

## Intercorp Financial Services Inc. Second Quarter 2015 Earnings

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Lima, Peru, August 12, 2015. Intercorp Financial Services Inc. (Bolsa de Valores de Lima: IFS) announced today its unaudited results for the second quarter 2015. These results are reported on a consolidated basis under IFRS in nominal Peruvian Nuevos Soles.

### 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<sup>1</sup> 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%

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<sup>1</sup> Attributable to shareholders

## Intercorp Financial Services

Net profit was S/. 346.4 million in 2Q15, a 31.8% increase QoQ and 23.0% YoY. IFS annualized ROAE was 32.0% in 2Q15, above the 23.9% registered in 1Q15 and the 29.9% reported in 2Q14.

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>		

InterCorp Financial Services' Statement of financial position					
S/. million	2Q14	1Q15	2Q15	%chg QoQ	%chg YoY
<b>Assets</b>					
Cash and due from banks and inter-bank funds	6,262.4	8,492.9	8,027.3	-5.5%	28.2%
Trading securities and investments available for sale	6,308.4	7,932.6	8,023.7	1.1%	27.2%
Loans, net of unearned income	22,796.3	24,362.2	25,485.5	4.6%	11.8%
Allowance for loan losses	-767.7	-886.1	-960.2	8.4%	25.1%
Property, furniture and equipment, net	573.0	570.1	570.0	0.0%	-0.5%
Other assets	2,103.0	2,089.4	2,034.0	-2.6%	-3.3%
<b>Total assets</b>	<b>37,275.5</b>	<b>42,561.1</b>	<b>43,180.3</b>	<b>1.5%</b>	<b>15.8%</b>
<b>Liabilities and equity</b>					
Deposits and obligations	21,962.6	24,118.8	23,283.0	-3.5%	6.0%
Due to banks and correspondents	2,776.8	3,904.6	5,616.7	43.8%	102.3%
Bonds, notes and other obligations	4,338.5	4,712.9	4,697.8	-0.3%	8.3%
Insurance contract liabilities	3,457.3	3,996.8	4,123.9	3.2%	19.3%
Other liabilities	1,005.0	1,341.8	1,271.9	-5.2%	26.6%
<b>Total liabilities</b>	<b>33,540.3</b>	<b>38,074.9</b>	<b>38,993.3</b>	<b>2.4%</b>	<b>16.3%</b>
<b>Equity</b>					
Equity holders of IFS	3,714.7	4,375.6	4,020.3	-8.1%	8.2%
Non-controlling interest	20.5	110.6	166.7	50.7%	713.2%
<b>Total equity</b>	<b>3,735.2</b>	<b>4,486.2</b>	<b>4,187.0</b>	<b>-6.7%</b>	<b>12.1%</b>
<b>Total liabilities and equity</b>	<b>37,275.5</b>	<b>42,561.1</b>	<b>43,180.3</b>	<b>1.5%</b>	<b>15.8%</b>

### Quarter-on-quarter performance

Profits increased 31.8% QoQ mainly due to a decrease of 63.9% in adjustment of technical reserves and a 9.8% increase in net interest and similar income, partially offset by growths of 15.7% in provisions and 6.8% in other expenses.

Net interest and similar income increased 9.8% QoQ mainly explained by increases of 24.5% in interest on investments and 6.4% in interest on loans.

Provision expenses increased 15.7% mainly as a result of loan growth at Interbank, especially in products that require more provisions such as credit cards and other consumer loans; in addition to a slight deterioration in asset quality, particularly in credit cards and mortgages. This effect was partially offset by a decrease in provision requirements related to commercial loans, following a high level of provisions made in 1Q15.

Fee income from financial services decreased 0.4% QoQ mainly explained by a 1.0% decrease in fee income at Interbank and a 3.5% decrease at Inteligo. The decline of fee income at Interbank was related to lower fees from financial advisory, while the decline at Inteligo was explained by a change in the investment product mix for 2Q15 which derived in a lower average commission rate.

Interseguro's total premiums earned less claims and benefits increased by S/. 74.9 million QoQ, largely explained by a decrease of S/. 100.0 million in adjustment of technical reserves, partially offset by a decrease in net premiums of S/. 24.7 million.

Other income grew S/. 7.0 million QoQ mainly due to increases of S/. 26.7 million and S/. 6.9 million in net gain on sale of securities at Inteligo and Interseguro,

respectively. These factors were partially offset by a reduction at Interbank as certain income from commercial incentives offered by the principal credit card brands and the sale of a written-off loan portfolio, accounted as other in 1Q15, was not repeated in 2Q15.

Other expenses grew 6.8% QoQ mainly explained by an increase of 8.0% in administrative expenses at Interbank, in addition to a higher impairment loss on available-for-sale investments at Interseguro. At Inteligo, other expenses grew as a result of higher salaries and employee benefits, as well as administrative expenses.

IFS effective tax rate decreased QoQ, from 22.9% in 1Q15 to 18.8% in 2Q15, as a result of a higher profit contribution from Interseguro, whose investment income is tax-exempt.

### Year-on-year performance

Profits increased 23.0% YoY mainly due to increases of 21.8% in net interest and similar income, 15.8% in other income and 9.8% in fee income from financial services, in addition to a decrease of 56.1% in adjustment of technical reserves. These effects were partially offset by increases of 45.5% in provisions and 16.7% in other expenses.

Net interest and similar income rose 21.8% mainly explained by a 16.3% growth in interest on loans at Interbank and increases of 33.3%, 26.3% and 44.0% in interest on investments at Interbank, Interseguro and Inteligo, respectively. These factors were partially offset by a 9.6% increase in interest and similar expenses at Interbank.

Provision expenses increased 45.5% mainly as a result of higher provisioning in retail loans, driven by loan growth and asset quality deterioration in credit cards and mortgages; partially offset by a decrease in provision requirements related to commercial loans.

Fee income from financial services increased 9.8% YoY as a result of increases of 20.4% at Inteligo and 7.4% 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/. 49.7 million, mainly explained by a S/. 72.3 million decrease in adjustment of technical reserves, partially offset by a S/. 25.3 million increase in net claims and benefits incurred.

Other income increased 15.8% YoY mainly explained by a more than two-fold increase in net gain on foreign exchange transactions at Interbank, partially offset by lower income related to real estate investments at Interseguro and lower net trading gains at Inteligo.

Other expenses grew 16.7% YoY mainly due to increases of 15.6% at Interbank and 11.2% at Interseguro in such accounts. The higher expense at Interbank was mainly a result of increases in administrative expenses and employee benefits. At Interseguro, the yearly growth in expenses was mainly explained by a higher impairment loss on available-for-sale investments.

IFS effective tax rate decreased from 20.2% in 2Q14 to 18.8% in 2Q15 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	2Q14	1Q15	2Q15	%chg QoQ	%chg YoY
Interbank	176.7	205.2	201.0	-2.1%	13.7%
Interseguro	80.7	33.8	117.2	246.6%	45.3%
Inteligo	42.6	36.1	50.0	38.6%	17.6%
Corporate and eliminations	-18.4	-12.2	-21.9	78.8%	18.8%
<b>IFS 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>

## Interbank

### SUMMARY

Interbank's profits reached S/. 201.0 million in 2Q15, a S/. 4.2 million decrease QoQ and a S/. 24.3 million increase YoY. The quarterly decrease was explained by a S/. 15.5 million increase in other expenses and reductions of S/. 13.2 million in other income and S/. 1.8 million in fee income from financial services. These factors were partially offset by a S/. 28.4 million increase in net interest and similar income after provisions.

The annual growth in net profit was due to increases of S/. 88.0 million in net interest and similar income, S/. 43.0 million in other income and S/. 11.8 million in fee income from financial services, which were partially offset by a S/. 53.8 million increase in provision expenses.

Interbank's ROAE was 24.6% in 2Q15, lower than the 25.5% registered in 1Q15 and the 25.4% reported in 2Q14.

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>		

### INTEREST-EARNING ASSETS

Interbank's interest-earning assets reached S/. 30,764.4 million in 2Q15, a decrease of 1.3% QoQ and an increase of 8.5% YoY.

The quarterly decrease was due to a 28.6% reduction in cash, partially offset by a 4.4% growth in loans. The decrease in cash and due from banks was mainly a result of lower reserve funds in the Central Bank, whereas the growth in loans was explained by increases in both retail and commercial portfolios.

The annual growth in interest-earning assets was attributed to increases of 33.9% in investments available for sale and 10.9% in loans, partially offset by a 17.8% 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	2Q14	1Q15	2Q15	%chg QoQ	%chg YoY
Cash and due from banks and inter-bank funds	4,339.0	4,996.8	3,566.5	-28.6%	-17.8%
Investments available for sale	2,474.2	3,311.3	3,314.1	0.1%	33.9%
Loans	21,537.2	22,871.4	23,883.8	4.4%	10.9%
<b>Total Interest-earning assets</b>	<b>28,350.4</b>	<b>31,179.5</b>	<b>30,764.4</b>	<b>-1.3%</b>	<b>8.5%</b>

Loan portfolio					
S/. million	2Q14	1Q15	2Q15	%chg QoQ	%chg YoY
<b>Performing loans</b>					
Retail	10,031.9	11,243.5	11,831.3	5.2%	17.9%
Commercial	10,756.5	10,754.4	11,092.0	3.1%	3.1%
<b>Total Performing 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>
<b>Restructured and refinanced loans</b>					
Past due loans	131.2	145.7	166.4	14.3%	26.9%
	406.6	516.1	568.9	10.2%	39.9%
<b>Total gross loans</b>	<b>21,326.3</b>	<b>22,659.7</b>	<b>23,658.6</b>	<b>4.4%</b>	<b>10.9%</b>
<b>Add (less)</b>					
Accrued and deferred interest	210.9	211.7	225.2	6.4%	6.8%
Allowance for loan losses	-766.4	-884.6	-958.7	8.4%	25.1%
<b>Total direct loans, net</b>	<b>20,770.8</b>	<b>21,986.8</b>	<b>22,925.1</b>	<b>4.3%</b>	<b>10.4%</b>

Performing loans grew 4.2% QoQ as a result of a 5.2% increase in retail loans and a 3.1% growth in commercial loans. Retail loans increased due to growths of 8.5% in credit cards, 4.9% in other consumer loans and 2.9% in mortgage loans. In credit cards, 2Q15 was the ninth consecutive quarter of solid growth; while the past-due-loan ratio remained below the system's average in such product. Commercial loans grew in volume mainly driven by increases in medium-term loans and trade finance loans, partially offset by a reduction in leasing facilities.

Performing loans grew 10.3% YoY due to increases of 17.9% in retail loans and 3.1% in commercial loans. Retail loans grew driven by growths of 28.0% in credit cards, 17.5% in other consumer loans and 10.9% 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	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>

## FUNDING STRUCTURE

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%
Due to banks and inter-bank funds	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>
% of funding					
Deposits	74.8%	72.6%	67.7%		
Due to banks and inter-bank funds	10.6%	13.1%	18.2%		
Bonds	14.6%	14.4%	14.1%		

Interbank's funding base grew 2.2% QoQ, compared to a slight reduction in interest-earning assets. This was mainly due to an increase of 42.2% in due to banks, partially offset by a 4.7% decrease in deposits.

The increase in due to banks and inter-bank funds was driven by higher funding provided by the Central Bank; while the decrease in deposits was explained by decreases of 17.0% in institutional deposits and 4.3% in commercial deposits, partially offset by a 3.8% growth in retail deposits.

The bank's total funding base increased 14.7% YoY, above the growth in interest-earning assets. The increase was due to growths of 96.4% in due to banks and inter-bank funds, 11.0% in bonds, and 3.9% in deposits.

The yearly growth in due to banks and inter-bank funds was mainly due to a sharp increase in the funding provided by the Central Bank, while the increase in bonds was mainly explained by a 13.6% 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 17.1% in retail deposits, partially offset by decreases of 5.5% in institutional deposits and 5.1% in commercial deposits. As a result, the proportion of retail deposits to total deposits increased from 40.5% in 2Q14 to 45.7% in 2Q15.



Breakdown of deposits					
S/. million	2Q14	1Q15	2Q15	%chg QoQ	%chg YoY
By customer service:					
Retail	8,217.3	9,271.6	9,625.6	3.8%	17.1%
Commercial	6,963.2	6,909.7	6,609.3	-4.3%	-5.1%
Institutional	4,830.8	5,501.4	4,564.1	-17.0%	-5.5%
Other	264.5	417.0	262.9	-36.9%	-0.6%
<b>Total</b>	<b>20,275.7</b>	<b>22,099.6</b>	<b>21,061.9</b>	<b>-4.7%</b>	<b>3.9%</b>
By type:					
Demand	6,048.3	6,001.7	5,369.9	-10.5%	-11.2%
Savings	5,663.3	6,853.2	7,170.7	4.6%	26.6%
Time	8,557.3	9,231.7	8,515.9	-7.8%	-0.5%
Other	6.9	13.0	5.5	-57.9%	-20.8%
<b>Total</b>	<b>20,275.7</b>	<b>22,099.6</b>	<b>21,061.9</b>	<b>-4.7%</b>	<b>3.9%</b>

## NET INTEREST AND SIMILAR INCOME

Net interest and similar income					
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 expense	-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>
<b>NIM</b>	<b>6.1%</b>	<b>6.3%</b>	<b>6.8%</b>	<b>50 bps</b>	<b>70 bps</b>

Interest and similar income					
S/. million	2Q14	1Q15	2Q15	%chg QoQ	%chg YoY
<b>Interest and similar income</b>					
Due from banks and inter-bank funds	2.8	1.6	1.4	-11.0%	-50.0%
Investments available for sale	33.2	21.6	44.3	105.3%	33.3%
Loans	591.0	645.4	687.1	6.5%	16.3%
<b>Total Interest and similar income</b>	<b>627.1</b>	<b>668.6</b>	<b>732.8</b>	<b>9.6%</b>	<b>16.9%</b>
Average interest-earning assets	28,888.8	30,447.9	30,971.9	1.7%	7.2%
Average yield on assets (annualized)	8.7%	8.8%	9.5%	70 bps	80 bps

Interest and similar expense					
S/. million	2Q14	1Q15	2Q15	%chg QoQ	%chg YoY
<b>Interest and similar expense</b>					
Deposits and obligations	-85.1	-78.4	-79.6	1.5%	-6.5%
Due to banks and correspondents	-33.9	-40.8	-50.3	23.1%	48.4%
Bonds, notes and other obligations	-67.0	-72.3	-74.0	2.4%	10.4%
<b>Total Interest and similar expense</b>	<b>-186.0</b>	<b>-191.5</b>	<b>-203.8</b>	<b>6.4%</b>	<b>9.6%</b>
Average interest-bearing liabilities	23,451.6	24,771.1	26,157.5	5.6%	11.5%
Average cost of funding (annualized)	-3.2%	-3.1%	-3.1%	0 bps	10 bps

## QoQ Performance

Net interest and similar income increased 10.9% QoQ as the result of a 9.6% growth in interest and similar income, which was partially offset by a 6.4% increase in interest and similar expense.

The rise in interest and similar income was due to a 6.5% increase in interest on loans and a more than two-fold growth in income from investments available for sale, partially offset by a 11.0% decrease in interest due from banks and inter-bank funds.

The growth in interest on loans was due to a 4.2% increase in the average volume of the loan portfolio and a 30 basis point increase in the average yield, from 11.5% in 1Q15 to 11.8% in 2Q15. The higher average volume of loans was attributed to increases of 4.5% in retail loans and 3.9% in commercial loans. In the retail portfolio, higher volume was due to growths of 6.9% in credit cards, 4.7% in other consumer loans and 2.5% in mortgages. In the commercial portfolio, volumes increased 10.3% in trade finance loans and 5.3% in medium-term loans, partially offset by a 0.9% decrease in leasing. The higher average rate was explained by an increase of 30 basis points in the retail portfolio, partially offset by a 10 basis point decline in the average yield on the commercial portfolio. The yield growth on retail loans was mainly due to higher rates on credit cards and mortgages. In the commercial portfolio, the lower average rate was mainly driven by decreases in yields on trade finance and medium-term loans.

Interest on investments available for sale increased by S/. 22.7 million, or 105.3%, as a result of a higher average rate on the investment portfolio, which was partially offset by a lower average volume. The increase in the nominal average rate, from 2.5% in 1Q15 to 5.3% in 2Q15, was mainly a result of two effects: a higher return on investments in CDBCR and sovereign bonds, and the higher income from dividends received for shares owned on IFS, which are eliminated upon consolidation. The higher average rate accounted for a S/. 24.4 million increase in interest income, while the lower average volume accounted for a S/. 1.6 million decrease in interest income and was a result of lower investments in CDBCR and corporate bonds.

The decrease in interest due from banks and inter-bank funds was mainly explained by a 6.4% decrease in the average volume which was attributable to lower reserve requirements by the Central Bank.

The nominal average rate on interest-earning assets increased by 70 basis points QoQ, from 8.8% in 1Q15 to 9.5% in 2Q15, mainly due to higher yields on the loan and investment portfolios.

Interest and similar expense rose 6.4% QoQ due to increases of 23.1% in interest due to banks and correspondents, 2.4% in interest on bonds, notes and other obligations; and 1.5% in interest on deposits and obligations.

The increase in interest due to banks and correspondents was explained by a 33.8% increase in the average volume, partially offset by a 30 basis point reduction in the nominal average cost. The higher average volume was the result of an increase in local funding from Central Bank and COFIDE, 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/. 1.7 million in 2Q15 as a result of a 2.4% growth in the average volume, while the nominal average cost remained stable. The higher average volume was attributable to a 2.6% depreciation of the nuevo sol against the U.S. dollar that resulted in a higher value of bonds denominated in dollars, which represent 90.2% of total bonds.

Interest on deposits and obligations rose by S/. 1.2 million due to a 0.4% increase in the average volume and a slight increase in the nominal average cost. The higher average volume accounted for a S/. 0.8 million increase in interest expense and was mainly explained by growth in retail deposits, while the rise in the nominal average cost accounted for a S/. 0.3 million increase in interest expense and was the result of a higher cost on deposits in nuevos soles.

The average cost of funds remained stable at 3.1% in 2Q15.

### YoY Performance

Net interest and similar income grew 19.9% YoY due to an increase of 16.9% in interest and similar income, partially offset by a 9.6% rise in interest and similar expense.

The growth in interest and similar income was due to increases of 16.3% in interest on loans and 33.3% in interest on investments available for sale, partially offset by a 50.0% reduction in interest due from banks and inter-bank funds.

The S/. 96.1 million growth in interest on loans was explained by increases of 10.7% in the average loan volume and 60 basis points in the average yield, from 11.2% in 2Q14 to 11.8% in 2Q15. Growth in average volume was due to increases of 17.5% in the retail portfolio and 3.5% in the commercial portfolio. The higher average volume of retail loans was due to growths of 27.5% in credit cards, 17.3% in other consumer and 10.4% in mortgage loans. In the commercial portfolio, volumes rose 14.4% in medium-term loans, partially offset by decreases of 11.2% in trade finance loans and 5.8% in leasing. The higher average yield was explained by increases of 60 basis points in the average rate of the retail portfolio and 20 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 and other consumer loans, while the higher average rate on the commercial portfolio was a result of higher returns in trade finance loans and leasing.

Interest on investments available for sale increased by S/. 11.1 million YoY, or 33.3%, as a result of a higher average volume and a 10 basis points increase in the nominal average rate. The growth in volume accounted for S/. 10.4 million of the increase and was a result of higher investments in CDBCR, global and corporate bonds. The increase in the average rate on investments was due to higher returns in sovereign and corporate bonds portfolios.

The S/. 1.4 million decrease in interest due from banks and inter-bank funds was explained by a 10 basis point decline in the nominal average rate, and a 18.2% decline in the average volume. The lower rate was a result of a higher proportion of funds held in dollars, which provide a lower return. The lower volume was attributable to lower reserve requirements by the Central Bank. In addition, a portion of balances due from banks were accounted as non interest-earning assets,

particularly such funds in foreign currency that correspond to the repo operations held with the Central Bank.

The nominal average rate on interest-earning assets was 9.5% in 2Q15, an 80 basis point increase with respect to the 8.7% registered in 2Q14, mainly as a result of the higher yields on loans and investments, and the larger proportion of the former within total interest-earning assets.

Interest and similar expense increased 9.6% YoY due to growths of 48.4% in interest due to banks and correspondents, and 10.4% in interest on bonds, notes and other obligations. Such increases were partly offset by a 6.5% decrease in interest on deposits and obligations.

The 48.4% increase in interest due to banks and correspondents was explained by a 70.5% growth in the average volume, partly offset by a 60 basis point decline in the average cost. The higher average volume accounted for a S/. 20.8 million increase in interest expense and was due to a significant increase in local funding from the Central Bank through repo operations, and higher funding from COFIDE. The lower nominal average cost accounted for a S/. 4.4 million decrease in interest expense and was explained by a decline in the proportion of COFIDE and foreign funding within total due to banks and correspondents, as both have a higher average cost.

Interest on bonds, notes and other obligations increased by S/. 7.0 million, or 10.4%, mainly as a result of an 11.0% increase in the average volume. The growth in average volume was explained by a 13.6% depreciation of the exchange rate that resulted in a higher value of bonds issued in dollars, which represent the majority of total bonds.

Interest on deposits and obligations decreased by S/. 5.5 million mainly attributable to a 10 basis point decrease in the nominal average cost, partially offset by a 1.7% increase in the average volume. The lower average cost accounted for a S/. 6.8 million decrease in interest expense and was a result of lower average cost of institutional and retail deposits, and the higher proportion of the latter within total deposits. The higher average volume accounted for a S/. 1.3 million increase in interest expense and was a result of the growth in retail deposits.

The average cost of funds decreased from 3.2% in 2Q14 to 3.1% in 2Q15, mainly as a result of lower average rates on due to banks and correspondents, as well as on deposits.

#### Net Interest Margin

As a result of the above, net interest margin was 6.8% in 2Q15, 50 basis points higher than the 6.3% reported in 1Q15 and 70 basis points higher than the 6.1% registered in 2Q14.

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

Provision for loan losses, net of recoveries increased 15.7% QoQ and 45.5% YoY. As a result, the annualized ratio of provision expense to average loans was 3.0% in 2Q15, above the 2.7% and 2.3% reported in 1Q15 and 2Q14, respectively.

The quarterly increase in provisions was mainly a result of loan growth, especially in products that require more provisions such as credit cards and other consumer loans; in addition to a slight deterioration in asset quality, particularly in credit cards and

mortgages. This effect was partially offset by a decrease in provision requirements related to commercial loans, following a high level of provisions made in 1Q15.

The yearly growth was mainly a result of higher provisioning in retail loans, driven by loan growth and asset quality deterioration in credit cards and mortgages; partially offset by a decrease in provision requirements related to commercial loans.

Provision for loan losses, net of recoveries					
S/. million	2Q14	1Q15	2Q15	%chg QoQ	%chg YoY
Provision for loan losses, net of recoveries	-118.4	-148.8	-172.2	15.7%	45.5%
Past-due-loan ratio (at end of period)	1.9%	2.3%	2.4%	10 bps	50 bps
Provision for loan losses/average gross loans	2.3%	2.7%	3.0%	30 bps	70 bps
Coverage ratio (at end of period)	188.5%	171.4%	168.5%	n.m.	n.m.
Allowance for loan losses (at end of period)	766.4	884.6	958.7	8.4%	25.1%

The past-due-loan ratio was 2.4% in 2Q15, 10 basis points above the 2.3% reported in 1Q15 and 50 basis points above the 1.9% registered in 2Q14. The higher past-due-loan ratio QoQ was attributable to a slight deterioration in retail loans quality, especially in credit cards and mortgages; in addition to a higher PDL ratio for small and micro enterprises loans across the banking system.

The PDL ratio increased YoY due mainly to higher PDL ratios for SMEs 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 168.5% in 2Q15, compared to 188.5% in 2Q14 and 171.4% in 1Q15.

#### FEE INCOME FROM FINANCIAL SERVICES, NET

Fee income from financial services, net decreased by S/. 1.8 million QoQ, or 1.0%, but increased by S/. 11.8 million YoY, or 7.4%. The quarterly performance was mainly explained by a decrease of S/. 4.6 million in commissions from banking services, which was a result of lower income from financial advisory and lower fees from saving accounts and transactions. Such decreases were partially offset by a decline in expenses related to leasing transactions, which are paid during the first quarter of every year.

The YoY increase in fee income from financial services, net was mainly attributable to increases of S/. 12.6 million in fees from maintenance and mailing of accounts, interchange fees, transfers and credit and debit card services, S/. 4.3 million in commissions from banking services, and S/. 1.9 million in fees for indirect loans. 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, while the increase in commissions from banking services was a result of higher insurance premiums sold, which in turn was partly offset by a S/. 5.5 million increase in insurance related expenses.

Fee income from financial services, net					
S/. million	2Q14	1Q15	2Q15	%chg QoQ	%chg YoY
<b>Income</b>					
Maintenance and mailing of accounts, interchange fees, transfers and credit and debit card services	107.9	119.3	120.5	0.9%	11.6%
Commissions from banking services	59.4	68.3	63.7	-6.8%	7.3%
Fees for indirect loans	12.6	14.0	14.5	3.0%	15.0%
Funds management	6.8	7.0	7.3	5.6%	7.8%
Collection services	5.0	6.9	6.3	-7.8%	26.8%
Other	6.2	7.3	5.6	-22.8%	-10.0%
<b>Total income</b>	<b>197.9</b>	<b>222.8</b>	<b>217.9</b>	<b>-2.2%</b>	<b>10.1%</b>
<b>Expenses</b>					
Insurance	-30.4	-35.9	-35.9	0.0%	17.9%
Fees paid to foreign banks	-2.4	-2.1	-2.2	4.6%	-7.3%
Other	-5.6	-11.6	-8.4	-27.4%	50.8%
<b>Total expenses</b>	<b>-38.3</b>	<b>-49.6</b>	<b>-46.5</b>	<b>-6.2%</b>	<b>21.2%</b>
<b>Fee income from financial services, net</b>	<b>159.6</b>	<b>173.2</b>	<b>171.4</b>	<b>-1.0%</b>	<b>7.4%</b>

## OTHER INCOME

Other income decreased by S/. 13.2 million QoQ mainly driven by decreases of S/. 2.1 million in net gain on foreign exchange transactions and S/. 1.4 million in net gain on sale of securities, partially offset by a S/. 8.2 million reduction in net trading loss. In addition, certain income from commercial incentives offered by the principal credit card brands and the sale of a written-off loan portfolio in 1Q15, accounted as other, was not repeated in 2Q15.

Other income grew by S/. 43.0 million YoY mainly as a result of a S/. 57.8 million increase in net gain on foreign exchange transactions, which was related to 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	2Q14	1Q15	2Q15	%chg QoQ	%chg YoY
Net gain on foreign exchange transactions	54.1	114.0	111.9	-1.8%	107.1%
Net gain on sale of securities	1.9	6.7	5.3	-20.4%	183.6%
Net trading (loss) income	1.6	-26.3	-18.1	-31.3%	n.m.
Other	11.4	30.7	12.6	-58.8%	11.1%
<b>Total other income</b>	<b>68.9</b>	<b>125.1</b>	<b>111.9</b>	<b>-10.6%</b>	<b>62.2%</b>

## OTHER EXPENSES

Other expenses increased by S/. 15.5 million QoQ, or 4.6%, and by S/. 48.1 million YoY, or 15.6%. The quarterly growth was mainly due to increases of 8.0% in administrative expenses and 2.1% in depreciation and amortization, partially offset by a 1.5% reduction in salaries and employee benefits.

The annual growth in other expenses was a result of increases of 12.7% in administrative expenses, 8.0% in salaries and employee benefits, and 5.5% in depreciation and amortization. The higher administrative expenses were related to maintenance and property leases, while the increase in salaries and employee benefits was related to a higher average headcount in 2Q15 compared to 2Q14.

The efficiency ratio was 41.7% in 2Q15, below the 42.3% reported in 1Q15 and the 45.9% registered in 2Q14.

Other expenses					
S/. million	2Q14	1Q15	2Q15	%chg QoQ	%chg YoY
Salaries and employee benefits	-132.8	-145.6	-143.4	-1.5%	8.0%
Administrative expenses	-150.8	-157.4	-170.0	8.0%	12.7%
Depreciation and amortization	-24.0	-24.8	-25.3	2.1%	5.5%
Other	-0.1	-12.5	-17.2	37.0%	n.m.
<b>Total other expenses</b>	<b>-307.7</b>	<b>-340.3</b>	<b>-355.8</b>	<b>4.6%</b>	<b>15.6%</b>
<b>Efficiency ratio</b>	<b>45.9%</b>	<b>42.3%</b>	<b>41.7%</b>	<b>-60 bps</b>	<b>-420 bps</b>

## REGULATORY CAPITAL

The ratio of regulatory capital to risk-weighted assets (RWA) was 16.5% in 2Q15, below the 16.7% reported in 1Q15, but above the 15.8% registered in 2Q14.

The QoQ decrease in the capital ratio was due to a 4.5% increase in RWA, partially offset by a 3.5% growth in regulatory capital. The quarterly increase in RWA was explained by a 4.4% growth in loans, while the increase in regulatory capital was mainly due to a S/. 143.7 million capitalization agreement of earnings and reserves during the second quarter of 2015.

As of 2Q15, Interbank's capital ratio of 16.5% was 480 basis points above its risk-adjusted minimum capital ratio requirement, established at 11.7%. The minimum regulatory capital ratio requirement was 10.0%, while the additional capital requirement for Interbank was 1.7% as of 2Q15.

Regulatory capital					
S/. million	2Q14	1Q15	2Q15	%chg QoQ	%chg YoY
Tier I capital	2,838.7	3,340.7	3,497.6	4.7%	23.2%
Tier II capital	1,653.0	1,874.5	1,899.0	1.3%	14.9%
Total regulatory capital	4,491.7	5,215.2	5,396.6	3.5%	20.1%
Risk-weighted assets	28,393.1	31,264.3	32,686.1	4.5%	15.1%
<b>BIS ratio</b>	<b>15.8%</b>	<b>16.7%</b>	<b>16.5%</b>	<b>-20 bps</b>	<b>70 bps</b>
<b>Tier I capital / risk-weighted assets</b>	<b>10.0%</b>	<b>10.7%</b>	<b>10.7%</b>	<b>0 bps</b>	<b>70 bps</b>

## Interseguro

### SUMMARY

Interseguro's profit attributable to shareholders in 2Q15 was S/. 117.5 million, an increase of S/. 83.9 million QoQ and S/. 36.8 million YoY. The annualized ROAE for 2Q15 was 95.4%, above the 23.3% reported in 1Q15 and the 74.2% registered in 2Q14.

The QoQ growth in profits was mainly due to a S/. 100.0 million decline in adjustment of technical reserves, an S/. 11.6 million increase in net interest and similar income and a S/. 6.9 million increase in net gain on sale of securities (other income). These factors were partially offset by a S/. 24.7 million decline in net premiums and a S/. 6.1 million increase in impairment loss on available-for-sale investments (other expenses).

The YoY increase was mainly due to a S/. 49.7 million increase in total premiums earned less claims and benefits and a S/. 13.8 million increase in net interest and similar income driven by the growth of Interseguro's investment portfolio. These effects were partially offset by a S/. 15.0 million decrease in profit from sale of investment property (other income) and a S/. 10.6 million increase in impairment loss on available-for-sale investments (other expenses).

Interseguro's profit excluding discount rate impacts more than six-fold QoQ on higher net interest and similar income, but decreased 29.6% YoY in 2Q15 due to lower other income related to real estate investments.

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.
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	-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>45.4%</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>		

(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	2Q14	1Q15	2Q15	%chg QoQ	%chg YoY
Interest and similar income	53.2	56.3	67.0	18.9%	25.9%
Interest and similar expenses	-2.1	-3.0	-2.1	-31.4%	0.3%
<b>Net interest and similar income</b>	<b>51.1</b>	<b>53.3</b>	<b>64.9</b>	<b>21.7%</b>	<b>26.9%</b>
Fee income from financial services, net	-0.2	-0.3	-0.6	98.6%	n.m.
Net gain on sale of securities	22.8	22.4	29.3	30.9%	28.1%
Net trading loss (income)	-1.6	0.8	-1.6	n.m.	-1.8%
Rental income	9.4	4.8	4.8	0.1%	-48.9%
Profit from sale of investment property	13.7	-	-1.3	n.m.	n.m.
Valuation gain from investment property	15.3	9.5	9.9	3.8%	-35.5%
Other <sup>(1)</sup>	0.3	0.4	-0.1	n.m.	n.m.
<b>Other income</b>	<b>59.7</b>	<b>37.6</b>	<b>40.4</b>	<b>7.5%</b>	<b>-32.4%</b>
Expenses related to rental income	-1.3	-0.1	-0.4	n.m.	-66.8%
Other <sup>(1)</sup>	-4.2	-6.6	-11.4	72.3%	173.4%
<b>Expenses</b>	<b>-5.5</b>	<b>-6.7</b>	<b>-11.8</b>	<b>77.0%</b>	<b>116.4%</b>
<b>Results from investments</b>	<b>105.4</b>	<b>84.2</b>	<b>93.5</b>	<b>11.0%</b>	<b>-11.3%</b>

(1) Only includes transactions related to investments.

### NET INTEREST AND SIMILAR INCOME

Net interest and similar income was S/. 64.9 million in 2Q15, an increase of S/. 11.6 million or 21.7% QoQ and S/. 13.8 million or 26.9% YoY.

The QoQ growth was mainly due to an increase in interest on investments available-for-sale as a result of a 27 basis point increase in the nominal average rate and a 0.2% increase in the average volume of Interseguro's investment portfolio.

Likewise, the YoY growth was mainly due to an increase in interest on investments available-for-sale as a result of a 23.0% increase in the average volume of Interseguro's investment portfolio and a 4 basis point increase in the nominal average rate.

### OTHER INCOME

Other income was S/. 40.4 million in 2Q15, an increase of S/. 2.8 million QoQ and a decrease of S/. 19.3 million YoY.

The QoQ increase was largely explained by an increase of S/. 6.9 million in net gain on sale of securities, partially offset by decreases of S/. 2.4 million in net trading result and S/. 1.3 million in profit from sale of investment property. The increase in net gain on sale of securities was due to higher profits in fixed income investments, partially offset by lower gains in equity. The decrease in profit from sale of investment property was related to the sale of Sullana's participation certificate in 2Q15.

The YoY decrease in other income was mainly explained by decreases of S/. 15.0 million in profit from sale of investment property, S/. 5.4 million in valuation gain from investment property and S/. 4.6 million in rental income from real estate investments, partially offset by a S/. 6.5 million increase in net gain on sale of securities. The decrease in profit from sale of investment property was largely explained by the sale in 2Q14 of a property located in Puruchuco, on the central highlands of Lima. The decrease in valuation gain from investment property was due to real estate appreciation of property located in Lima, Pucallpa and Sullana, which was recognized in 2Q14. This effect was partially offset by real estate appreciation in 2Q15 of a property located in Piura, northwest of Peru.

## TOTAL PREMIUMS EARNED LESS CLAIMS AND BENEFITS

Total Premiums Earned Less Claims And Benefits					
S/. million	2Q14	1Q15	2Q15	%chg QoQ	%chg YoY
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%
<b>Total premiums earned less claims and benefits</b>	<b>13.2</b>	<b>-12.0</b>	<b>62.9</b>	<b>n.m.</b>	<b>n.m.</b>

Interseguro's total premiums earned less claims and benefits was S/. 62.9 million in 2Q15, an increase of S/. 74.9 million QoQ and S/. 49.7 million YoY.

The QoQ increase was largely explained by a decrease of S/. 100.0 million in adjustment of technical reserves, partially offset by a decrease in net premiums of S/. 24.7 million and an increase of S/. 0.4 million in net claims and benefits incurred.

The YoY growth was explained by a S/. 72.3 million decrease in adjustment of technical reserves, partially offset by a S/. 25.3 million increase in net claims and benefits incurred.

## NET PREMIUMS

Net Premiums by Business Line					
S/. million	2Q14	1Q15	2Q15	%chg QoQ	%chg YoY
Annuities	127.1	152.1	126.7	-16.7%	-0.3%
Individual Life	7.4	9.2	9.4	2.8%	27.6%
Retail Insurance	42.6	43.0	43.5	1.1%	2.2%
Credit Life Insurance	20.3	23.2	23.8	3.0%	17.4%
Mandatory Traffic Accident (SOAT)	7.2	8.3	7.1	-13.8%	-0.3%
Card Protection	8.8	4.5	6.1	35.6%	-30.5%
Other	6.3	7.1	6.4	-9.7%	1.8%
<b>Net Premiums</b>	<b>177.0</b>	<b>204.3</b>	<b>179.6</b>	<b>-12.1%</b>	<b>1.5%</b>

Annuities include premiums from disability and survivorship insurance

Net premiums were S/. 179.6 million in 2Q15, a decrease of S/. 24.7 million QoQ and an increase of S/. 2.6 million YoY.

The QoQ decrease was mainly due to a reduction of S/. 25.4 million in Annuities. This was due to a market share loss of 1.6 percentage points and regulatory changes

implemented in late May, which established new retirement modes, resulting in higher uncertainty in the industry and leading to a temporary market contraction of 11.9%.

The YoY growth in net premiums was mainly attributable to higher Individual Life and Retail Insurance premiums. The increase in Individual Life was achieved by an increase in the average premium. The increase in Retail Insurance was due to higher Credit Life Insurance premiums.

## ADJUSTMENT OF TECHNICAL RESERVES

Adjustment of Technical Reserves					
S/. million	2Q14	1Q15	2Q15	%chg QoQ	%chg YoY
Annuities	-120.5	-151.7	-51.8	-65.9%	-57.0%
Individual Life	-4.3	-3.6	-3.8	6.9%	-9.4%
Retail Insurance	-4.0	-1.1	-0.8	-26.4%	-79.0%
<b>Adjustment of technical reserves</b>	<b>-128.8</b>	<b>-156.5</b>	<b>-56.5</b>	<b>-63.9%</b>	<b>-56.1%</b>

Annuities include adjustment of technical reserves from disability and survivorship insurance

Interseguro's adjustment of technical reserves was S/. 56.5 million in 2Q15, a decrease of S/. 100.0 million QoQ and S/. 72.3 million YoY.

The QoQ decrease was mainly driven by lower sales and the use of a higher weighted average discount rate to calculate technical reserves for annuities. The weighted average discount rate increased from 4.21% in December 2014 to 4.28% in March 2015, leading to release technical reserves during 1Q15. The weighted average discount rate further increased to 4.50% in June 2015 causing an additional release of technical reserves during 2Q15.

The YoY decrease is driven by changes in the weighted average discount rates, as in 2Q15 these changes led to a release of technical reserves higher than the release of reserves occurred in 2Q14.

## NET CLAIMS AND BENEFITS INCURRED

Net Claims and Benefits Incurred					
S/. million	2Q14	1Q15	2Q15	%chg QoQ	%chg YoY
Annuities	-25.7	-47.9	-49.2	2.6%	91.4%
Individual Life	-0.0	-0.4	-0.1	-81.0%	73.9%
Retail Insurance	-9.3	-11.5	-11.0	-4.4%	18.7%
Credit Life Insurance	-5.7	-8.3	-7.3	-12.3%	27.3%
Mandatory Traffic Accident (SOAT)	-2.8	-3.0	-2.3	-21.6%	-15.3%
Card Protection	-0.0	-0.1	-0.2	n.m.	n.m.
Other	-0.8	-0.2	-1.2	n.m.	59.5%
<b>Net claims and benefits incurred</b>	<b>-35.0</b>	<b>-59.9</b>	<b>-60.3</b>	<b>0.7%</b>	<b>72.1%</b>

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

Net claims and benefits incurred were S/. 60.3 million in 2Q15, an increase of S/. 0.4 million QoQ and S/. 25.3 million YoY.

The QoQ growth was due to S/. 1.3 million higher claims related to Annuities, partially offset by decreases of S/. 0.5 million in Retail Insurance and S/. 0.3 million in Individual Life Insurance. The increase in Annuities was attributed to a higher exchange rate and inflation rate.

The YoY growth in net claims and benefits was due to increases of S/. 23.5 million in Annuities, S/. 1.7 million in Retail Insurance and S/. 0.1 million in Individual Life Insurance. The increase in claims related to Annuities was mostly related to a S/. 35.6 million increase in pensions, partially offset by a S/. 12.5 million reversal of claim provisions for disability and survivorship insurance policies that were determined to be non-claimable in 2Q14.

## OTHER EXPENSES

Other Expenses					
S/. million	2Q14	1Q15	2Q15	%chg QoQ	%chg YoY
Salaries and employee benefits	-17.1	-16.1	-15.4	-4.6%	-9.9%
Administrative expenses	-6.6	-6.8	-7.6	11.8%	15.2%
Depreciation and amortization	-0.7	-1.1	-1.1	-0.3%	48.9%
Third-party commissions	-13.2	-12.4	-14.1	13.6%	6.2%
Expenses related to rental income	-0.9	-0.1	-0.4	n.m.	-54.1%
Other	-9.4	-10.9	-14.8	35.3%	57.3%
<b>Other expenses</b>	<b>-48.0</b>	<b>-47.4</b>	<b>-53.4</b>	<b>12.6%</b>	<b>11.2%</b>

Other expenses were S/. 53.4 million in 2Q15, an increase of S/. 6.0 million QoQ and S/. 5.4 million YoY.

The QoQ growth was mostly explained by a S/. 3.9 million increase in other expenses as a result of a S/. 6.1 million increase in impairment loss on available-for-sale investments, which in turn was partially offset by a S/. 1.0 million decrease in provision for uncollectible premiums.

The YoY growth was mostly related to a S/. 5.4 million increase in other expenses, which was mainly due to higher impairment loss on available-for-sale investments of S/. 10.6 million. This was partially offset by a decrease in other expenses as in 2Q14 a S/. 3.0 million loss provision was registered in relation to the closure of a subsidiary of Interseguro, which was intended to provide and acquire mortgages.

## Inteligo

### SUMMARY

Inteligo's net profit in 2Q15 was S/. 50.0 million, a S/. 13.9 million or 38.6% increase QoQ and a S/. 7.4 million or 17.6% growth YoY. The quarterly increase was mainly attributable to higher net interest and similar income, and higher other income.

AuMs plus client deposits reached S/. 11,980.3 million in 2Q15, higher by S/. 596.3 million or 5.2% when compared to the previous quarter, and also higher by S/. 2,345.3 million or 24.3% when compared to 2Q14.

Inteligo's annualized ROAE for 2Q15 was 38.2%, higher than the 29.1% reported in 1Q15 and the 34.2% registered in 2Q14

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>		

### ASSETS UNDER MANAGEMENT & DEPOSITS

Inteligo's Assets Under Management (AuMs) reached S/. 9,632.2 million in 2Q15, a S/. 808.8 million or 9.2% increase QoQ and a S/. 1,989.2 million or 26.0% increase YoY.

Client deposits reached S/. 2,348.1 million in 2Q15, a S/. 212.5 million or 8.3% decrease QoQ but a S/. 356.1 million or 17.9% increase YoY. The quarterly decrease was mainly attributable to clients allocating a larger portion of their portfolios into capital market investments.

## NET INTEREST AND SIMILAR INCOME

Net interest and similar income					
S/. million	2Q14	1Q15	2Q15	%chg QoQ	%chg YoY
<b>Interest and similar income</b>					
Due from banks and inter-bank funds	0.1	0.0	0.2	n.m.	68.5%
Investments available-for sale	10.9	8.8	15.7	77.1%	44.0%
Loans	17.1	18.8	20.0	6.3%	16.8%
<b>Total interest and similar income</b>	<b>28.1</b>	<b>27.7</b>	<b>35.9</b>	<b>29.4%</b>	<b>27.5%</b>
<b>Interest and similar expense</b>					
Deposits and obligations	-11.5	-13.1	-12.8	-2.6%	10.8%
Due to banks and correspondents	-0.9	-0.2	0.0	n.m.	n.m.
<b>Total interest and similar expense</b>	<b>-12.4</b>	<b>-13.4</b>	<b>-12.8</b>	<b>-4.5%</b>	<b>3.0%</b>
<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>

Inteligo's net interest and similar income in 2Q15 was S/. 23.1 million, a S/. 8.8 million or 61.2% increase when compared to 1Q15. Net interest and similar income increased by S/. 7.4 million or 46.9% when compared to the same period in the previous year.

Interest and similar income increased by S/. 8.2 million or 29.4% QoQ, mainly due to higher income on investments available for sale from its investment portfolio, particularly fixed income and alternative investments, as well as higher dividend income.

Interest and similar expense decreased by S/. 0.6 million or 4.5% QoQ, mainly as a result of lower interest on deposits and obligations, in line with the quarterly reduction in client deposits.

Interest and similar income increased by S/. 7.8 million or 27.5% YoY in 2Q15, 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/. 0.4 million or 3.0% when compared to 2Q14.

## FEE INCOME FROM FINANCIAL SERVICES

Fees from financial services reached S/. 31.6 million in 2Q15, a decrease of S/. 0.5 million or 1.7% QoQ, mainly due to lower funds management services, which decreased by S/. 0.5 million or 1.5% when compared to the previous quarter. The decrease was explained by a change in the investment product mix for 2Q15 which derived in a lower average commission rate.

Expenses related to fee income from financial services increased by S/. 0.5 million or 61.3% QoQ.

Inteligo's net fee income from financial services reached \$/. 30.1 million, a \$/. 1.1 million or 3.5% decrease when compared to the previous quarter.

When compared to 2Q14, fees from financial services increased by \$/. 4.7 million or 17.1%. Such growth was attributable to income from funds management services which increased 16.4%.

Expenses related to fee income from financial services decreased by \$/. 0.5 million or 26.0% YoY in 2Q15.

As a result of the above, net fee income from financial services increased by \$/. 5.1 million or 20.4% YoY in 2Q15.

Fee income from financial services, net					
\$/. million	2Q14	1Q15	2Q15	%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	1.9	1.8	1.7	-4.6%	-9.1%
Funds management	25.6	30.3	29.8	-1.5%	16.4%
<b>Total income</b>	<b>26.9</b>	<b>32.1</b>	<b>31.6</b>	<b>-1.7%</b>	<b>17.1%</b>
<b>Expenses</b>					
Brokerage and custody services	-0.5	-0.5	-0.3	-39.4%	-44.8%
Others	-1.4	-0.4	-1.1	n.m.	-19.0%
<b>Total expenses</b>	<b>-1.9</b>	<b>-0.9</b>	<b>-1.4</b>	<b>61.3%</b>	<b>-26.0%</b>
<b>Fee income from financial services, net</b>	<b>25.0</b>	<b>31.2</b>	<b>30.1</b>	<b>-3.5%</b>	<b>20.4%</b>

## OTHER INCOME

Inteligo's other income in 2Q15 reached \$/. 18.8 million, a \$/. 10.3 million increase QoQ. This result was attributable to a higher net gain on sale of securities on its investment portfolio, partially offset by a mark to market loss on valuation of securities held for trading in 2Q15.

Other income decreased by \$/. 5.6 million YoY in 2Q15, mainly attributable to a lower net trading gain on the comparing periods.

Other income					
\$/. million	2Q14	1Q15	2Q15	%chg QoQ	%chg YoY
Net gain on sale of securities	8.3	-3.1	23.6	n.m.	n.m.
Net trading gain (loss)	16.1	11.6	-4.9	n.m.	n.m.
Other	0.0	0.0	0.1	n.m.	n.m.
<b>Total other income</b>	<b>24.4</b>	<b>8.5</b>	<b>18.8</b>	<b>n.m.</b>	<b>-22.9%</b>

## OTHER EXPENSES

Other expenses					
S/. million	2Q14	1Q15	2Q15	%chg QoQ	%chg YoY
Salaries and employee benefits	-9.4	-10.2	-12.3	20.9%	31.0%
Administrative expenses	-5.5	-6.5	-8.2	27.1%	48.6%
Depreciation and amortization	-0.8	-1.2	-1.6	26.9%	n.m.
Impairment loss on available for sale investments	-6.9	0.0	0.0	n.m.	n.m.
Other	0.0	0.0	-0.1	n.m.	n.m.
<b>Total other expenses</b>	<b>-22.6</b>	<b>-17.9</b>	<b>-22.2</b>	<b>23.8%</b>	<b>-2.0%</b>
<b>Efficiency ratio</b>	<b>24.1%</b>	<b>33.1%</b>	<b>30.8%</b>		

Other expenses in 2Q15 increased by S/. 4.3 million or 23.8% when compared to 1Q15. The result was mainly due to higher salaries and employee benefits, as well as administrative expenses. Salaries and employee benefits increased as a result of growth in our sales force. Administrative expenses also increased due to higher third-party related services associated with the implementation of a new IT platform.

Inteligo's other expenses reached S/. 22.2 million in 2Q15, a decrease of S/. 0.4 million or 2.0% YoY. In 2Q14, a S/. 6.9 million impairment loss was reported, which did not repeat in 2Q15.