.2%</b>	<b>29.1%</b>		
<b>Efficiency ratio</b>	<b>25.2%</b>	<b>41.7%</b>	<b>33.1%</b>		

### ASSETS UNDER MANAGEMENT & DEPOSITS

Inteligo's Assets Under Management (AuMs) reached S/. 8,823.4 million in 1Q15, a S/. 401.3 million or 4.8% increase QoQ and a S/. 1,407.3 million or 19.0% increase YoY.

Client deposits reached S/. 2,560.6 million in 1Q15, a S/. 259.1 million or 11.3% increase QoQ and a S/. 618.2 million or 31.8% increase YoY.

## NET INTEREST AND SIMILAR INCOME

Net interest and similar income					
S/. million	1Q14	4Q14	1Q15	%chg QoQ	%chg YoY
<b>Interest and similar income</b>					
Interest on due from banks and inter-bank funds	0.1	0.1	0.0	-75.9%	-81.0%
Interest on investments available-for sale	6.5	11.4	8.8	-22.2%	37.0%
Interest on loans	16.4	17.8	18.8	5.8%	14.9%
<b>Total interest and similar income</b>	<b>23.0</b>	<b>29.3</b>	<b>27.7</b>	<b>-5.3%</b>	<b>20.6%</b>
<b>Interest and similar expense</b>					
Interest on deposits and obligations	-11.6	-12.8	-13.1	2.9%	13.0%
Interest and fees on due to banks and correspondents	-0.9	-0.2	-0.2	15.6%	-72.9%
Interest on bonds, notes and other obligations	0.0	0.0	0.0	n.m.	n.m.
<b>Total interest and similar expense</b>	<b>-12.5</b>	<b>-13.0</b>	<b>-13.4</b>	<b>3.2%</b>	<b>6.8%</b>
<b>Net interest and similar income</b>	<b>10.4</b>	<b>16.3</b>	<b>14.3</b>	<b>-12.1%</b>	<b>37.3%</b>

Inteligo's net interest and similar income in 1Q15 was S/. 14.3 million, a S/. 2.0 million or 12.1% decrease when compared to 4Q14. Net interest and similar income increased by S/. 3.9 million or 37.3% when compared to the same period in the previous year.

Interest and similar income decreased by S/. 1.6 million or 5.3% QoQ, mainly due to lower income on investments available for sale. This was partially offset by higher interest on loans due to an increase in the average volume of Inteligo's loan portfolio.

Interest and similar expense increased by S/. 0.4 million or 3.2% QoQ, mainly as a result of higher interest on deposits and obligations.

Interest and similar income increased by S/. 4.7 million or 20.6% YoY in 1Q15, mainly attributable to higher income on available for sale investments and higher interest on loans as a result of an increase in the average volume of Inteligo's loan portfolio.

Interest and similar expense increased by S/. 0.9 million or 6.8% increase when compared to 1Q14.

## FEE INCOME FROM FINANCIAL SERVICES

Fee income from financial services, net					
S/. million	1Q14	4Q14	1Q15	%chg QoQ	%chg YoY
<b>Income</b>					
Commissions for banking services	0.6	0.0	0.0	n.m.	n.m.
Brokerage and custody services	2.7	2.2	1.8	-16.7%	-33.0%
Funds management	17.2	25.3	30.3	19.9%	76.4%
<b>Total income</b>	<b>20.5</b>	<b>27.4</b>	<b>32.1</b>	<b>17.0%</b>	<b>56.8%</b>
<b>Expenses</b>					
Brokerage and custody services	-0.4	-0.5	-0.5	-9.0%	19.2%
Others	-0.4	-0.6	-0.4	-34.3%	1.0%
<b>Total expenses</b>	<b>-0.8</b>	<b>-1.1</b>	<b>-0.9</b>	<b>-22.8%</b>	<b>10.0%</b>
<b>Fee income from financial services, net</b>	<b>19.7</b>	<b>26.3</b>	<b>31.2</b>	<b>18.7%</b>	<b>58.7%</b>

Fees from financial services reached S/. 32.1 million in 1Q15, an increase of S/. 4.7 million or 17.0% QoQ. Funds management services contributed with a S/. 5.0 million increase when compared to the previous quarter, explained by a mix of growth in assets under management and rebalancing of customer portfolios.

Expenses related to fee income from financial services decreased by S/. 0.2 million or 22.8% QoQ.

Inteligo's net fee income from financial services reached S/. 31.2 million, a S/. 4.9 million or 18.7% increase when compared to the previous quarter.

When compared to 1Q14, fees from financial services increased by S/. 11.6 million or 56.8%. Such growth was attributable to income from funds management services which increased 76.4%.

Expenses related to fee income from financial services increased by S/. 0.1 million or 10.0% YoY in 1Q15.

As a result of the above, net fee income from financial services increased by S/. 11.5 million or 58.7% YoY in 1Q15.

## OTHER INCOME

Other income					
S/. million	1Q14	4Q14	1Q15	%chg QoQ	%chg YoY
Net gain on sale of securities	33.5	6.2	-3.1	n.m.	n.m.
Net trading gain (loss)	0.4	-5.6	11.6	n.m.	n.m.
Other	0.0	-0.4	0.0	-97.6%	n.m.
<b>Total other income</b>	<b>34.0</b>	<b>0.2</b>	<b>8.5</b>	<b>n.m.</b>	<b>-75.0%</b>

Inteligo's other income in 1Q15 reached S/. 8.5 million, a S/. 8.3 million increase QoQ. This result was mainly attributable to a higher net trading gain as mark to

market valuations of securities held for trading were positively impacted by market conditions.

Other income decreased by S/. 25.5 million YoY in 1Q15, mainly attributable to a lower net gain on sale of securities.

## OTHER EXPENSES

Other expenses					
S/. million	1Q14	4Q14	1Q15	%chg QoQ	%chg YoY
Salaries and employee benefits	-9.6	-10.3	-10.2	-0.8%	6.4%
Administrative expenses	-5.6	-6.8	-6.5	-5.0%	14.8%
Depreciation and amortization	-0.9	-0.8	-1.2	61.8%	40.3%
Impairment loss on available for sale investments	0.0	-8.5	0.0	n.m.	n.m.
Other	0.0	0.0	0.0	n.m.	n.m.
<b>Total other expenses</b>	<b>-16.1</b>	<b>-26.3</b>	<b>-17.9</b>	<b>-31.9%</b>	<b>11.0%</b>
<b>Efficiency ratio</b>	<b>25.2%</b>	<b>41.7%</b>	<b>33.1%</b>		

Other expenses in 1Q15 decreased by S/. 8.4 million or 31.9% when compared to 4Q14. The result was mainly due to the S/. 8.5 million impairment loss on available for sale investments reported in the previous quarter, related to equity investments.

Inteligo's other expenses reached S/. 17.9 million in 1Q15, an increase of S/. 1.8 million or 11.0% YoY. This was attributable to higher administrative expenses, which increased by S/. 0.9 million YoY in 1Q15 due to higher third-party related services.