Intercorp Financial Services Inc.
Reports Fourth Quarter 2013 Earnings

Lima, Peru, January 30, 2014. Intercorp Financial Services Inc. (Bolsa de Valores de Lima: IFS) announced today its unaudited results for the fourth quarter 2013. These results are reported on a consolidated basis in accordance with Peruvian GAAP in nominal Peruvian Nuevos Soles.

Yearly and Quarterly Highlights:

Intercorp Financial Services:

- In 2013, IFS earnings rose 2.8% due to higher gross financial margin and a decline in provisions, partially offset by an increase in administrative expenses and lower fee income. IFS ROE was 25.0% in 2013, below the 28.2% in 2012
- In 4Q13, net income increased 43.4% YoY due to higher gross financial margin and results from financial operations, partially offset by growth in administrative expenses
- Net earnings increased 41.3% QoQ driven by increases in results from financial operations and financial income, partially offset by growth in administrative expenses
- IFS ROE was 28.4% in 4Q13, above the 21.3% in 3Q13 and the 21.0% in 4Q12

Interbank:

- In 2013, Interbank's net earnings rose 13.4% to a record S/. 647.1 million, driven by sustained loan growth, higher results from financial operations and a decline in provision expenses
- The loan portfolio grew 26.9% during 2013, registering significant increases of 35.9% in commercial loans, 24.8% in mortgages and 20.4% in credit cards
- In 4Q13, net earnings were S/. 157.1 million, a 24.9% increase over 4Q12, driven by higher interest on loans and a decline in provision expenses
- NIM remained stable QoQ at 7.0%, while fee income posted the third consecutive quarterly growth
- The past due loan ratio remained stable QoQ at 1.8%
- The BIS ratio remained well above regulatory requirements at 13.4% in 4Q13

Interseguro:

- In 2013, Interseguro's earnings reached S/. 152.4 million, a 19.5% decline compared to 2012, due to lower investment income and higher administrative expenses
- In 4Q13, net income increased S/. 65.6 million QoQ and S/. 51.0 million YoY due mainly to extraordinary income reported by year-end 2013
- Annuity sales increased strongly 9.7% QoQ and 29.9% YoY, supported by market expansion
- Interseguro remained the market leader in annuities with a market share of approximately 25.0%

Intercorp Financial Services

2013 Performance

Intercorp Financial Services' net earnings were S/. 725.5 million in 2013, a 2.8% increase compared to 2012. Higher earnings were driven by a 7.1% increase in gross financial margin and a 10.0% decline in provisions, partially offset by a 9.2% growth in administrative expenses and a 15.1% decrease in fee income. Higher gross financial margin was due to increasing loan volume at Interbank, partially offset by an increase in interest paid on deposits and bonds at Interbank. IFS ROE was 25.0% in 2013, below the 28.2% reported in 2012 and the 33.9% reported in 2011.

Intercorp Financial Services' Statement of Comprehensive Income					
S/. million				%chg	%chg
	2011	2012	2013	13/12	12/11
Financial income	2,267.4	2,395.6	2,608.0	8.9%	5.7%
Financial expenses	-495.7	-513.0	-591.2	15.2%	3.5%
Gross financial margin	**1,771.8**	**1,882.7**	**2,016.8**	**7.1%**	**6.3%**
Provisions	-303.5	-408.3	-367.5	-10.0%	34.5%
Net financial margin	**1,468.3**	**1,474.4**	**1,649.3**	**11.9%**	**0.4%**
Fee income from financial services, net	248.3	263.9	224.0	-15.1%	6.3%
Result from insurance underwriting, net	-64.1	-72.3	-56.6	-21.7%	12.8%
Result from financial operations	350.7	408.2	429.8	5.3%	16.4%
Administrative expenses	-1,014.9	-1,090.1	-1,190.3	9.2%	7.4%
Operating margin	**988.3**	**984.1**	**1,056.2**	**7.3%**	**-0.4%**
Depreciation and amortization	-93.2	-101.1	-107.0	5.9%	8.5%
Other income (expenses)	30.5	27.0	25.2	-6.6%	-11.5%
Income before tax	**925.6**	**909.9**	**974.3**	**7.1%**	**-1.7%**
Income tax	-223.3	-200.1	-244.2	22.0%	-10.4%
Net income	**702.3**	**709.8**	**730.2**	**2.9%**	**1.1%**
Attributable to IFS shareholders	**698.5**	**705.7**	**725.5**	**2.8%**	**1.0%**
EPS	**7.46**	**7.54**	**7.75**		
ROE	**33.9%**	**28.2%**	**25.0%**		

Intercorp Financial Services' Recurring Statement of Comprehensive Income Summary					
S/. million				%chg	%chg
	2011	2012	2013	13/12	12/11
Reported net eanings	**698.5**	**705.7**	**725.5**	**2.8%**	**1.0%**
Non-recurring items:					
IFS	-7.9	15.5	-4.3	n.m.	n.m.
Interbank	-47.5	-13.3	-62.6	n.m.	-71.9%
Interseguro	-68.7	-106.3	-102.4	-3.6%	54.8%
Total non-recurring items	**-124.0**	**-104.1**	**-169.3**	**62.6%**	**-16.1%**
Recurring net earnings	**574.4**	**601.6**	**556.2**	**-7.5%**	**4.7%**
Recurring ROE*	**28.4%**	**25.4%**	**20.6%**		

* IFS average shareholders' equity excludes unrealized results, declared dividends and non-recurring gains

4Q13 Performance

Net earnings (attributable to IFS shareholders) were S/. 207.6 million in 4Q13, a 41.3% increase QoQ and a 43.4% growth YoY. When excluding non-recurring items, net earnings decrease 0.2% QoQ and increase 1.3% YoY. IFS ROE was 28.4% in 4Q13, above the 21.3% in 3Q13 and the 21.0% in 4Q12.

Intercorp Financial Services' Statement of Comprehensive Income					
S/. million	4Q12	3Q13	4Q13	%chg QoQ	%chg YoY
Financial income	604.5	669.2	696.3	4.0%	15.2%
Financial expenses	-137.2	-151.9	-156.4	3.0%	14.0%
Gross financial margin	**467.3**	**517.3**	**539.9**	**4.4%**	**15.5%**
Provisions	-116.7	-89.4	-94.7	5.9%	-18.9%
Net financial margin	**350.6**	**428.0**	**445.3**	**4.0%**	**27.0%**
Fee income from financial services, net	68.3	51.7	55.6	7.6%	-18.5%
Result from insurance underwriting, net	-9.4	-15.5	-3.8	-75.2%	-59.2%
Result from financial operations	90.6	66.7	123.9	85.9%	36.8%
Administrative expenses	-294.4	-300.8	-329.8	9.6%	12.0%
Operating margin	**205.6**	**230.0**	**291.2**	**26.6%**	**41.6%**
Depreciation and amortization	-26.0	-26.6	-27.3	2.6%	5.0%
Other income (expenses)	16.4	6.2	4.9	-21.6%	-70.4%
Income before tax	**196.0**	**209.6**	**268.8**	**28.2%**	**37.1%**
Income tax	-50.5	-61.6	-60.1	-2.4%	19.1%
Net income	**145.5**	**148.0**	**208.7**	**41.0%**	**43.4%**
Attributable to IFS shareholders	**144.7**	**146.9**	**207.6**	**41.3%**	**43.4%**
EPS	**1.55**	**1.57**	**2.22**		
ROE	**21.0%**	**21.3%**	**28.4%**		

Intercorp Financial Services' Recurring Statement of Comprehensive Income Summary					
S/. million	4Q12	3Q13	4Q13	%chg QoQ	%chg YoY
Reported net earnings	**144.7**	**146.9**	**207.6**	**41.3%**	**43.4%**
Non-recurring income:					
Result from financial operations	0.0	0.0	-61.0	n.m.	n.m.
Total non-recurring income	**0.0**	**0.0**	**-61.0**	**n.m.**	**n.m.**
Recurring net earnings	**144.7**	**146.9**	**146.6**	**-0.2%**	**1.3%**
Recurring ROE*	**22.2%**	**21.6%**	**20.3%**		

* IFS average shareholders' equity excludes unrealized results, declared dividends and non-recurring gains

Intercorp Financial Services' Statement of Financial Position					
S/. million				%chg	%chg
	4Q12	3Q13	4Q13	QoQ	YoY
Cash and due from banks	5,589.7	6,981.9	7,175.0	2.8%	28.4%
Investments, net	4,614.0	5,379.1	5,368.4	-0.2%	16.4%
Loan portfolio, net	15,058.4	18,006.2	19,151.4	6.4%	27.2%
Fixed assets, net	445.4	435.4	445.2	2.3%	0.0%
Other assets	893.2	1,055.9	1,079.0	2.2%	20.8%
Total Assets	**26,600.8**	**31,858.6**	**33,219.1**	**4.3%**	**24.9%**
Deposits and obligations	14,429.2	18,755.2	19,965.2	6.5%	38.4%
Due to banks	2,856.4	3,048.2	2,830.9	-7.1%	-0.9%
Bonds and obligations	3,177.1	3,397.7	3,426.8	0.9%	7.9%
Technical reserves for premiums and claims	2,456.0	2,918.1	3,042.0	4.2%	23.9%
Other liabilities	775.0	887.9	928.1	4.5%	19.8%
Total Liabilities	**23,693.6**	**29,007.1**	**30,193.0**	**4.1%**	**27.4%**
IFS shareholders' equity	2,890.1	2,833.4	3,006.9	6.1%	4.0%
Minority interest	17.1	18.0	19.2	6.2%	11.9%
Total shareholders' equity	**2,907.2**	**2,851.4**	**3,026.1**	**6.1%**	**4.1%**

Quarter-on-quarter performance

Net earnings increased 41.3% QoQ mainly due to increases of S/. 57.3 million in results from financial operations and S/. 27.1 million in financial income, partially offset by a S/. 29.0 million growth in administrative expenses.

Financial income rose 4.0%, driven by a 7.0% increase in the average loan volume at Interbank.

Financial expenses increased 3.0% QoQ due to a 7.1% growth in the average volume of deposits at Interbank.

Provision expenses grew 5.9%, which was the second consecutive quarterly increase, albeit at a lower rate than the 6.2% growth in gross loans

Fee income rose 7.6% QoQ as a result of a S/. 2.7 million decrease in the elimination of commissions charged by Interbank to Interseguro, related to the sale of premiums, as well as higher fees from letters of guarantee at Interbank.

Interseguro’s loss from insurance underwriting decreased 75.2% due mainly to higher annuity sales, lower fees in Decreasing Term Life Insurance for credit cards, and lower claims in disability and survivor benefits. Higher annuities were explained by a 7.4% market expansion.

Results from financial operations rose 85.9% QoQ mainly as a result of a non-recurring gain on the sale of real estate property at Interseguro in 4Q13.

Administrative expenses grew 9.6% mainly due to increases in varied services, maintenance and miscellaneous supplies at Interbank, and higher personnel expenses at Interseguro.

Other income declined S/. 1.3 million in 4Q13 due to lower results from Expressnet, a subsidiary of Interbank, a provision for a tax credit loss at Interseguro in 4Q13 and higher extraordinary expenses at IFS. These factors were partially offset by higher income for commercial incentives offered by the principal credit card brands and a reversal of voluntary provisions for doubtful commercial loans constituted in the previous quarter at Interbank.

IFS effective tax rate decreased from 29.4% in 3Q13 to 22.4% in 4Q13 as a result of two factors. The first was a higher contribution to net earnings from Interseguro, whose investment income is tax-exempt. The second was a decrease in Interbank's effective tax rate, from 27.3% in 3Q13 to 26.9% in 4Q13, due to higher tax-exempt income relative to pre-tax income.

Year-on year performance

Net earnings increased 43.4% YoY mainly due to increases of 15.5% in gross financial margin and 36.8% in results from financial operations, partially offset by a 12.0% growth in administrative expenses.

Financial income rose 15.2% mainly explained by increases of S/. 91.2 million in interest and fees on loans at Interbank and S/. 13.2 million in investment income at Interseguro, partially offset by S/. 10.0 million lower interest on cash at Interbank.

Financial expenses increased 14.0% YoY due to higher interest on deposits and on due to banks at Interbank. The rise in interest on deposits was attributed to increases in the average volume, partially offset by a decline in the average cost.

Provision expenses decreased 18.9% due to lower requirements for credit card delinquencies and the reversal of provisions for internal alignment in other consumer loans and mortgages, partially offset by higher requirements in the commercial loan portfolio.

Fee income declined 18.5% YoY as a result of lower fees from credit card account statement delivery, lower fees from letters of guarantee and higher expenses related to insurance sales at Interbank, as well as a S/. 4.3 million increase in the elimination of commissions charged by Interbank to Interseguro, related to the sale of premiums.

Interseguro's loss from insurance underwriting decreased S/. 5.6 million in 4Q13 as a result of a higher elimination of commissions paid by Interseguro to Interbank, as previously mentioned, as well growth in premiums, partially offset by higher reserves and claims.

Results from financial operations rose 36.8% YoY due to a non-recurring gain on the sale of real estate investments registered at Interseguro in 4Q13, as previously mentioned, partially offset by lower gains on the sale of investments and derivative gains at IFS.

Administrative expenses increased 12.0% due to a higher provision for employee profit-sharing and higher expenses for varied services, property leases, maintenance, and miscellaneous supplies at Interbank.

Other income decreased S/. 11.5 million YoY mainly due to higher extraordinary expenses at IFS, lower results from Expressnet, a subsidiary of Interbank, and provisions for a tax contingencies made at Interseguro in 4Q13.

IFS effective tax rate decreased from 25.8% in 4Q12 to 22.4% in 4Q13 as a result of two factors. The first was a higher contribution to net earnings from Interseguro, whose investment income is tax-exempt. The second was a decrease in Interbank's effective tax rate, from 27.1% in 4Q12 to 26.9% in 4Q13, due to lower non-deductible expenses relative to pre-tax income.

CONTRIBUTION OF SUBSIDARIES

The following table shows the contribution of Interbank and Interseguro to Intercorp Financial Services' net earnings. The performance of both subsidiaries is discussed in detail in the following two sections.

Intercorp Financial Services' Statement of Comprehensive Income Summary					
S/. million	4Q12	3Q13	4Q13	%chg QoQ	%chg YoY
Interbank	124.9	155.7	156.0	0.2%	24.9%
Interseguro	21.5	6.9	72.5	n.m.	237.5%
IFS accounts:					
Return on investment portfolio	9.2	0.9	0.3	-69.2%	-97.1%
Exchange gains (loss)	2.5	-0.3	0.6	n.m.	n.m.
Taxes on dividends	-3.6	-4.1	-4.5	9.9%	26.3%
Other income (expenses)	-11.7	-11.7	-16.2	39.0%	38.6%
Consolidation adjustments	2.0	-0.6	-1.1	82.1%	n.m.
Total	**144.7**	**146.9**	**207.6**	**41.3%**	**43.4%**

Interbank

SUMMARY

2013 Performance

Interbank's net earnings reached S/. 647.1 million in 2013, 13.4% greater than the previous year. The main factors that contributed to this result were increases of 6.1% in gross financial margin and 29.8% in results from financial operations, as well as a 10.0% decrease in provisions, partially offset by a 9.4% growth in administrative expenses. Financial income grew 8.3% mainly driven by a 13.5% increase in interest on loans, partially offset by a 15.6% growth in financial expenses, mainly related to higher average volumes across the main sources of funding.

Interbank's ROE was 26.6% in 2013, below the 27.1% reported in 2012.

Interbank's Statement of Comprehensive Income					
S/. million				% chg	% chg
	2011	2012	2013	13/12	12/11
Financial income	2,052.1	2,193.0	2,374.5	8.3%	6.9%
Financial expenses	-478.3	-510.8	-590.3	15.6%	6.8%
Gross financial margin	**1,573.9**	**1,682.2**	**1,784.2**	**6.1%**	**6.9%**
Provisions	-303.5	-408.3	-367.5	-10.0%	34.5%
Net financial margin	**1,270.4**	**1,273.9**	**1,416.7**	**11.2%**	**0.3%**
Fee income from financial services, net	256.5	279.7	256.5	-8.3%	9.1%
Result from financial operations, net	221.4	275.5	357.8	29.8%	24.5%
Administrative expenses	-902.5	-986.3	-1,079.4	9.4%	9.3%
Operating margin	**845.8**	**842.9**	**951.6**	**12.9%**	**-0.4%**
Depreciation and amortization	-90.0	-98.3	-104.2	6.1%	9.2%
Other income (expenses)	-0.7	16.0	31.3	95.4%	n.m.
Income before taxes	**755.1**	**760.6**	**878.6**	**15.5%**	**0.7%**
Income tax	-214.2	-190.1	-231.5	21.8%	-11.2%
Net income	**540.9**	**570.4**	**647.1**	**13.4%**	**5.5%**
ROE	**31.7%**	**27.1%**	**26.6%**	**-50 bps**	**-460 bps**

In 2013, as in 2012, net earnings were affected by non-recurring factors, most of which were related to extraordinary gains on the sale of investments. In 2013, such gains generated S/. 63.2 million in after-tax income, whereas in 2012, these contributed S/. 13.4 million to the bottom line. Excluding such non-recurring items, net earnings would have grown 4.8% in 2013.

Summary of Non-Recurring Items					
S/. million				% chg	% chg
Net of taxes	2011	2012	2013	13/12	12/11
Net Income	**540.9**	**570.4**	**647.1**	**13.4%**	**5.5%**
Fee income from financial services, net	-1.9	0.0	0.0	n.m.	n.m.
Result from financial operations, net:					
Gains on sale of investments, net	-26.3	-13.4	-63.2	n.m.	-48.9%
Exchange and derivative gains (losses)	0.0	0.0	8.2	n.m.	n.m.
Other provisions	-19.7	0.0	-8.1	n.m.	n.m.
Total Non-Recurring Items	**-47.8**	**-13.4**	**-63.1**	**n.m.**	**-71.9%**
Recurring Net Income	**493.1**	**557.0**	**584.0**	**4.8%**	**13.0%**
Recurring ROE*	**28.5%**	**27.0%**	**24.4%**	**-260 bps**	**-150 bps**

* Interbank's average shareholders' equity excludes unrealized results, declared dividends and non-recurring gains

Financial income increased 8.3% driven by 13.5% growth in interest on loans. The increase in interest on loans was attributed to an 18.8% growth in the average volume, partially offset by a 50 basis point decline in the average yield, from 12.1% in 2012 to 11.6% in 2013. The higher average volume was due to increases of 24.3% in commercial loans and 13.5% in retail loans. The lower yield was a result of decreases in the average rates on both retail and commercial loan portfolios. In retail loans, the average yield declined 40 basis points as a consequence of lower rates on mortgage and payroll-deduction loans, as well as a greater proportion of mortgages within the retail loan portfolio. This proportion increased from 37.5% in 2012 to 39.4% in 2013. In the commercial loan portfolio, the average yield decreased 20 basis points, due to competitive pressures in said segment throughout 2013.

Financial expenses increased 15.6% with respect to the previous year. This increase was explained by growths of 23.4% in interest on bonds, 13.7% in interest on deposits and 10.3% in interest on due to banks. Interest on bonds increased mainly due to a 24.2% growth in average volume and the full-year effect of a US$250.0 million senior bond that was issued in September 2012. In addition to said issuance, higher volume was further explained by two additional subordinated bond issues, the first for S/. 150.0 million in January 2013 and the second for US$50.0 million in December 2013, partially offset by the maturity of S/. 136.5 million and US$16.6 million in various bonds throughout 2013.

The growth in interest on deposits was due to a 22.1% increase in the average volume, partially offset by a 10 basis point decrease in the average cost. The higher volume was attributed to growths of 33.3% in commercial deposits, 15.8% in retail deposits and 24.1% in institutional deposits. The lower average cost was due to reductions of 30 basis points in institutional deposits and 10 basis points in commercial deposits, while the cost of retail deposits remained stable.

Interest on due to banks increased as the result of a 17.0% growth in the average volume, partially offset by a 30 basis point decrease in the average cost. The higher volume was attributed to growths of 27.2% in local funding and 6.7% in foreign funding. The increase in local funding was associated with a 23.2% growth in the average volume of mortgage loans granted under government-sponsored housing programs. The increase in foreign funding was mainly explained by the disbursement of a US$200.0 million syndicated loan granted to Interbank, partially offset by the maturity of various loans that the bank chose not to renew, given the increased supply of low-cost deposits.

The 8.3% decrease in fee income was mainly due to lower fees for credit card account statement delivery and from contingent operations. The decrease in credit card account statement delivery fees was attributed to a decrease in the number of cardholders. The reduction in fees from contingent operations was due to lower fees from letters of guarantee, which was mainly explained by a new accounting principle requiring that these fees not be recognized at the moment of origination, but rather, accrued throughout the life of the operation. This change became effective as of June 2013.

Results from financial operations grew 29.8% as the result of higher income from the sale of investments and from participation in subsidiaries. Most importantly, equity investments were sold in 2Q13 and 3Q13, which generated S/. 56.6 million in extraordinary income after taxes.

The efficiency ratio increased from 48.5% in 2012 to 49.4% in 2013, as the result of lower fee income and a 9.4% increase in administrative expenses.

Pre-tax income grew 15.5% in 2013, but was partially offset by a higher effective tax rate, resulting in a 13.4% increase in the bottom line. The effective tax rate rose from 25.0% in 2012 to 26.3% in 2013, mainly due to lower tax-exempt income relative to pre-tax income.

4Q13 Performance

Interbank's net earnings were S/. 157.1 million in 4Q13, a 24.9% increase YoY and stable with respect to the previous quarter. The YoY growth was mainly due to a 15.6% increase in gross financial margin and an 18.9% decline in provisions, partially offset by a 14.1% rise in administrative expenses.

Net earnings remained stable QoQ as the result of a 4.4% growth in gross financial margin that was offset by a 7.5% increase in administrative expenses and a 7.1% reduction in results from financial operations.

Interbank's ROE was 24.5% in 4Q13, lower than the 25.9% reported in 3Q13 but higher than the 21.9% registered in 4Q12.

Interbank's Statement of Comprehensive Income					
S/. million				% chg	% chg
	4Q12	3Q13	4Q13	QoQ	YoY
Financial income	554.3	612.7	637.2	4.0%	15.0%
Financial expenses	-138.1	-151.7	-156.0	2.8%	12.9%
Gross financial margin	**416.1**	**460.9**	**481.3**	**4.4%**	**15.6%**
Provisions	-116.7	-89.4	-94.7	5.9%	-18.9%
Net financial margin	**299.4**	**371.6**	**386.6**	**4.0%**	**29.1%**
Fee income from financial services, net	74.4	64.7	66.0	2.1%	-11.2%
Result from financial operations, net	72.1	77.2	71.6	-7.1%	-0.7%
Administrative expenses	-259.3	-275.2	-295.7	7.5%	14.1%
Operating margin	**186.7**	**238.3**	**228.6**	**-4.1%**	**22.4%**
Depreciation and amortization	-25.3	-26.2	-26.6	1.8%	5.2%
Other income (expenses)	11.2	3.6	12.9	n.m.	14.8%
Income before taxes	**172.6**	**215.8**	**214.8**	**-0.4%**	**24.5%**
Income tax	-46.8	-58.9	-57.7	-2.1%	23.3%
Net income	**125.8**	**156.9**	**157.1**	**0.2%**	**24.9%**
ROE	**21.9%**	**25.9%**	**24.5%**	**-140 bps**	**260 bps**

It should be noted that no non-recurring factors were reported in any of the quarterly periods under analysis.

INTEREST-EARNING ASSETS

Interbank’s interest-earning assets reached S/. 28,159.6 million in 4Q13, an increase of 4.2% QoQ and 27.3% YoY.

The QoQ increase in interest-earning assets was mainly due to 6.4% loan growth.

The YoY growth was due to generalized increases of 27.2% in loans, 27.8% in cash and 26.2% in investments. The increase in cash was attributed to higher reserve requirements for foreign currency deposits over the course of 2013, partially offset by lower overnight deposits in the Central Bank. The growth in investments was mainly due to higher volumes of Peruvian sovereign bonds and Central Bank certificates of deposit (CDBCR), partially offset by a reduction in equity investments.

Interest-Earning Assets					
S/. million				% chg	% chg
	4Q12	3Q13	4Q13	QoQ	YoY
Cash and due from banks	5,541.7	6,928.7	7,084.8	2.3%	27.8%
Investments, net	1,524.1	2,083.0	1,923.4	-7.7%	26.2%
Loan portfolio, net	15,058.4	18,006.3	19,151.4	6.4%	27.2%
Total interest-earning assets	**22,124.3**	**27,017.9**	**28,159.6**	**4.2%**	**27.3%**

Loan Portfolio					
S/. million				% chg	% chg
	4Q12	3Q13	4Q13	QoQ	YoY
Performing loans:					
Retail	7,890.2	8,919.4	9,349.6	4.8%	18.5%
Commercial	7,328.2	9,247.5	9,958.2	7.7%	35.9%
Total performing loans	**15,218.3**	**18,166.9**	**19,307.8**	**6.3%**	**26.9%**
Restructured and refinanced loans	108.3	118.3	123.9	4.8%	14.4%
Past due loans	291.2	330.6	346.6	4.8%	19.1%
Gross loans	**15,617.8**	**18,615.8**	**19,778.4**	**6.2%**	**26.6%**
Add (less)					
Accrued and deferred interest	123.8	144.7	158.3	9.4%	27.9%
Allowance for loan losses	-683.1	-754.2	-785.3	4.1%	14.9%
Total direct loans, net	**15,058.4**	**18,006.3**	**19,151.4**	**6.4%**	**27.2%**

Performing loans grew 6.3% QoQ. Commercial loans grew 7.7% in 4Q13, driven mainly by demand for medium-term and trade finance loans, particularly in the middle market segment. Retail loans grew 4.8% due to increases of 9.1% in credit cards, 3.7% in mortgage loans and 2.8% in other consumer loans. The recovery of the credit card segment was effectively consolidated with 4Q13 being the third consecutive quarter of solid growth after four consecutive quarters of reductions, during which time Interbank maintained more rigorous credit standards regarding the acquisition of new clients.

Performing loans grew 26.9% YoY. Commercial loans grew 35.9%, mainly due to an increase in medium-term loans in the middle market segment. Retail loans grew 18.5%, driven by increases of 24.8% in mortgage loans, 20.4% in credit cards and 10.5% in other consumer loans.

In 4Q13, credit card volumes reached a record level for Interbank, with a past due loan ratio of 4.1% in said product, in line with that of 3Q13 and below the 4.9% reported in 4Q12.

Breakdown of Performing Retail Loans					
S/. million				% chg	% chg
	4Q12	3Q13	4Q13	QoQ	YoY
Consumer loans:					
Credit cards	2,112.1	2,331.4	2,542.7	9.1%	20.4%
Other consumer	2,823.1	3,034.3	3,120.3	2.8%	10.5%
Total consumer loans	**4,935.2**	**5,365.7**	**5,663.0**	**5.5%**	**14.7%**
Mortgages	2,955.0	3,553.7	3,686.7	3.7%	24.8%
Total retail loans	**7,890.2**	**8,919.4**	**9,349.6**	**4.8%**	**18.5%**

FUNDING STRUCTURE

Funding Structure					
S/. million				% chg	% chg
	4Q12	3Q13	4Q13	QoQ	YoY
Deposits	14,635.9	19,025.5	20,265.6	6.5%	38.5%
Due to banks	3,170.6	2,985.9	2,881.3	-3.5%	-9.1%
Bonds	2,707.3	3,001.4	3,071.5	2.3%	13.5%
Inter-bank funds	9.3	239.3	100.0	-58.2%	n.m.
Total	**20,523.1**	**25,252.1**	**26,318.4**	**4.2%**	**28.2%**
AUM (Interfondos)	2,839.9	2,489.8	2,443.5	-1.9%	-14.0%
% of funding					
Deposits	71.3%	75.3%	77.0%		
Due to banks and inter-bank funds	15.5%	12.8%	11.3%		
Bonds	13.2%	11.9%	11.7%		

Interbank's funding base grew 4.2% QoQ, matching the growth in interest-earning assets. Deposits rose 6.5% due to increases of 9.1% in commercial deposits, 7.2% in retail deposits and 2.8% in institutional deposits. As a result, the proportion of deposits over total funding increased from 75.3% in 3Q13 to 77.0% in 4Q13. Furthermore, the participation of institutional deposits over total deposits decreased from 25.5% in 3Q13 to 24.6% in 4Q13. Inter-bank funds and due to banks declined as short-term, dollar funding needs were covered to a greater extent by low-cost deposits.

The bank's funding base increased 28.2% YoY, in line with interest-earning assets, mainly due to growths of 38.5% in deposits and 13.5% in bonds, partially offset by a 9.1% decrease in due to banks. The increase in deposits was attributed to growths of 56.9% in commercial deposits, 27.7% in retail deposits and 37.3% in institutional deposits. As a result, the proportion of deposits to total funding increased from 71.3% in 4Q12 to 77.0% in 4Q13, while the participation of institutional deposits to total deposits remained relatively stable YoY, at 24.9% in 4Q12 and 24.6% in 4Q13.

The YoY growth in bonds was explained by three factors, partially offset by three additional factors. The first two factors were subordinated bond issuances, for S/. 150.0 million in January 2013 and US$50.0 million in December 2013, both of which were placed in the local market. The third factor was a 9.6% depreciation of the Nuevo Sol against the U.S. dollar, which led to an increase in the value of bonds issued in dollars. The attenuating factors were the maturity of a S/. 136.5 million leasing bond in March 2013, the maturity of a US$15.0 million subordinated bond in October 2013, and the payment of US$1.6 million in mortgage bonds over the last 12 months.

Due to banks decreased 9.1% YoY due to a 64.7% reduction in the use of short-term lines of credit with correspondent banks, partially offset by the disbursement of a US$200.0 million syndicated loan granted to Interbank in July 2013. This new medium-term funding was arranged with a syndicate of 15 foreign financial institutions at a cost of LIBOR plus 185 basis points and with a maturity date in October 2016.

Breakdown of Deposits					
S/. million				% chg	% chg
	4Q12	3Q13	4Q13	QoQ	YoY
By Customer Segment					
Retail	6,157.7	7,334.8	7,860.6	7.2%	27.7%
Commercial	4,591.8	6,605.7	7,204.5	9.1%	56.9%
Institutional	3,632.5	4,848.8	4,986.2	2.8%	37.3%
Other	253.9	236.2	214.3	-9.3%	-15.6%
Total	**14,635.9**	**19,025.5**	**20,265.6**	**6.5%**	**38.5%**
By Type:					
Demand	3,555.5	5,414.9	5,971.5	10.3%	68.0%
Savings	4,340.6	5,230.1	5,343.9	2.2%	23.1%
Time	5,847.4	7,421.8	7,929.4	6.8%	35.6%
Other	892.4	958.8	1,020.8	6.5%	14.4%
Total	**14,635.9**	**19,025.5**	**20,265.6**	**6.5%**	**38.5%**

FINANCIAL MARGIN

Financial Margin					
S/. million				% chg	% chg
	4Q12	3Q13	4Q13	QoQ	YoY
Financial income	554.3	612.7	637.2	4.0%	15.0%
Financial expenses	-138.1	-151.7	-156.0	2.8%	12.9%
Gross financial margin	**416.1**	**460.9**	**481.3**	**4.4%**	**15.6%**

Financial Income					
S/. million				% chg	% chg
	4Q12	3Q13	4Q13	QoQ	YoY
Interest on loans	453.9	526.7	552.7	4.9%	21.8%
Fees on loans	72.2	63.5	64.6	1.8%	-10.5%
Investment income	13.6	16.1	14.9	-7.2%	10.2%
Interest on cash and inter-bank funds	14.5	6.2	4.6	-26.9%	-68.6%
Other	0.1	0.2	0.5	122.8%	n.m.
Total financial income	**554.3**	**612.7**	**637.2**	**4.0%**	**15.0%**
Average interest-earning assets	21,980.5	26,364.9	27,588.8	4.6%	25.5%
Average yield on assets (annualized)	10.4%	9.5%	9.5%	0 bps	-90 bps

Financial Expenses					
S/. million				% chg	% chg
	4Q12	3Q13	4Q13	QoQ	YoY
Interest and fees on deposits	58.8	64.1	69.0	7.7%	17.5%
Interest on due to banks and inter-bank funds	33.7	38.6	38.8	0.5%	14.9%
Interest on bonds	44.0	47.3	46.5	-1.7%	5.6%
Other	1.6	1.8	1.7	-4.6%	6.9%
Financial expenses	**138.1**	**151.7**	**156.0**	**2.8%**	**12.9%**
Average interest-bearing liabilites	20,434.7	24,720.8	25,785.2	4.3%	26.2%
Average cost of funding (annualized)	2.7%	2.4%	2.4%	0 bps	-30 bps

QoQ Performance

Gross financial margin increased 4.4% QoQ as the result of a 4.0% growth in financial income, partially offset by a 2.8% increase in financial expenses.

The growth in financial income was due to a 4.9% increase in interest on loans, partially offset by reductions of 26.9% in interest on cash and 7.2% in interest on investments.

The increase in interest on loans was due to a 7.0% growth in the average loan volume, partially offset by a 30 basis point reduction in the average yield, from 12.2% in 3Q13 to 11.9% in 4Q13. The higher average volume was attributed to increases of 8.8% in commercial loans and 5.4% in retail loans. In the commercial portfolio, volumes grew by 10.5% in medium-term loans, 11.6% in trade finance loans and 2.7% in leasing. With regard to retail loans, the higher volume was due to increases of 9.9% in credit cards, 4.3% in mortgage loans and 3.3% in other consumer loans. Yields decreased both in retail and commercial segments. The lower yield on the retail portfolio was mainly due to lower rates on credit cards and other consumer loans. The lower average yield on commercial loans was mainly due to reductions of 20 basis points in medium-term loans and 50 basis points in trade finance loans.

The decrease in interest on cash was mainly due to a 10 basis point reduction in the average yield, while the average volume remained relatively stable. The lower yield was mainly due to a 10 basis point decrease in the yield on reserve requirement funds.

The reduction in interest on investments was explained by decreases of 10 basis points in the average yield and 3.3% in the average volume. The lower yield was mainly due to a decline in the return on the portfolio of Peruvian sovereign bonds. The lower volume was attributed to a reduction in the stock of Central Bank certificates of deposit (CDBCR), partially offset by increases in the average volume of both Peruvian and foreign government bonds.

The return on average interest-earning assets remained stable QoQ at 9.5%, due to the higher proportion of loans within the total of interest-earning assets, which offset declining yields across all asset classes.

Financial expenses increased 2.8% QoQ due to a 7.7% growth in interest on deposits, partially offset by a 1.7% decrease in interest on bonds.

The growth in interest on deposits was due to a 7.1% growth in the average volume, while the average cost remained stable. The higher volume was explained by increases of 17.6% in commercial deposits and 6.4% in retail deposits, partially offset by a 3.0% reduction in institutional deposits. The average cost remained stable as a 10 basis point decline in the rate on commercial deposits was offset by a 30 basis point increase in the rate of institutional deposits. The average rate on retail deposits showed no significant variation.

Interest on bonds decreased in 4Q13 due to the effect of a lower average exchange rate on the cost of bonds issued in dollars, which represented 86.2% of total bonds.

The average cost of funding remained stable QoQ at 2.4%.

YoY Performance

Gross financial margin rose 15.6% YoY due to a 15.0% increase in financial income, partially offset by a 12.9% growth in financial expenses.

The increase in financial income was due to a growth of 21.8% in interest on loans, partially offset by reductions of 68.6% in interest on cash and 10.5% in fees on loans.

The increase in interest on loans was explained by a 25.1% growth in the average loan volume, partially offset by a 40 basis point decrease in the average yield, from 12.3% in 4Q12 to 11.9% in 4Q13. Growth in the average volume was due to increases of 34.2% in the commercial portfolio and 17.1% in the retail portfolio. The higher volume of commercial loans was due to growths of 47.6% in medium-term loans, 25.0% in trade finance loans and 15.3% in leasing. In the retail portfolio, volumes rose by 25.8% in mortgage loans, 15.1% in credit cards and 9.7% in other consumer loans. The lower average yield was explained by a 40 basis point reduction in the commercial portfolio, partially offset by a 60 basis point increase in the retail portfolio, and by a higher proportion of commercial loans within the total loan portfolio. The decrease in the yield on the commercial portfolio was attributed to lower rates in the majority of products, while the increase in the retail portfolio was mainly due to higher rates on credit cards.

The decrease in interest on cash was mainly explained by an 80 basis point decline in the average yield, partially offset by a 27.2% increase in the average volume. The reduction in yield was mainly the result of lower returns on overnight deposits and on reserve requirement funds. The higher volume was mainly due to a 40.4% growth in reserve requirement funds.

The YoY decrease in fees on loans was due to the elimination of certain fees, including various credit card-related fees, by the Peruvian banking regulator beginning January 1st, 2013.

The return on average interest-earning assets was 9.5% in 4Q13, 90 basis points lower than the 10.4% registered in 4Q12, mainly due to lower yields on the loan portfolio and on cash.

Financial expenses increased 12.9% YoY due to growths of 17.5% in interest on deposits, 14.9% in interest on due to banks and 5.6% in interest on bonds.

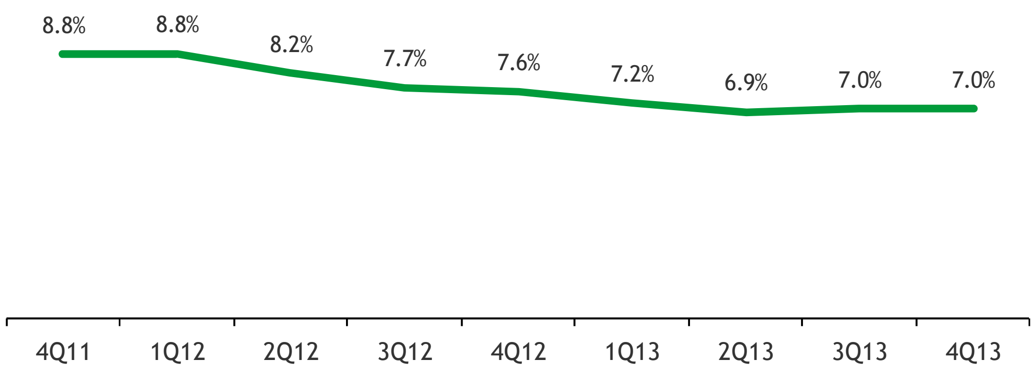
The rise in interest on deposits was attributed to a 33.7% increase in the average volume, partially offset by a 20 basis point decline in the average cost. The higher average volume was due to growths of 57.4% in commercial deposits, 25.1% in retail deposits and 23.3% in institutional deposits. The decrease in the average cost was attributed to cost reductions of 30 basis points in institutional deposits and 10 basis points in commercial deposits, while the cost of retail deposits remained stable.

The growth in interest on due to banks was due to a 35.5% increase in interest on local funding, partially offset by a 6.9% decline in interest on foreign funding. The higher expense for local funding was explained by increases of 25.6% in the average volume and 40 basis points in the average cost. The lower expense for foreign funding was explained by a 15.4% reduction in the average volume, partially offset by a 30 basis point increase in the average cost.

The increase in interest on bonds was mainly due to an 11.2% increase in the average volume, partially offset by a 30 basis point reduction in the average cost. The higher average volume was explained by two subordinated bond issuances, the first for S/. 150.0 million in January 2013 and the second for US$50.0 million in December 2013, partially offset by the maturity of S/. 136.5 million in leasing bonds, the maturity of US$15.0 million in subordinated bonds and the payment of US$1.6 million in mortgage bonds over the past 12 months.

The average cost of funding decreased from 2.7% in 4Q12 to 2.4% in 4Q13, mainly due to the lower cost of deposits.

Net Interest Margin*



* Gross financial margin / Average interest-earning assets. The gross financial margin includes fees on loans.

The net interest margin remained stable QoQ, at 7.0%, but was lower than the 7.6% registered in 4Q12.

PROVISIONS

Provision expenses grew 5.9% QoQ, which was the second consecutive quarterly increase, albeit at a lower rate than the 6.2% increase registered in gross loans. However, on an annual basis, provision requirements decreased 18.9%. As a result, the annualized ratio of provision expense to average loans was 2.0% in 4Q13, lower than the 3.1% registered in 4Q12 and in line with that of 3Q13.

The quarterly increase was due to a higher requirement for credit card provisions, partially offset by lower requirements for mortgages and small business loans and a reversal of provisions for internal alignment in other consumer loans. The rise in provision expenses for credit cards was related to a 9.1% growth in credit card balances in 4Q13.

The annual decrease in provision expenses was due to lower requirements for credit card provisions and the reversal of provisions for internal alignment in other consumer loans and mortgages, partially offset by higher requirements in the commercial loan portfolio.

Composition of Provision Expense					
S/. million				% chg	% chg
	4Q12	3Q13	4Q13	QoQ	YoY
Provisions recognized as expense	-125.8	-99.4	-110.4	11.0%	-12.2%
Provision recoveries	9.1	10.1	15.8	56.6%	73.2%
Total provision expense	**-116.7**	**-89.4**	**-94.7**	**5.9%**	**-18.9%**
Provision expense / Average loans	**3.1%**	**2.0%**	**2.0%**	**0 bps**	**-110 bps**

Provision for Loan Losses					
S/. million				% chg	% chg
	4Q12	3Q13	4Q13	QoQ	YoY
Balance at the beginning of the quarter	-717.0	-787.7	-811.2	3.0%	13.1%
Provision recognized as expense for the period	-125.8	-99.4	-110.4	11.0%	-12.2%
Recovery of write-off accounts	-20.7	-24.8	-21.4	-13.4%	3.5%
Provision recoveries	9.1	10.1	15.8	56.6%	73.2%
Write-offs, extinguishment of debt and sales	108.4	90.5	88.0	-2.8%	-18.8%
Exchange result, net	3.0	0.1	0.4	n.m.	-87.8%
Balance at the end of the quarter	**-743.1**	**-811.2**	**-838.9**	**3.4%**	**12.9%**
Past due loans / Total loans	**1.9%**	**1.8%**	**1.8%**	**0 bps**	**-10 bps**
Coverage ratio	**234.6%**	**228.1%**	**226.5%**		

The ratio of past due loans to total loans decreased from 1.9% in 4Q12 to 1.8% in both 3Q13 and 4Q13. The coverage ratio of the past-due loan portfolio decreased from 234.6% in 4Q12 and 228.1% in 3Q13, to 226.5% in 4Q13.

FEE INCOME FROM FINANCIAL SERVICES

Fee income grew 2.1% QoQ mainly due to an increase in fees from contingent operations, partially offset by higher net expenses related to insurance. The increase in income from contingent operations was mainly due to higher fees from letters of guarantee, mainly explained by a new accounting principle requiring that these fees not be recognized at the moment of origination, but rather, accrued throughout the life of the operation. This change became effective as of June 2013 and affected 3Q13 fee income, for which 4Q13 fee income had an incremental effect over the previous quarter with the flow of new operations of this kind.

Fee income decreased 11.2% YoY as a result of higher net expenses related to insurance and lower fees from credit card account statement delivery and from contingent operations. The decline in fees from credit card account statement delivery was due to a 4.7% reduction in the number of cardholders. The decrease in fees from contingent operations was explained by lower fees from letters of guarantee, which was due to the accounting change previously mentioned.

Fee Income from Financial Services, Net					
S/. million	4Q12	3Q13	4Q13	% chg QoQ	% chg YoY
Fees from services	67.0	76.7	77.3	0.7%	15.4%
Contingent operations	12.6	8.0	10.9	36.6%	-13.4%
Fees from collections and payment services	5.7	5.2	4.9	-6.4%	-14.9%
Other fees	28.0	24.3	24.7	1.9%	-11.8%
Total	**113.3**	**114.1**	**117.7**	**3.2%**	**3.9%**
Expenses relating to financial services	-38.9	-49.4	-51.7	4.6%	32.8%
Fee income from financial services, net	**74.4**	**64.7**	**66.0**	**2.1%**	**-11.2%**

RESULTS FROM FINANCIAL OPERATIONS

Results from financial operations decreased S/. 5.5 million QoQ mainly due to a S/. 6.0 million reduction in exchange and derivative gains.

Exchange and derivative gains declined QoQ due to decreases of S/. 9.6 million in income from forwards and S/. 2.0 million in income from arbitrage, partially offset by a S/. 6.6 million reduction in expenses for trading derivatives.

Results from financial operations declined S/. 0.5 million YoY as the result of a S/. 6.5 million decrease in gains on the sale of investments, partially offset by increases of S/. 3.2 million in exchange and derivative gains and S/. 2.7 million in income from participation in subsidiaries and associated companies.

Lower income from the sale of investments YoY was due to decreases in dividends received on the investment portfolio and in gains realized on the sale of fixed income investments. The decline in dividends on the investment portfolio was the result of a reduction in volume of the equity portfolio during the past 12 months.

The YoY growth in exchange and derivative gains was due to increases of S/. 4.9 million in income from forwards and S/. 2.8 million in income from exchange activity with clients, partially offset by a S/. 4.1 million decline in gains on Interbank's own exchange position.

The rise in income from participation in subsidiaries and associated companies was due to higher results from Procesos MasterCard Peru, the sole MasterCard payment processor in Peru, in which Interbank has maintained a 50% equity stake.

Result from Financial Operations, Net					
S/. million	4Q12	3Q13	4Q13	% chg QoQ	% chg YoY
Gains on sale of investments, net	9.6	1.5	3.1	115.3%	-67.3%
Exchange and derivative gains (losses)	54.6	63.8	57.8	-9.5%	5.8%
Income from participation in subsidiaries	8.0	11.8	10.8	-8.3%	34.1%
Other	-0.1	0.1	-0.1	n.m.	-46.2%
Result from financial operations, net	**72.1**	**77.2**	**71.6**	**-7.1%**	**-0.7%**

ADMINISTRATIVE EXPENSES

Administrative expenses increased 7.5% QoQ and 14.1% YoY. The QoQ growth was mainly due to a 13.1% rise in expenses for services received from third parties, which was explained by increases in varied services, maintenance, and miscellaneous supplies.

The YoY growth was mainly attributed to increases of 16.4% in personnel expenses and 12.1% in expenses for third-party services. The rise in personnel expenses was due to a higher provision for employee profit-sharing. The growth in third-party services was a product of higher expenses for varied services, property leases, maintenance, and miscellaneous supplies.

The efficiency ratio was 52.1% in 4Q13, above the 50.0% reported in 3Q13 and the 50.6% registered in 4Q12.

Administrative Expenses					
S/. million	4Q12	3Q13	4Q13	% chg QoQ	% chg YoY
Personnel and board of directors expenses	-109.8	-126.2	-127.7	1.2%	16.4%
Services received from third parties	-143.4	-142.1	-160.8	13.1%	12.1%
Taxes and contributions	-6.1	-6.9	-7.2	5.2%	17.9%
Total	**-259.3**	**-275.2**	**-295.7**	**7.5%**	**14.1%**
Efficiency ratio	**50.6%**	**50.0%**	**52.1%**	**210 bps**	**150 bps**

OTHERS

Depreciation and amortization expenses increased 1.8% QoQ and 5.2% YoY. The QoQ and YoY growth was mainly due to higher expenses for amortization of software systems.

Other income increased S/. 9.2 million QoQ due to growth of S/. 5.0 million in extraordinary income and a reversal of voluntary provisions for doubtful commercial loans constituted in the previous quarter. The increase in extraordinary income was mainly due to higher income for commercial incentives offered by the principal credit card brands.

Other income increased 14.8% YoY, due to 60.0% growth in extraordinary income, partially offset by a 42.2% decrease in income from the reversal of provisions. Higher extraordinary income was due to the credit card incentives previously mentioned. Income from the provision reversals declined as the reversal of voluntary provisions for doubtful commercial loans in 4Q13 was for a lower amount than the reversal of provisions for foreign exchange risk and other provisions in 4Q12.

Other Income (Expenses)					
S/. million				% chg	% chg
	4Q12	3Q13	4Q13	QoQ	YoY
Depreciation	-17.8	-17.5	-17.4	-0.4%	-2.1%
Amortization	-7.5	-8.7	-9.2	6.2%	22.5%
Total depreciation and amortization	**-25.3**	**-26.2**	**-26.6**	**1.8%**	**5.2%**
Income (expenses) from recoveries	6.3	5.0	10.0	101.9%	60.0%
Provisions for contingencies and other provisions	5.0	-1.3	2.9	n.m.	-42.2%
Other income (expenses)	**11.2**	**3.6**	**12.9**	**n.m.**	**14.8%**
Total	**-14.1**	**-22.5**	**-13.8**	**-39.0%**	**-2.4%**

CAPITALIZATION

The ratio of regulatory capital to risk-weighted assets was 13.4% in 4Q13, below the 13.7% reported in 3Q13, but above the 13.3% registered in 4Q12. The quarterly variation was due to 8.9% growth in risk-weighted assets (RWA), partially offset by a 6.8% increase in regulatory capital.

The quarterly rise in RWA was attributed to sustained loan growth and scheduled regulatory adjustments to the calculation of RWA that increased the risk weighting, from 100% to 150%, assigned to certain consumer loans disbursed before 2013. For December 2013, these included revolving payroll-deduction loans and, to a lesser extent, those credit cards which have an elevated revolving factor. The increase in regulatory capital QoQ was due to the issuance of a US$50.0 million subordinated bond in December 2013 and to the accumulation of an additional S/. 46.8 million worth of earnings with capitalization agreements.

The annual reduction in the capital ratio was due to a 26.5% increase in RWA, partially offset by a 27.6% growth in regulatory capital. The increase in RWA was attributed to loan growth and two scheduled regulatory adjustments to the calculation of RWA. The first adjustment was an increase in the risk weightings assigned to retail loans, as a function of product type and term remaining, beginning September 2013. It should be noted that initially this measure only affected loans disbursed as of January 1st, 2013. The second adjustment, previously mentioned, mainly affected the risk weighting assigned to payroll-deduction loans disbursed before 2013. The remainder of the loan portfolio will be adjusted gradually to the new risk weightings each December in the years 2014 and 2015.

The YoY increase in regulatory capital was mainly the result of five factors. The first factor was the incorporation of S/. 313.7 million in capital and reserves over the past 12 months. The second and third factors were subordinated bond issues for S/. 150.0 million in January 2013 and US$50.0 million in December 2013. The fourth factor was the accumulation of S/. 56.3 million in additional generic provisions, a product of sustained loan growth YoY. The final factor was a positive difference of S/. 46.8 million in the amount of accumulated earnings with capitalization agreements in 4Q13 with respect to 4Q12.

The YoY increase in capital and reserves allowed for an additional S/. 62.8 million from Interbank's US$200.0 million junior subordinated bond issue to be incorporated as Tier I capital. As of 4Q13, 73.7% of this issuance qualified as Tier I capital and the remainder was considered Tier II capital.

As of 4Q13, Interbank's capital ratio of 13.4% was 190 basis points above its risk-adjusted minimum capital ratio, established at 11.5%. The minimum regulatory capital ratio requirement was 10.0%, while the additional capital requirement for Interbank was 1.5% as of 4Q13.

Capitalization					
S/. million	4Q12	3Q13	4Q13	% chg QoQ	% chg YoY
Tier I capital	2,168.7	2,509.2	2,590.9	3.3%	19.5%
Tier II capital	630.8	835.1	981.2	17.5%	55.6%
Total regulatory capital	2,799.5	3,344.3	3,572.1	6.8%	27.6%
Risk-weighted assets	21,086.1	24,497.6	26,684.0	8.9%	26.5%
BIS ratio	**13.3%**	**13.7%**	**13.4%**	**-30 bps**	**10 bps**
Tier I capital / risk-weighted assets	**10.3%**	**10.2%**	**9.7%**	**-50 bps**	**-60 bps**

Interseguro

SUMMARY

2013 Performance

Interseguro's net earnings reached S/. 152.4 million in 2013, a S/. 36.8 million decline compared to 2012. ROE was 33.7% and ROA was 4.5%.

Profit and Loss Statement Summary					
S/. million				%chg	%chg
	2011	2012	2013	13/12	12/11
Premiums	457.7	446.6	564.3	26.3%	-2.4%
Premiums ceded	-8.9	-4.7	-5.7	22.9%	-47.5%
Fees	-13.2	-15.4	-40.6	164.1%	16.3%
Claims	-130.9	-145.6	-172.7	18.6%	11.2%
Change in reserves	-374.2	-364.4	-428.6	17.6%	-2.6%
Diverse Income, net	-0.5	-2.1	-1.7	-21.0%	301.7%
Technical margin	**-70.1**	**-85.6**	**-85.0**	**-0.8%**	**22.1%**
Administrative expenses	-59.4	-69.9	-91.0	30.1%	17.8%
Investment income, net*	316.9	344.8	328.4	-4.8%	8.8%
Net income	**187.5**	**189.2**	**152.4**	**-19.5%**	**0.9%**
ROE	**56.7%**	**43.3%**	**33.7%**		

* Includes exchange rate difference

The annual decrease in earnings was mainly explained by lower investment income and higher administrative expenses. Investment income decreased due to lower real estate sales. The increase in administrative expenses was attributed to higher personnel costs in line with business growth, as well as an administrative penalty and a provision for a tax credit loss.

Total premiums were S/. 564.3 million in 2013, a 26.3% increase YoY, explained by higher sales in annuities, group life and non-life insurance. Annuity sales grew in line with an 18.0% market expansion. The increase in group life premiums was explained by higher Decreasing Term Life Insurance for credit cards sales. The higher non-life insurance premiums were explained by a provision for credit card protection due to the new insurance Contract Law, an increase of payment protection premiums and the launch of a new car insurance product.

Premiums by Business Line			
S/. million			% chg
	2012	2013	YoY
Individual Life	23.8	28.5	19.9%
Annuities	326.5	395.7	21.2%
Group Life	56.0	79.4	41.7%
Disability and survivor benefits	0.2	0.2	-39.6%
Mandatory traffic accident	23.2	24.7	6.3%
Non Life Insurance	15.1	34.3	127.3%
Non Life	1.8	1.6	-10.7%
TOTAL	**446.6**	**564.3**	**26.3%**

4Q13 Performance

Interseguro's net earnings reached S/. 72.5 milion in 4Q13, an increase of S/. 65.6 million QoQ and S/. 51.0 million YoY. The annualized ROE was 69.5% in 4Q13, above the 7.0% reported in 3Q13 and the 17.5% registered in 4Q12.

The QoQ growth in earnings was attributable to a S/. 62.1 million increase in investment income and a S/. 14.3 million decrease in the technical margin loss, partially offset by a S/. 10.8 million rise in administrative expenses. The higher investment income was mainly explained by a non-recurring gain from the sale of Lillingstone's certificate of participation (real estate investment located in San Isidro, Lima). The lower technical margin loss was due to higher annuity premiums, lower fees in Decreasing Term Life Insurance for credit cards, and lower claims in disability and survivor benefits. The growth in administrative expenses was explained by an extraordinary provision for incentives and a provision for a tax credit loss.

The YoY growth in earnings was due to a S/. 55.6 million increase in investment income and a S/. 1.1 million reduction in the technical margin loss, partially offset by a S/. 5.7 million growth in administrative expenses.

Profit and Loss Statement Summary					
S/. million	4Q12	3Q13	4Q13	% chg QoQ	% chg YoY
Premiums	111.3	141.1	152.4	8.0%	36.9%
Premiums ceded	-1.3	-1.6	-1.5	-3.3%	17.7%
Fees	-4.0	-14.0	-10.8	-23.3%	166.2%
Claims	-34.9	-44.6	-46.4	4.0%	32.9%
Change in reserves	-84.8	-107.2	-106.1	-1.1%	25.0%
Diverse Income, net	-0.5	-1.1	-0.8	-31.6%	40.6%
Technical margin	**-14.3**	**-27.5**	**-13.2**	**-52.0%**	**-8.0%**
Administrative expenses	-24.3	-19.1	-29.9	56.5%	23.3%
Investment income, net*	60.1	53.5	115.7	116.1%	92.5%
Net income	**21.5**	**6.9**	**72.5**	**946.5%**	**237.5%**
ROE	**17.5%**	**7.0%**	**69.5%**		

* Includes exchange rate difference

PREMIUMS

Premiums in 4Q13 were S/. 152.4 million, an increase of S/. 11.3 million QoQ and S/. 41.0 million YoY.

Premiums by Business Line					
S/. million	4Q12	3Q13	4Q13	% chg QoQ	% chg YoY
Individual Life	6.0	8.2	7.4	-9.4%	24.0%
Annuities	79.5	94.2	103.3	9.7%	29.9%
Group Life	15.9	20.7	22.0	6.4%	38.0%
Disability and survivor benefits	0.0	0.1	0.0	n.m.	n.m.
Mandatory traffic accident	5.1	6.2	6.4	3.1%	25.9%
Non Life Insurance	4.4	11.3	12.9	14.0%	193.4%
Non Life	0.4	0.5	0.3	-33.7%	-12.2%
TOTAL	**111.3**	**141.1**	**152.4**	**8.0%**	**36.9%**

The QoQ growth was mainly explained by increases of S/. 9.1 million in annuities, S/. 1.6 million in non-life insurance premiums and S/. 1.3 million in group life premiums. The higher sales in annuities were explained by a 7.4% market expansion. The increase in non-life insurance was due to the launch of a new car insurance product, partially offset by lower growth in card protection premiums. The increase in group life premiums was explained by higher sales in Decreasing Term Life Insurance for credit cards.

The YoY increase was mainly attributable to higher sales in annuities, non-life and group life. The increase in annuities was due to a 25.6% market expansion. Growth in non-life insurance premiums was explained by a provision for card protection due to the new Insurance Contract Law, and by the launch of a new car insurance product. The increase in group life was the result of higher sales in Decreasing Term Life Insurance for credit cards due to a new commercial agreement with Interbank.

RESERVES, CLAIMS AND OPERATING EXPENSES

Change in reserves decreased S/. 1.1 million QoQ and increased S/. 21.2 million YoY.

The decrease QoQ was mainly explained by lower reserves in card protection. Reserves in annuities grew at a lower pace than annuity premiums due to deflationary pressures in 4Q13.

The increase YoY was due to higher reserves in annuities and non-life insurance. The higher reserves in annuities were explained by increased sales in disability and legal age. The increase of non-life was explained by a provision for card protection reserves due to the new Insurance Contract Law.

Change in Reserves by Business Line

S/. million	4Q12	3Q13	4Q13	% chg QoQ	% chg YoY
Individual Life	2.5	3.5	3.0	-12.9%	21.8%
Annuities	82.8	97.8	99.6	1.8%	20.3%
Group Life	0.0	0.5	-0.2	n.m.	n.m.
Disability and survivor benefits	0.0	0.0	-0.1	n.m.	n.m.
Mandatory traffic accident	-0.8	0.4	0.3	-29.3%	n.m.
Non Life Insurance	0.3	5.1	3.5	-30.9%	n.m.
Non Life	0.0	0.0	0.0	n.m.	n.m.
TOTAL	**84.8**	**107.2**	**106.1**	**-1.1%**	**25.0%**

Claims increased S/. 1.8 million QoQ and S/. 11.5 million YoY.

The QoQ growth was explained by higher pensions related to annuities, as well as claims for group life and non-life, partially offset by a decrease in disability and survivor benefits claims.

The YoY increase was explained by higher claims in annuities, group life and non-life insurance.

Premiums by Business Line					
S/. million				% chg	% chg
	4Q12	3Q13	4Q13	QoQ	YoY
Individual Life	6.0	8.2	7.4	-9.4%	24.0%
Annuities	79.5	94.2	103.3	9.7%	29.9%
Group Life	15.9	20.7	22.0	6.4%	38.0%
Disability and survivor benefits	0.0	0.1	0.0	n.m.	n.m.
Mandatory traffic accident	5.1	6.2	6.4	3.1%	25.9%
Non Life Insurance	4.8	11.8	13.2	12.0%	177.2%
TOTAL	**111.3**	**141.1**	**152.4**	**8.0%**	**36.9%**

As a result of the factors described above, the technical margin was S/. -13.2 million in 4Q13, compared to S /. -27.5 million in 3Q13 and S /. -14.3 million in 4Q12.

Administrative expenses increased S/. 10.8 million QoQ and S/. 5.7 million YoY. The QoQ increase was related to personnel expenses and a provision for a tax credit loss. The YoY increase was explained by higher personnel expenses and a provision for a tax credit loss, partially offset by lower expenses of external consultants.

INVESTMENT INCOME

Investment income increased S/. 62.1 million QoQ and S/. 55.6 million YoY.

The QoQ and YoY increases were explained by a S/. 61.0 million non-recurring gain attributable to the sale of Lillingstone's certificate of participation, as previously mentioned. The result of this sale will be used for developments in current and potentially new real estate properties.

Investment Income, Net					
S/. million				% chg	% chg
	4Q12	3Q13	4Q13	QoQ	YoY
Income:					
Fixed Income	45.8	44.1	41.3	-6.3%	-9.8%
Interest	30.9	42.8	38.2	-10.8%	23.8%
Realized Gains	15.0	1.3	3.1	142.7%	-79.0%
Equity and Mutual Funds	6.9	8.2	11.3	38.1%	62.7%
Real estate	7.1	5.2	65.5	n.m.	n.m.
Total Income	59.8	57.4	118.1	105.8%	97.4%
Expenses	-0.9	-0.9	-1.1	21.1%	19.4%
Exchange difference and others	1.2	-3.0	-1.4	-54.2%	n.m.
Net investment income	**60.1**	**53.5**	**115.7**	**116.1%**	**92.5%**

Interseguro's investment portfolio grew 5.7% QoQ and 15.7% YoY driven by higher annuity sales and the price appreciation of Interseguro's overall portfolio. Fixed income investments represented 75.6% of the portfolio in 4Q13, compared to 75.1% in 3Q13 and 72.8% in 4Q12.

Investment Portfolio					
S/. million				% chg	% chg
	4Q12	3Q13	4Q13	QoQ	YoY
Fixed Income	2,224.3	2,511.6	2,672.4	6.4%	20.1%
Equity and Mutual Funds	392.3	409.3	430.5	5.2%	9.7%
Real estate	433.6	419.6	427.4	1.9%	-1.4%
Other	5.0	5.2	5.4	3.8%	8.6%
TOTAL	**3,055.1**	**3,345.7**	**3,535.7**	**5.7%**	**15.7%**