

# Annual Shareholders' Meeting Presentation

April 2016

 Interbank Explora

 Intercorp Financial Services

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The Company prepares the financial information included in the presentation in accordance with International Financial Reporting Standards (IFRS). We have included in this presentation certain information reported by the Peruvian Superintendency of Banks, Insurance and Private Pension Fund Administrators (Superintendencia de Banca, Seguros y AFPs, or "SBS") and the Peruvian Securities Commission (Superintendencia del Mercado de Valores, or "SMV") for the Peruvian banking and insurance sector as a whole as well as for individual financial institutions in Peru, including Interbank and Interseguro, our subsidiaries, which report to the SBS and the SMV in accordance with accounting principles prescribed by the SBS ("Peruvian SBS GAAP" or "Local GAAP"). All financial information in this presentation regarding our relative market position and financial performance vis-a-vis the financial services and insurance sectors in Peru are based, out of necessity, on information obtained from SBS and SMV statistics. Information in this presentation regarding our relative market position and financial performance, however, do not include information relating to Inteligo, our subsidiary, as Inteligo is not regulated by and does not report to the SBS or the SMV. In addition, for certain financial information related to our compound annual growth rate we have included such information pursuant to Peruvian SBS GAAP in order to be able to show our growth over a longer period than three years. IFRS differs in certain respects from Peruvian SBS GAAP. Consequently, information presented in this presentation in accordance with Peruvian SBS GAAP or based on information from the SBS or SMV may not be comparable with our financial information prepared in accordance with IFRS.

# IFS Overview





# IFS highlights (IFRS) - 2015

	S/ mm	YoY (%)
Total assets	50,001	23.8%
Gross loans	26,758	15.3%
Total deposits	28,488	21.8%
Total equity	4,461	3.7%
Net Profit	1,239	28.7%
ROAE	28.7%	+410 bps
ROAA	2.8%	+30 bps
NIM	5.8%	+10 bps
Efficiency Ratio	36.5%	(490 bps)
PDL ratio	2.2%	-10 bps

## Sound FY15 operating performance in all 3 segments

### Interbank

- 14.9% growth in performing loans and 22.5% growth in total deposits
- Loans' dollar exposure reduced by 780 bps YoY to 28.8%

### Interseguro

- 14.7% increase in net premiums
- 6.9% growth on investment portfolio

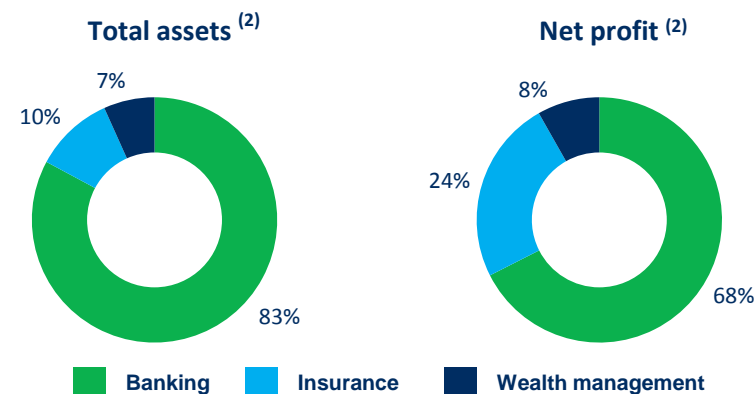
### Inteligo

- 23.0% growth in AuM + deposits
- 27.2% increase in fee income

### IFS

- 28.7% growth in net profit
- 28.7% ROAE and 2.8% ROAA

## Contribution by segment <sup>(1)</sup>



Source: SBS and Company information as of December 2015.

(1) Contribution before eliminations of intercompany transactions and holding company expenses.

(2) Based on assets and net profit for 2015.

# Agenda

1

Unique platform to benefit from growth potential

2

Consistently delivering high growth & profitability

3

Solid culture

# Agenda

1

Unique platform to benefit from growth potential

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Consistently delivering high growth & profitability

3

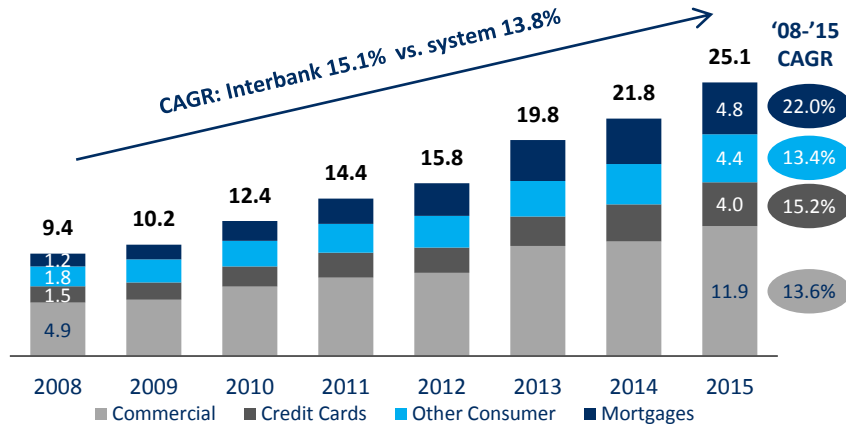
Solid culture

# Interbank has experienced sustained healthy growth



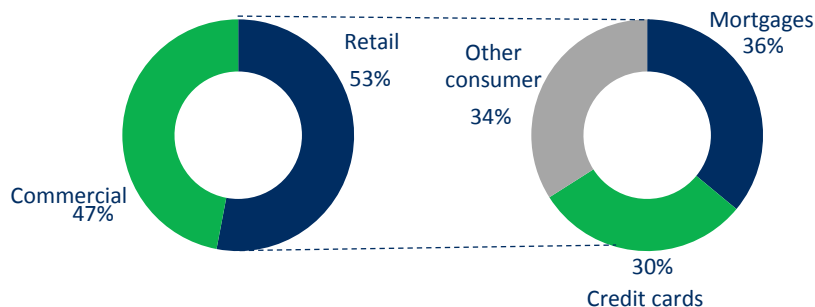
## Higher gross loans growth than the system

Interbank's gross loans (S/ bn) <sup>(1)</sup>



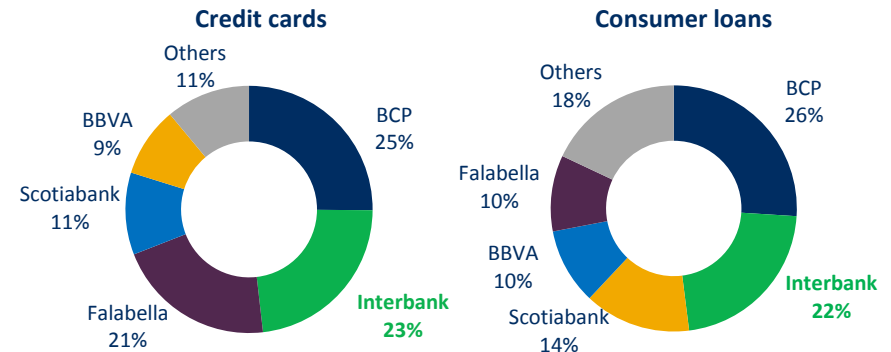
## Strategic focus on retail...

Interbank's gross loans breakdown



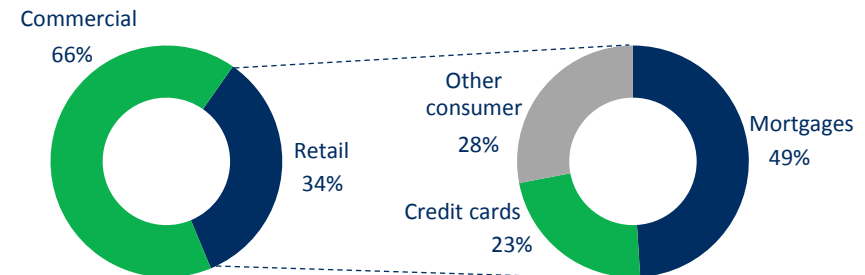
## Leading position in credit cards and consumer loans

Market share



## ...when compared to the system

System's gross loans breakdown



Source: SBS and Company information as of December 2015.

Note: Under Peruvian SBS GAAP.

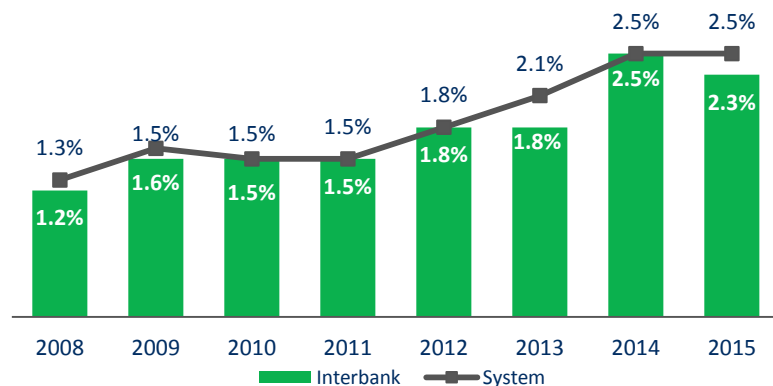
(1) Under IFRS, banking segment's gross loans were S/ 21,791.0 million and S/ 25,099.9 million in December 2014 and December 2015, respectively.

# Strong asset quality



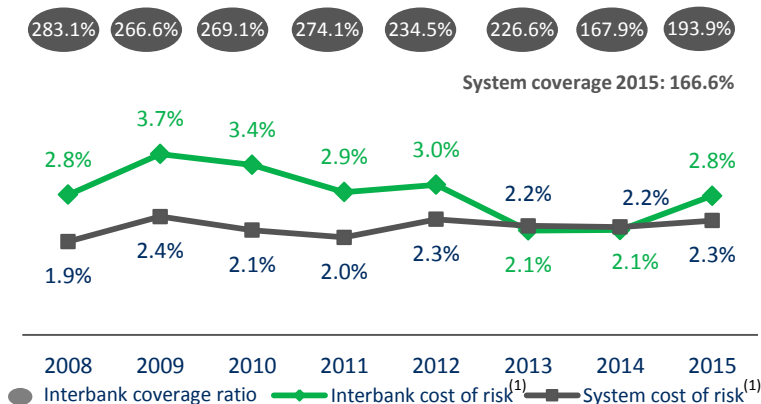
## Superior asset quality despite focus on retail business

PDL Ratio



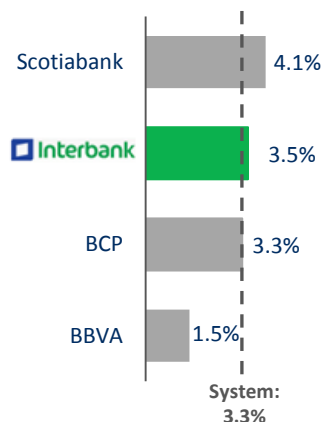
## Cost of risk reflects loan mix, resulting in high coverage ratios

Coverage ratio and cost of risk evolution

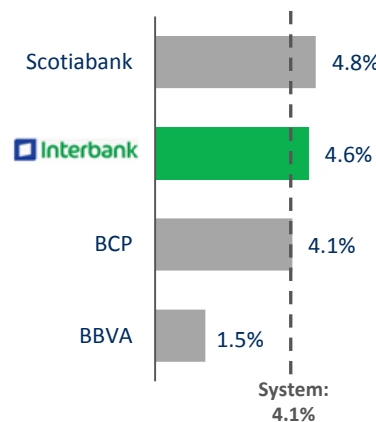


## Balanced asset quality among businesses

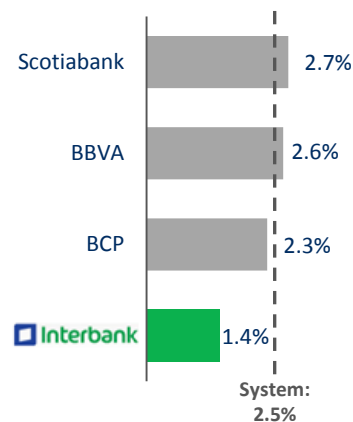
### Consumer loans PDL ratio



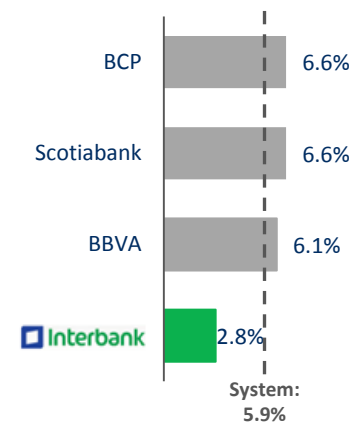
### Credit cards PDL ratio



### Commercial loans PDL ratio



### SME and Microfinance loans PDL ratio



Source: SBS and Company information as of December 2015.

Note: Under Peruvian SBS GAAP.

(1) Cost of risk is calculated as provision expense divided by average loans.

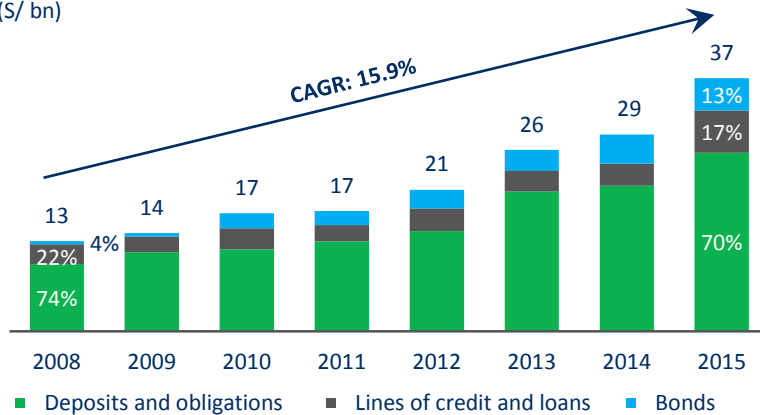


# Diversified funding supported by retail deposit base



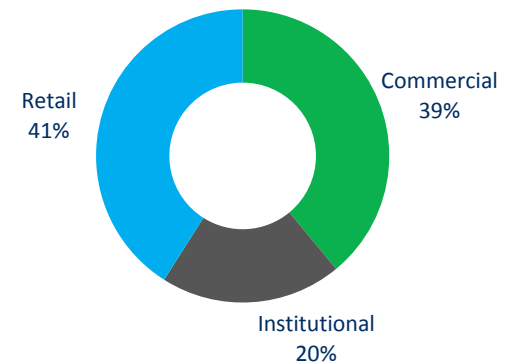
## Growing funding base with high component of deposits...

Interbank's funding mix (\$/ bn)



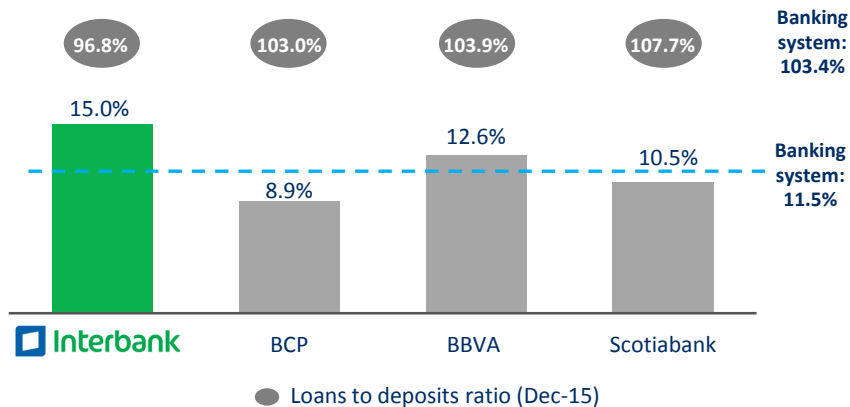
## ...with focus on retail-oriented deposits...

Interbank's deposits breakdown

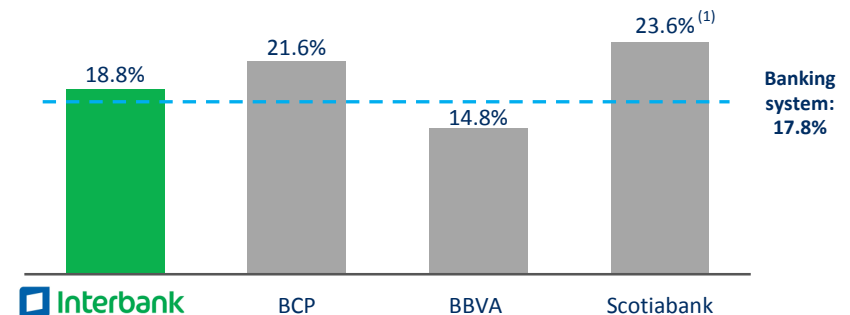


## ...resulting in one of the fastest growing deposit-gathering franchise

Banking system deposit '08 – '15 CAGR



Banking system retail deposit 2015 YoY growth



Source: SBS and Company information as of December 2015.

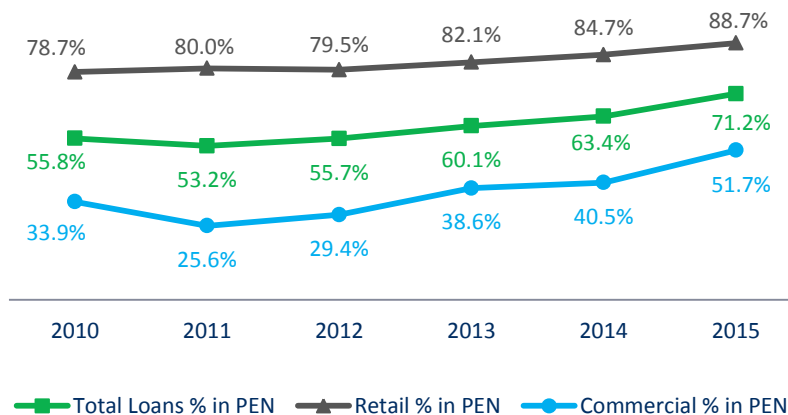
Note: Under Peruvian SBS GAAP.

(1) Scotiabank's retail deposits include deposits transferred from Citibank's retail operation.

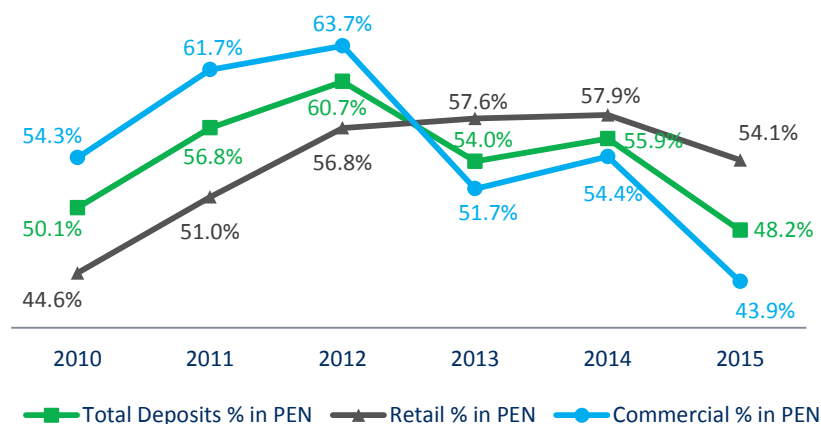
# Balanced currency mix



## Loans by segment & percentage in PEN

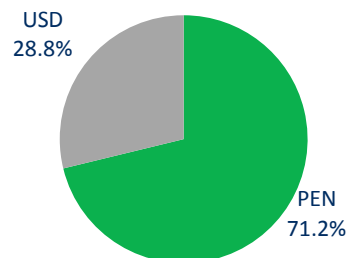


## Deposits by segment & percentage in PEN



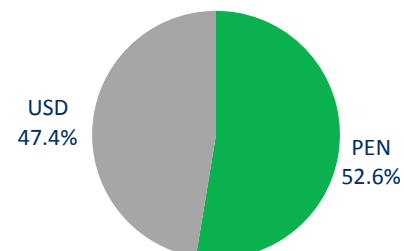
## Currency mix 2015

### Interbank's Loans



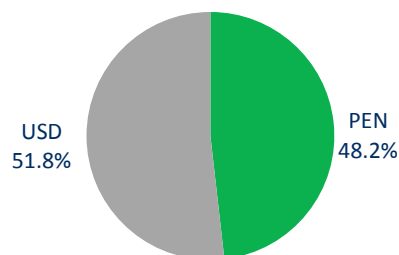
System's loans % in PEN: 67.1%

### Interbank's Total Assets



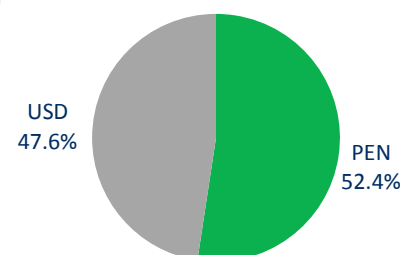
System's total assets % in PEN: 53.2%

### Interbank's Deposits



System's deposits % in PEN: 47.4%

### Interbank's Liabilities + Equity



System's liab. + equity % in PEN: 53.0%

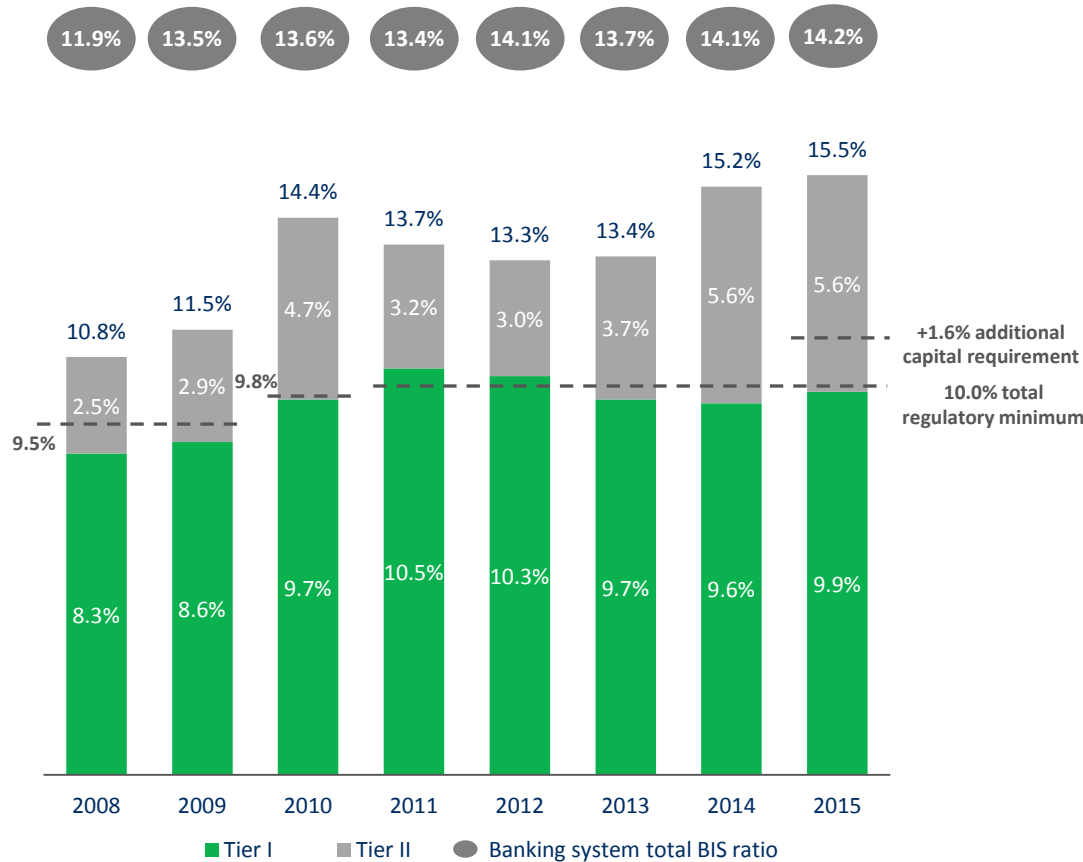
Source: SBS and Asbanc as of December 2015.

Note: Under Peruvian SBS GAAP.

# Solid capitalization levels



## BIS ratio evolution



## Sound regulatory environment

- SBS has adopted Basel II since 2008
- SBS introduced a first set of Basel III between 2012 and 2016:
  - Additional capital based on risk profile
  - Higher risk-weightings for certain products
  - Gradual implementation over five years
- SBS approved implementation of an additional set of Basel III standards to phase in between 2017 and 2026

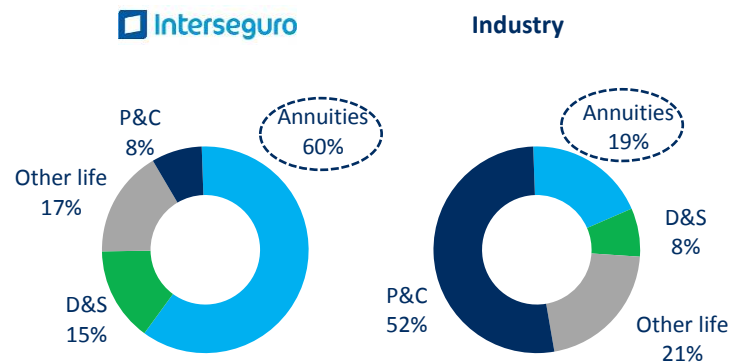
Source: SBS and Company information as of December 2015.  
 Note: Under Peruvian SBS GAAP.

# Interseguro is the industry leader in the fastest-growing insurance product...



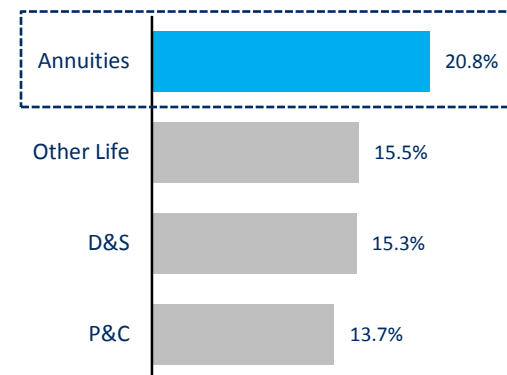
## Strategic focus in annuities...

Premiums breakdown



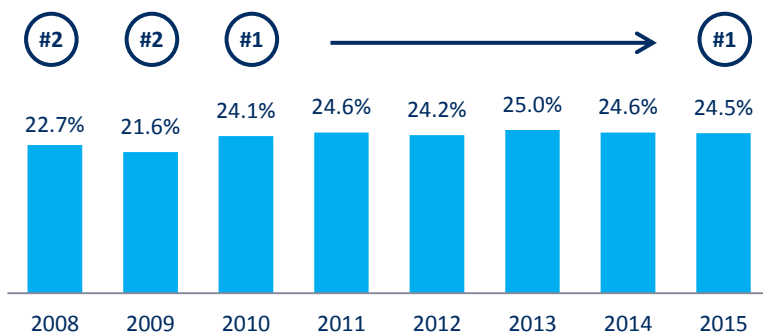
## ... the fastest growing product

'08-'15 insurance industry premiums CAGR



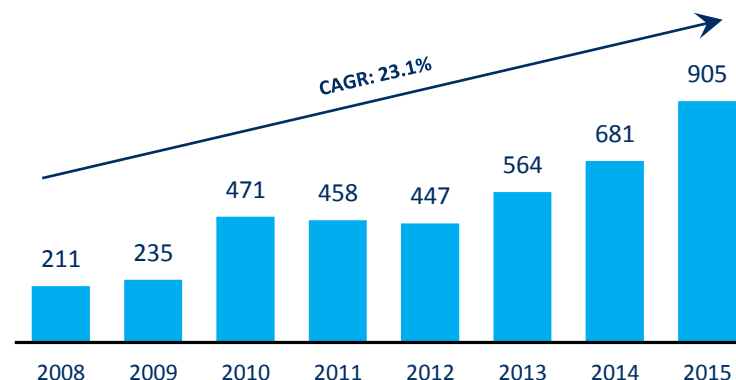
## Undisputed market leadership in annuities...

- ✓ Own network of 413 specialized agents located throughout Peru
- ✓ 154 agents specialized in annuities



## ... and outstanding premiums growth

(S/ mm)



Source: SBS and company information as of December 2015.

Note: Under Peruvian SBS GAAP

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

# ...achieving solid investment returns

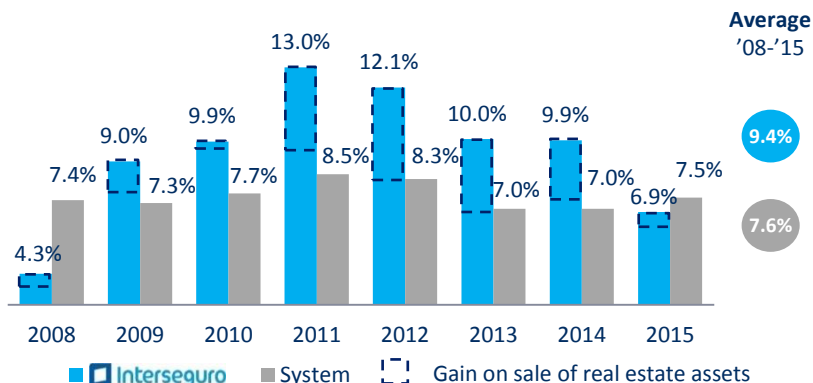


## Differentiated investment approach

- ✓ Experienced investment team and innovative approach
- ✓ Portfolio diversification to reduce volatility and increase profitability via:
  - Foreign equity investments in low beta companies
  - Alternative investments such as real estate assets in Peru
- ✓ No bond acquired by Interseguro has ever defaulted

## Higher investment returns compared to the industry

Historical portfolio returns (ROI – Peruvian SBS GAAP) <sup>(1)</sup>



Source: Company and SMV information as of December 2015.

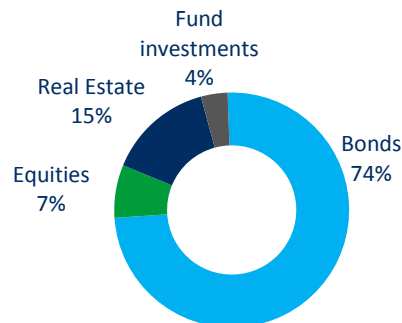
Note: Under Peruvian SBS GAAP.

(1) Investment returns in IFRS were 9.3%, 8.2% and 7.5% for 2013, 2014 and 2015, respectively.

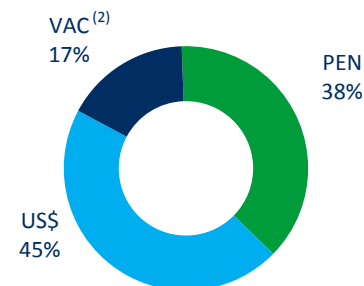
(2) Indexed to inflation.

## Strategic asset allocation

Inv. portfolio by type of investment (IFRS)



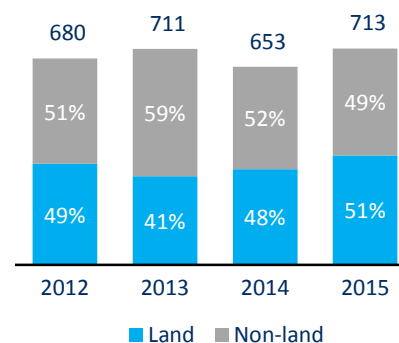
Inv. portfolio by currency (IFRS)



## High quality real estate portfolio

Investment property (IFRS)

(\$/ mm)

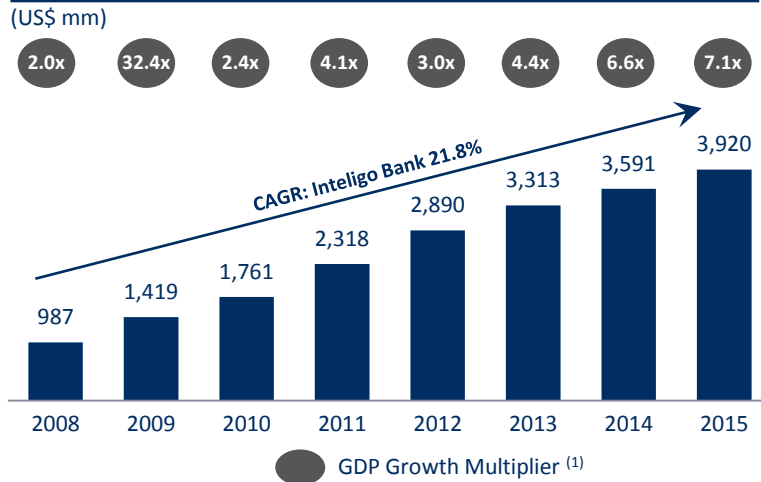


- ✓ Synergies from relationship with Intercorp Peru's real estate arm
- ✓ Significant opportunities for land development

# Inteligo: High growth wealth management business

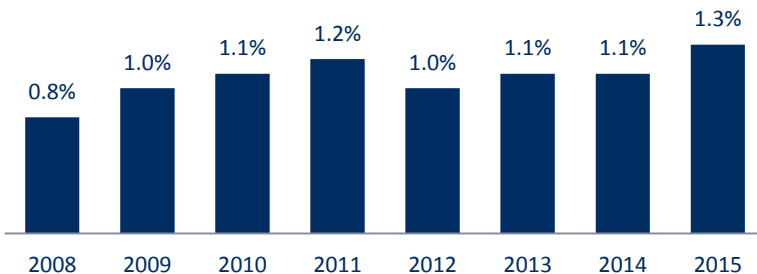


## Strong AUM + deposits growth...



## ...and high profitability...

Fees / Avg. AUM

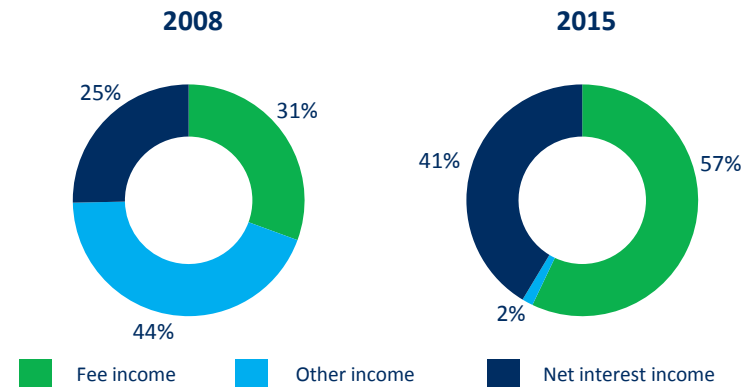


Poised to benefit from wealth creation in Peru, driven by GDP per-capita income growth

- Serves 3,000+ clients with focus on high net worth individuals with investable assets between US\$0.5 and US\$10 million
- Increasingly well recognized brand in the market

## ...supported by increasing fee and net interest income

Revenue breakdown



Source: SBS and company information as of December 2015.

Note: Data presented for Inteligo Bank.

(1) GDP growth multiplier based on AuM + Deposits growth in soles.



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Unique platform to benefit from growth potential

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Consistently delivering high growth & profitability

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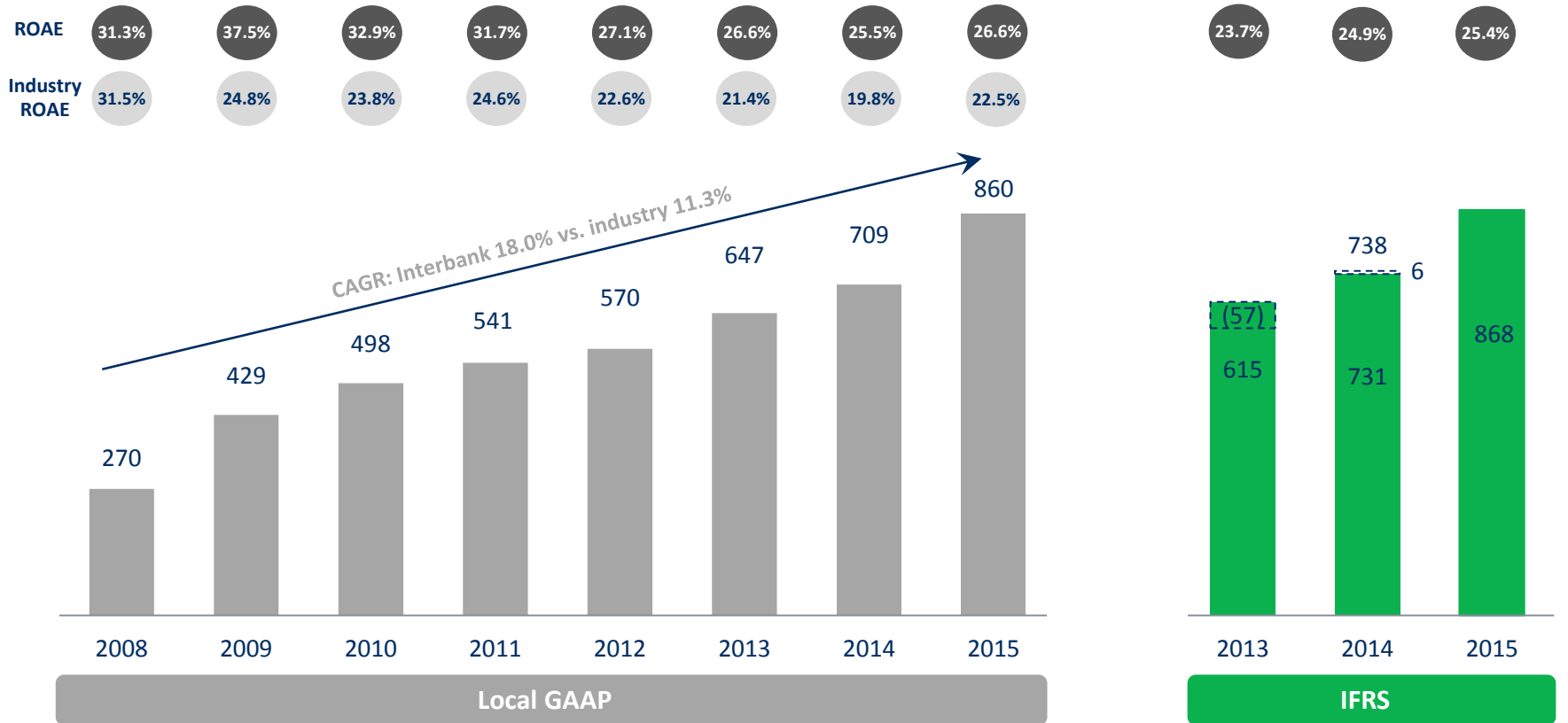
Solid culture

# Interbank: High profitability leading to solid earnings generation



## Net profit

(S/ mm)



Source: SBS and Company information as of December 2015.

# Interseguro: High profitability leading to solid earnings generation

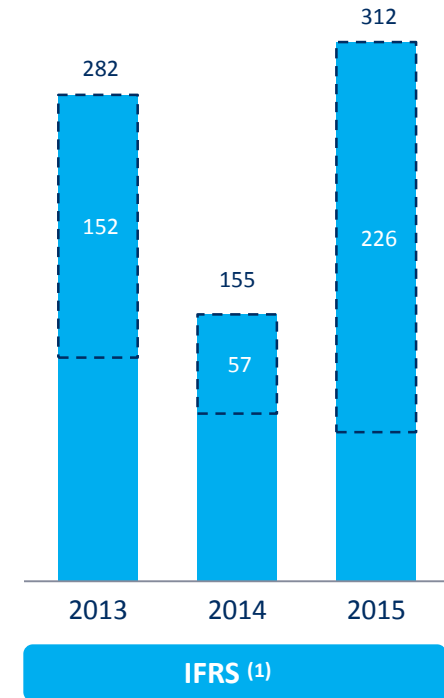
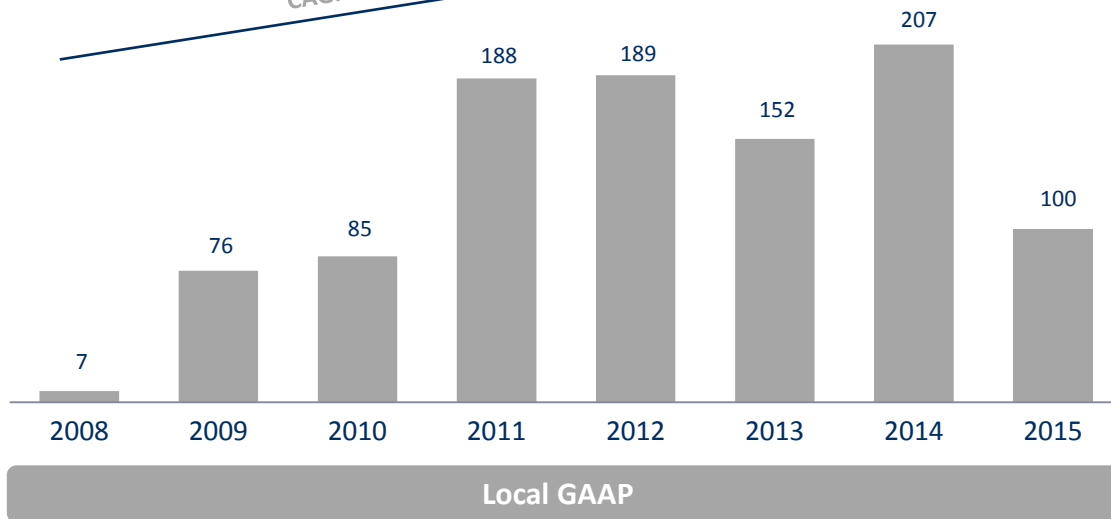


## Net profit

(S/ mm)

ROAE	3.1%	32.0%	26.5%	48.8%	40.1%	31.2%	42.6%	30.1%	47.6%	28.1%	67.1%
Industry ROAE	4.6%	20.6%	18.1%	21.8%	12.8%	17.7%	20.0%	19.1%			

CAGR: Interseguro 47.7% vs. industry 41.2%



Adjustment of technical reserves resulting from changes in discount rate

Source: SMV and company information as of December 2015.

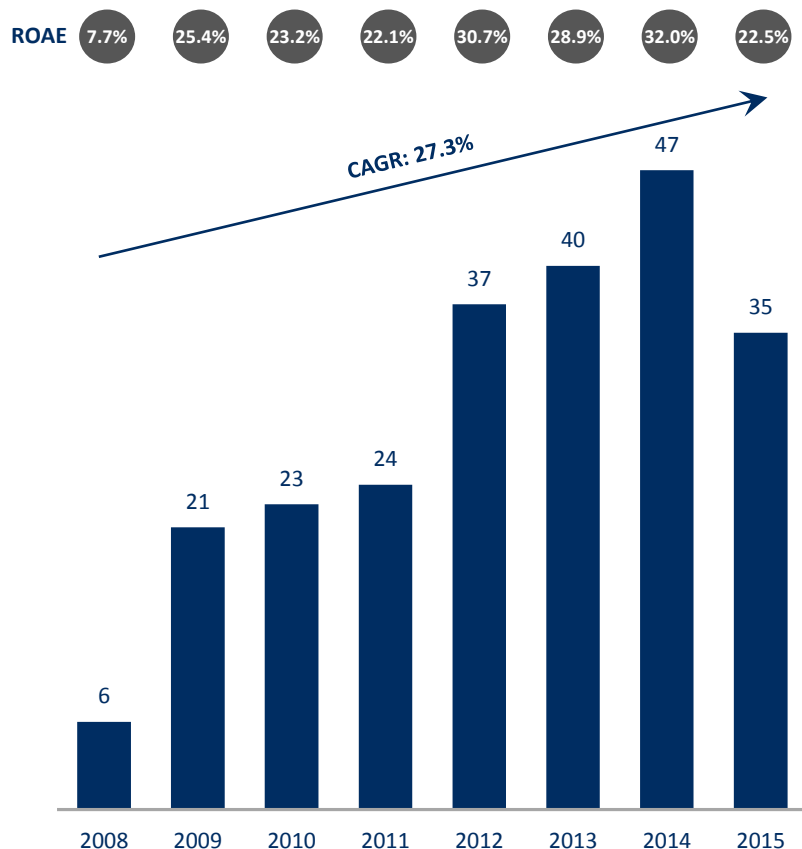
(1) Net profit increased due to releases of technical reserves resulting from increases in discount rate of S/ 152mm, S/ 57mm and S/ 226mm for 2013, 2014 and 2015, respectively.

# Inteligo: High profitability leading to solid earnings generation



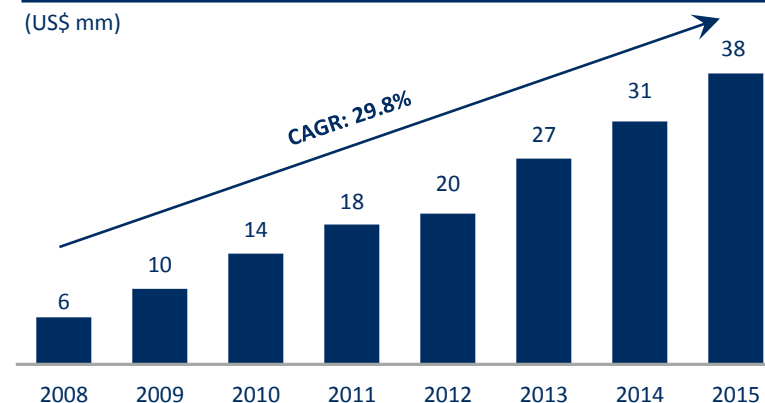
## Net profit <sup>(1)</sup>

(US\$ mm)

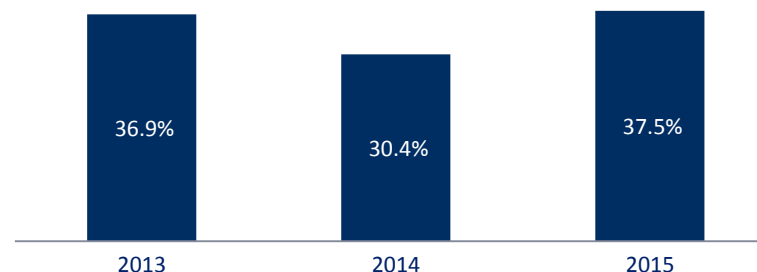


## Fee income growth <sup>(1)</sup>

(US\$ mm)



## Efficiency <sup>(2)</sup>



Source: SBS and company information as of December 2015.

(1) Figures for Inteligo Bank.

(2) Efficiency ratio for Inteligo Group is calculated by dividing (x) salaries and employee benefits plus administrative expenses plus depreciation and amortization by (y) net interest and similar income plus fee income plus other income.

# IFS consistently delivering growth and profitability

## Net profit

(S/ mm)

ROAE

18.1%

32.1%

26.2%

34.0%

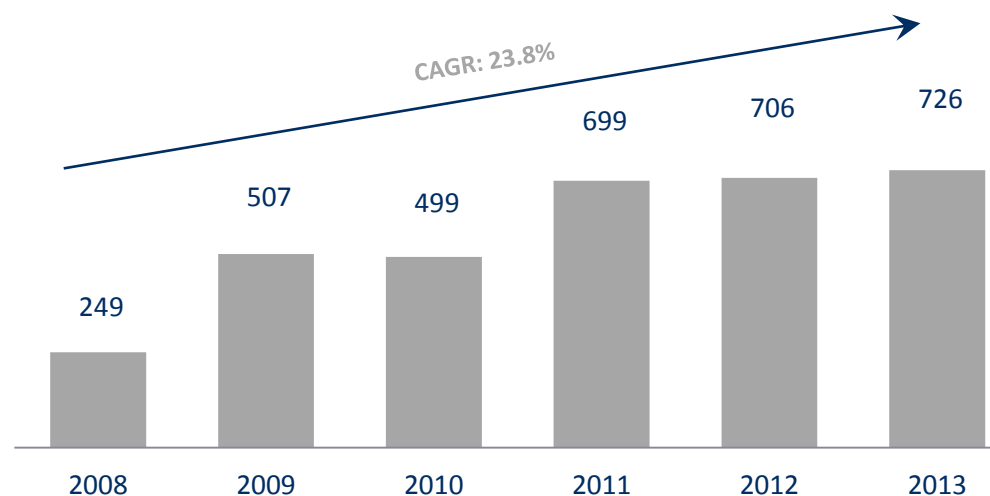
28.2%

25.0%

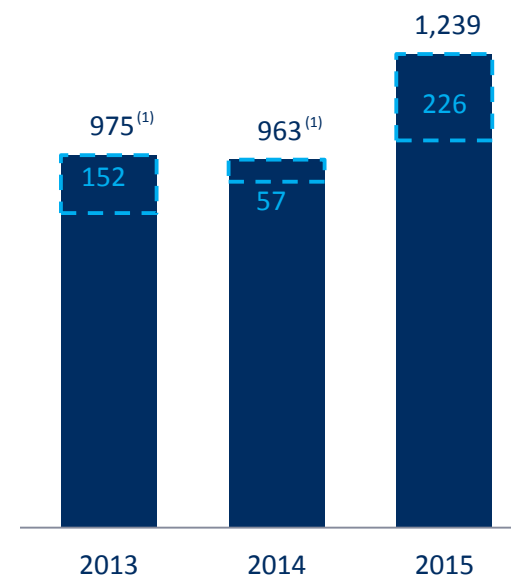
26.8%

24.6%

28.7%



Local GAAP – Excluding Inteligo



IFRS – Including Inteligo <sup>(2)</sup>



Adjustment of technical reserves resulting from changes in discount rate

Source: SBS and Company information as of December 2015.

(1) Excluding non-recurring items, net profit for IFS was S/ 899mm and S/ 969mm for 2013 and 2014, respectively.

(2) Net profit increased due to releases of technical reserves resulting from increases in discount rate of S/ 152mm, S/ 57mm, S/ 226mm for 2013, 2014 and 2015, respectively.

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# Solid culture with market recognition



Top 20 in Peru for the past 14 years, #18 in LatAm<sup>(1)</sup> in 2015



Top 5 in Peru <sup>(2)</sup> for the past five years, #5 in LatAm in 2015



Top 10 in Peru <sup>(3)</sup> for the past five years

Source: Company information.

- (1) Companies with over 1,000 employees.
- (2) Companies with 251 to 1,000 employees.
- (3) Companies with 30 to 250 employees.

