

Intercorp Financial Services Inc. First Quarter 2022 Earnings

Lima, Peru, May 12, 2022. Intercorp Financial Services Inc. (Lima Stock Exchange/NYSE: IFS) announced today its unaudited results for the first quarter 2022. These results are reported on a consolidated basis under IFRS in nominal Peruvian soles.

Intercorp Financial Services: IFS' ROE at 17.4% supported by a 19.1% ROE at Interbank

- Banking core revenues continue to recover, efficiency at 37%
- ROIP impacted by market conditions
- Solid start of the year for IFS
- IFS controls 100% of Izipay after acquisition of remaining 50%

Interbank: Strong recovery of core business in 1Q22 resulted in 19.1% ROE

- Solid performance in consumer finance and SME indicators, credit cards & personal loans up 41% YoY
- Double digit growth in NII and fee income
- Shift in loan mix and higher rates driving NIM, reaching 4.5% in 1Q22
- Consistent credit quality metrics, CoR at 1.4%

Interseguro: Earnings grew almost threefold QoQ with ROE at 15.7%

- Gross premiums plus collections increased 26.0% YoY
- ROIP of 5.1% in 1Q22, impacted by negative mark-to-market
- Market leader in annuities with a 31.6% share in 1Q22

Inteligo: Quarterly results affected by negative impacts on investment portfolio

- 1Q22 earnings impacted by losses on investment portfolio
- Slight decrease in AUM, due to negative M2M valuations

Intercorp Financial Services

SUMMARY

| Intercorp Financial Services' Statement of financial position | | | | | |
|---|-----------------|-----------------|-----------------|------------------------------|------------------------------|
| S/ million | 03.31.21 | 12.31.21 | 03.31.22 | %chg 03.31.22 12.31.21 | %chg 03.31.22 03.31.21 |
| Assets | | | | | |
| Cash and due from banks and inter-bank funds | 19,260.5 | 17,134.5 | 13,690.8 | -20.1% | -28.9% |
| Financial investments | 24,678.8 | 24,547.3 | 24,306.7 | -1.0% | -1.5% |
| Loans, net of unearned interest | 43,491.4 | 45,070.5 | 44,320.3 | -1.7% | 1.9% |
| Impairment allowance for loans | -2,654.5 | -2,064.9 | -2,039.2 | -1.2% | -23.2% |
| Property, furniture and equipment, net | 814.8 | 815.1 | 807.7 | -0.9% | -0.9% |
| Other assets | 4,451.2 | 4,451.4 | 4,297.7 | -3.5% | -3.4% |
| Total assets | 90,042.3 | 89,953.9 | 85,383.9 | -5.1% | -5.2% |
| Liabilities and equity | | | | | |
| Deposits and obligations | 49,396.1 | 48,897.9 | 46,502.7 | -4.9% | -5.9% |
| Due to banks and correspondents and inter-bank funds | 9,003.3 | 8,522.8 | 7,516.2 | -11.8% | -16.5% |
| Bonds, notes and other obligations | 8,020.4 | 8,389.7 | 7,821.8 | -6.8% | -2.5% |
| Insurance contract liabilities | 11,768.3 | 11,958.1 | 11,031.1 | -7.8% | -6.3% |
| Other liabilities | 2,932.8 | 2,630.0 | 3,490.5 | 32.7% | 19.0% |
| Total liabilities | 81,121.0 | 80,398.5 | 76,362.2 | -5.0% | -5.9% |
| Equity, net | | | | | |
| Equity attributable to IFS' shareholders | 8,874.9 | 9,504.0 | 8,973.3 | -5.6% | 1.1% |
| Non-controlling interest | 46.4 | 51.3 | 48.4 | -5.8% | 4.3% |
| Total equity, net | 8,921.3 | 9,555.4 | 9,021.7 | -5.6% | 1.1% |
| Total liabilities and equity net | 90,042.3 | 89,953.9 | 85,383.9 | -5.1% | -5.2% |

Intercorp Financial Services' net profit was S/ 403.3 million in 1Q22, an increase of S/ 138.9 million QoQ, or 52.6%, but a decrease of S/ 125.4 million YoY, or 23.7%.

It is worth mentioning that IFS' results in 4Q21 were favored by the reversion of loan loss provisions due to refined calculations of the expert criteria in our banking segment for S/ 297.2 million, or S/ 209.5 million after taxes.

IFS's annualized ROAE was 17.4% in 1Q22, above the 10.9% registered in 4Q21, but below the 23.7% reported in 1Q21.

| InterCorp Financial Services' P&L statement | | | | | |
|--|--------------|----------------|--------------|---------------|---------------|
| S/ million | 1Q21 | 4Q21 | 1Q22 | %chg QoQ | %chg YoY |
| Interest and similar income | 1,085.7 | 1,237.1 | 1,248.1 | 0.9% | 15.0% |
| Interest and similar expenses | -251.8 | -290.7 | -303.4 | 4.4% | 20.5% |
| Net interest and similar income | 833.9 | 946.3 | 944.7 | -0.2% | 13.3% |
| Impairment loss on loans, net of recoveries | -189.0 | 97.4 | -149.6 | n.m. | -20.9% |
| Recovery (loss) due to impairment of financial investments | 47.2 | -0.0 | 2.0 | n.m. | -95.7% |
| Net interest and similar income after impairment loss | 692.1 | 1,043.7 | 797.1 | -23.6% | 15.2% |
| Fee income from financial services, net | 201.3 | 222.9 | 204.2 | -8.4% | 1.5% |
| Other income | 387.7 | -127.2 | 104.0 | n.m. | -73.2% |
| Total premiums earned minus claims and benefits | -117.9 | -20.5 | -20.7 | 1.1% | -82.4% |
| Net Premiums | 211.9 | 348.6 | 272.3 | -21.9% | 28.5% |
| Adjustment of technical reserves | -88.9 | -151.5 | -94.9 | -37.4% | 6.7% |
| Net claims and benefits incurred | -240.9 | -217.6 | -198.1 | -8.9% | -17.8% |
| Other expenses | -512.0 | -639.4 | -581.2 | -9.1% | 13.5% |
| Income before translation result and income tax | 651.0 | 479.4 | 503.4 | 5.0% | -22.7% |
| Translation result | -30.6 | -21.6 | -4.9 | -77.1% | -83.8% |
| Income tax | -91.7 | -193.4 | -95.2 | -50.8% | 3.8% |
| Profit for the period | 528.7 | 264.4 | 403.3 | 52.6% | -23.7% |
| Attributable to IFS' shareholders | 526.3 | 261.1 | 401.0 | 53.6% | -23.8% |
| EPS | 4.56 | 2.26 | 3.47 | | |
| ROAE | 23.7% | 10.9% | 17.4% | | |
| ROAA | 2.4% | 1.2% | 1.8% | | |
| Efficiency ratio | 30.0% | 44.6% | 37.2% | | |

Quarter-on-quarter performance

Profits increased 52.6% QoQ mainly due to a lower mark-to-market loss at Inteligo, and positive developments in other income at Interseguro and at the holding company level, in addition to a reduction in other expenses across all three subsidiaries. Moreover, a lower effective tax rate at Interbank and a better translation result also contributed to higher earnings. These factors were partially offset by a normalization in impairment loss on loans at Interbank and a decrease in net fee income at Inteligo and Interbank, as well as in net interest and similar income at Inteligo. Additionally, total premiums earned minus claims and benefits at Interseguro remained relatively stable.

Net interest and similar income decreased S/ 1.6 million QoQ, or 0.2%, mainly explained by lower interest and similar income at Inteligo. This effect was partially compensated by higher interest on due from banks and inter-bank funds and on financial investments at Interbank, as well as a slight increase in net interest and similar income at Interseguro.

Impairment loss on loans, net of recoveries was marked by a base effect from the reversal of provisions recorded in 4Q21, which were determined considering improved credit and payment behavior among Interbank's retail clients. Setting aside the provision reversal, the quarterly performance was explained by higher provision requirements in the retail loan book, partially offset by lower provisions requirements in the commercial loan book. Furthermore, Interseguro reported a positive performance in results due to impairment of financial investments.

Net fee income from financial services decreased S/ 18.7 million QoQ, or 8.4%, mainly due to sequentially lower commissions across varied services at Interbank, in addition to the effect of a lower foreign exchange rate between periods and lower client activity at Inteligo, amid global markets volatility. These factors were partially offset by higher commissions from banking services and from credit card services at Interbank.

Other income reversed positively QoQ, mainly attributable to a significant recovery in mark-to-market valuations on Inteligo's proprietary portfolio and an increase in net gain on financial assets at fair value at Interseguro, in addition to a positive contribution from the holding company. These effects were partially compensated by losses in net gain on sale of financial investments at all subsidiaries.

Total premiums earned minus claims and benefits at Interseguro were S/ -20.7 million in the quarter, relatively stable QoQ. This resulted from a S/ 76.4 million decrease in net premiums, offset by reductions of S/ 56.6 million in adjustment of technical reserves and S/ 19.5 million in net claims and benefits incurred.

Other expenses decreased S/ 58.2 million QoQ, or 9.1%, explained by lower administrative expenses across all subsidiaries, as well as reductions in depreciation and amortization, and other charges at Interbank. Moreover, a decrease in salary expenses at Inteligo also contributed to the reduction in other expenses. These effects were partially offset by slightly higher salaries and employee benefits at Interbank.

IFS' effective tax rate decreased, from 42.3% in 4Q21 to 19.1% in 1Q22, as a result of a lower effective tax rate at Interbank and the reversal of losses at Inteligo.

Year-on-year performance

Profits decreased 23.7% YoY mainly due to lower other income related to a base effect of extraordinary gains on investments in 1Q21 and higher other expenses, both effects across all three subsidiaries. Moreover, a lower recovery due to impairment of financial investments at Interseguro also explained the reduction in profits. These factors were partially compensated by an increase in net interest and similar income at Interbank and at Interseguro, and an improvement in total premiums earned minus claims and benefits at Interseguro, as well as higher net fee income at Interbank.

Net interest and similar income grew S/ 110.8 million YoY, or 13.3%, mainly due to higher interest on all interest-earning assets at Interbank, in addition to an increase in interest and similar income at Interseguro, driven by growth of the investment portfolio associated with an expansion of the annuities business and a higher inflation rate. These effects were partially offset by lower income from financial investments and interest on loans at Inteligo.

Impairment loss on loans, net of recoveries decreased S/ 39.4 million, or 20.9%, mainly explained by lower requirements in the retail loan book and in loans to the small-sized segment at Interbank.

Net fee income from financial services increased S/ 2.9 million YoY, or 1.5%, mainly due to higher commissions across most products and services at Interbank. This was partially offset by a decrease in fees from funds management at Inteligo, associated with a lower foreign exchange rate compared to the previous year.

Other income declined S/ 283.7 million YoY, mainly attributable to a negative performance in valuation gain from investment property at Interseguro, as well as a lower net gain on sale of financial investments, which occurred as a base effect related to an extraordinary realized gain on sale of sovereign bonds at Interbank in 1Q21 and a loss in net gain on sale of investments at Inteligo in 1Q22.

On a yearly basis, total premiums earned minus claims and benefits at Interseguro improved S/ 97.2 million, explained by S/ 60.4 million growth in net premiums, in addition to a decrease of S/ 42.8 million in net claims and benefits incurred. These effects were partially offset by an increase of S/ 6.0 million in adjustment of technical reserves.

Other expenses grew S/ 69.2 million YoY, or 13.5%, as the result of higher administrative expenses, as well as salaries and employee benefits, both effects across all three subsidiaries, associated with a higher level of activity. It is important to note that salaries and employee benefits grew due to higher employee profit sharing at Interbank.

IFS' effective tax rate increased, from 14.8% in 1Q21 to 19.1% in 1Q22, as a result of a higher profit contribution from Interbank.

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 | 1Q21 | 4Q21 | 1Q22 | %chg QoQ | %chg YoY |
| Interbank | 319.8 | 467.1 | 322.4 | -31.0% | 0.8% |
| Interseguro | 137.1 | 13.4 | 38.6 | n.m. | -71.8% |
| Inteligo | 86.9 | -76.6 | 3.0 | n.m. | -96.6% |
| Corporate and eliminations | -15.0 | -139.4 | 39.2 | n.m. | n.m. |
| IFS profit for the period | 528.7 | 264.4 | 403.3 | 52.6% | -23.7% |

Interbank

SUMMARY

Interbank's profits were S/ 322.4 million in 1Q22, a decrease of S/ 144.7 million QoQ, or 31.0%, but an increase of S/ 2.6 million YoY, or 0.8%. The quarterly result was mainly attributed to higher impairment loss on loans compared to the situation in 4Q21, when the bank registered a reversion of loan loss provisions. Decreases of S/ 8.6 million in other income and S/ 5.0 million in net fee income from financial services, as well as a negative performance in translation result, also contributed to reduce Interbank's profits. These factors were partially offset by a decrease of S/ 41.5 million in other expenses and an increase of S/ 2.4 million in net interest and similar income, as well as a lower effective tax rate.

The annual performance in net profit was mainly explained by increases of S/ 101.0 million in net interest and similar income, and S/ 23.0 million in net fee income from financial services, as well as lower impairment loss on loans. These effects were partially compensated by S/ 73.5 million lower other income and S/ 50.6 million higher other expenses, in addition to a negative performance in translation result.

Interbank's ROAE was 19.1% in 1Q22, below the 27.8% and 20.5% registered in 4Q21 and 1Q21, respectively. However, it is worth mentioning that, excluding the one-off impact of the reversion of loan loss provisions in 4Q21, ROAE would have resulted in 15.5% in such quarter.

| Banking Segment's P&L Statement | | | | | |
|--|--------------|--------------|--------------|---------------|--------------|
| S/ million | 1Q21 | 4Q21 | 1Q22 | %chg QoQ | %chg YoY |
| Interest and similar income | 865.0 | 983.5 | 1,010.0 | 2.7% | 16.8% |
| Interest and similar expense | -218.1 | -237.9 | -261.9 | 10.1% | 20.1% |
| Net interest and similar income | 647.0 | 745.6 | 748.0 | 0.3% | 15.6% |
| Impairment loss on loans, net of recoveries | -188.9 | 97.8 | -151.7 | n.m. | -19.7% |
| Recovery (loss) due to impairment of financial investments | -0.0 | 0.1 | -0.1 | n.m. | 18.6% |
| Net interest and similar income after impairment loss | 458.0 | 843.5 | 596.3 | -29.3% | 30.2% |
| Fee income from financial services, net | 160.2 | 188.2 | 183.2 | -2.7% | 14.3% |
| Other income | 184.6 | 119.7 | 111.1 | -7.2% | -39.8% |
| Other expenses | -403.9 | -496.0 | -454.5 | -8.4% | 12.5% |
| Income before translation result and income tax | 398.8 | 655.4 | 436.1 | -33.5% | 9.3% |
| Translation result | 1.6 | -14.2 | -28.4 | n.m. | n.m. |
| Income tax | -80.7 | -174.2 | -85.2 | -51.1% | 5.6% |
| Profit for the period | 319.8 | 467.1 | 322.4 | -31.0% | 0.8% |
| ROAE | 20.5% | 27.8% | 19.1% | | |
| Efficiency ratio | 39.1% | 42.2% | 41.7% | | |
| NIM | 3.7% | 4.4% | 4.5% | | |
| NIM on loans | 6.9% | 7.4% | 7.1% | | |

INTEREST-EARNING ASSETS

Interbank's interest-earning assets reached S/ 62,691.2 million as of March 31, 2022, a reduction of 4.7% QoQ and 6.5% YoY.

The quarterly reduction in interest-earning assets was attributed to decreases of 20.1% in cash and due from banks and inter-bank funds and 1.7% in loans, partially offset by an increase of 4.8% in financial investments. The reduction in cash and due from banks and inter-bank funds was mainly due to lower deposits and reserve funds at the Central Bank. The increase in financial investments was mainly a result of higher balances of Central Bank Certificates of Deposits (CDBCR), sovereign bonds and corporate bonds from non-financial institutions, partially offset by lower balances of corporate bonds from financial institutions and global bonds.

The YoY decrease in interest-earning assets was attributed to a 35.9% reduction in cash and due from banks and inter-bank funds, partially compensated by increases of 5.5% in financial investments and 3.9% in loans. The decrease in cash and due from banks and inter-bank funds resulted mainly from lower deposits and reserve funds at the Central Bank. The increase in financial investments resulted from higher volumes of sovereign bonds, CDBCR and corporate bonds, partially offset by lower balances of global bonds.

| Interest-earning assets | | | | | |
|--|-----------------|-----------------|-----------------|--------------|--------------|
| S/ million | | | | %chg | %chg |
| | 03.31.21 | 12.31.21 | 03.31.22 | 03.31.22 | 03.31.22 |
| | | | | 12.31.21 | 03.31.21 |
| Cash and due from banks and inter-bank funds | 17,968.5 | 14,420.8 | 11,518.4 | -20.1% | -35.9% |
| Financial investments | 10,003.1 | 10,062.2 | 10,549.3 | 4.8% | 5.5% |
| Loans | 39,112.9 | 41,307.4 | 40,623.5 | -1.7% | 3.9% |
| Total interest-earning assets | 67,084.4 | 65,790.4 | 62,691.2 | -4.7% | -6.5% |

| Loan portfolio | | | | | |
|-----------------------------------|-----------------|-----------------|-----------------|--------------|-------------|
| S/ million | | | | %chg | %chg |
| | 03.31.21 | 12.31.21 | 03.31.22 | 03.31.22 | 03.31.22 |
| | | | | 12.31.21 | 03.31.21 |
| Performing loans | | | | | |
| Retail | 17,870.3 | 20,261.1 | 21,067.1 | 4.0% | 17.9% |
| Commercial | 21,907.3 | 20,963.5 | 19,645.0 | -6.3% | -10.3% |
| Total performing loans | 39,777.6 | 41,224.6 | 40,712.0 | -1.2% | 2.3% |
| Restructured and refinanced loans | 267.9 | 236.5 | 254.2 | 7.5% | -5.1% |
| Past due loans | 1,347.8 | 1,550.7 | 1,334.2 | -14.0% | -1.0% |
| Total gross loans | 41,393.3 | 43,011.8 | 42,300.4 | -1.7% | 2.2% |
| Add (less) | | | | | |
| Accrued and deferred interest | 373.9 | 357.7 | 361.7 | 1.1% | -3.3% |
| Impairment allowance for loans | -2,654.3 | -2,062.1 | -2,038.7 | -1.1% | -23.2% |
| Total direct loans, net | 39,112.9 | 41,307.4 | 40,623.5 | -1.7% | 3.9% |

The evolution of performing loans was affected by the disbursement and maturity or prepayment of commercial loans under the Reactiva Peru Program. As of March 31, 2022, these performing loans amounted S/ 3,877.5 million, compared to balances of S/ 4,429.5 million as of December 31, 2021 and S/ 6,348.4 million as of March 31, 2021.

Performing loans reduced 1.2% QoQ, as commercial loans decreased 6.3%, partially offset by 4.0% growth in retail loans. Excluding the effect of the Reactiva Peru Program in the comparing periods, total performing loans would have maintained relatively stable and commercial loans would have decreased 4.6% QoQ.

The reduction in commercial loans was a result of lower trade finance loans mainly in the corporate segment, as well as lower short and medium-term lending, and leasing operations; both across the mid-sized and corporate segments. These effects were partially compensated by higher loans of all commercial products in the small-sized segment.

Retail loans grew 4.0% QoQ due to increases of 5.6% in consumer loans and 1.6% in mortgages. Growth in consumer loans resulted from higher balances of credit cards and cash loans, while payroll deduction loans remained relatively stable. The increase in mortgage loans was explained by higher demand in both traditional and MiVivienda products.

Performing loans grew 2.3% YoY explained by a 17.9% increase in retail loans, partially offset by a 10.3% reduction in commercial loans. Excluding the effect of the Reactiva Peru Program in the comparing periods, total performing loans and commercial loans would have increased 10.2% and 1.3% YoY, respectively.

The YoY growth in retail loans was due to increases of 24.1% in consumer loans and 9.5% in mortgages. The increase in consumer loans resulted from higher credit cards and payroll deduction loans, among others. Growth in mortgages was due to higher demand in both traditional and MiVivienda products.

The annual reduction in commercial loans was mainly explained by lower balances of Reactiva Peru loans within short and medium-term lending, as well as lower leasing operations; both effects across all business segments. These factors were partially offset by higher trade finance loans.

In 1Q22 and 4Q21, Interbank's rescheduled portfolio of Reactiva Peru loans amounted to S/ 1,974.2 million and S/ 1,932.4 million, respectively. This represented 46.1% of total Reactiva Peru loans in 1Q22 and 40.3% in 4Q21. It is worth mentioning that these loans are guaranteed in large part by the Peruvian government.

| Breakdown of retail loans | | | | | |
|--|-----------------|-----------------|-----------------|-------------|--------------|
| S/ million | | | | %chg | %chg |
| | 03.31.21 | 12.31.21 | 03.31.22 | 03.31.22 | 03.31.22 |
| | | | | 12.31.21 | 03.31.21 |
| Consumer loans: | | | | | |
| Credit cards & other loans | 5,778.0 | 7,471.8 | 8,145.5 | 9.0% | 41.0% |
| Payroll deduction loans ⁽¹⁾ | 4,445.2 | 4,542.1 | 4,545.3 | 0.1% | 2.3% |
| Total consumer loans | 10,223.3 | 12,013.9 | 12,690.8 | 5.6% | 24.1% |
| Mortgages | 7,647.0 | 8,247.1 | 8,376.3 | 1.6% | 9.5% |
| Total retail loans | 17,870.3 | 20,261.1 | 21,067.1 | 4.0% | 17.9% |

(1) Payroll deduction loans to public sector employees.

FUNDING STRUCTURE

| Funding structure | | | | | |
|--|-----------------|-----------------|-----------------|------------------------------|------------------------------|
| S/ million | 03.31.21 | 12.31.21 | 03.31.22 | %chg 03.31.22 12.31.21 | %chg 03.31.22 03.31.21 |
| Deposits and obligations | 46,636.8 | 44,966.3 | 42,885.9 | -4.6% | -8.0% |
| Due to banks and correspondents and inter-bank funds | 8,672.4 | 8,112.7 | 7,237.7 | -10.8% | -16.5% |
| Bonds, notes and other obligations | 6,674.7 | 6,939.0 | 6,472.1 | -6.7% | -3.0% |
| Total | 61,983.9 | 60,018.0 | 56,595.7 | -5.7% | -8.7% |
| | | | | | |
| % of funding | | | | | |
| Deposits and obligations | 75.2% | 74.9% | 75.8% | | |
| Due to banks and correspondents and inter-bank funds | 14.0% | 13.5% | 12.8% | | |
| Bonds, notes and other obligations | 10.8% | 11.6% | 11.4% | | |

Interbank's funding base was still influenced by the funds provided by the Central Bank, associated with the bank's involvement in the Reactiva Peru Program. As of March 31, 2022, the balance of such special funding was S/ 3,688.1 million, compared to S/ 4,389.9 million as of December 31, 2021 and S/ 5,661.9 million as of March 31, 2021.

The bank's total funding base declined 5.7% QoQ, compared to the 4.7% decrease of interest-earning assets. This was explained by reductions of 10.8% in due to banks and correspondents and inter-bank funds, 6.7% in bonds, notes and other obligations, and 4.6% in deposits and obligations. Excluding the effect of the Reactiva Peru Program's funds, the bank's total funding base and due to banks and correspondents and inter-bank funds would have decreased 4.9% and 4.7% QoQ, respectively.

The decline in due to banks and correspondents and inter-bank funds was mainly the result of lower long-term funding from the Central Bank, which was compensated by higher short-term funding provided by correspondent banks abroad and COFIDE.

The QoQ decline in bonds, notes and other obligations was mainly attributable to a 7.2% reduction of the foreign exchange rate with respect to 4Q21.

The quarterly reduction in deposits and obligations was mainly due to decreases of 21.5% in institutional deposits and 3.1% in retail deposits, while commercial deposits remained stable.

The bank's total funding base decreased 8.7% YoY, more than the 6.5% annual reduction in interest-earning assets. This was explained by decreases of 16.5% in due to banks and correspondents and inter-bank funds, 8.0% in deposits and obligations, and 3.0% in bonds, notes and other obligations. Excluding the effect of the Reactiva Peru Program's funds, the bank's total funding base would have reduced 6.1%, while due to banks and correspondents and inter-bank funds would have increased 17.9% YoY.

The annual decrease in due to banks and correspondents and inter-bank funds was mainly the result of a reduction in long-term funding provided by the Central Bank and COFIDE, associated with lower funds for the Reactiva Peru Program. These effects were partially offset by higher short-term funding provided by correspondent banks abroad and COFIDE.

The annual reduction in deposits and obligations was mainly explained by decreases of 42.1% in institutional deposits and 6.6% in commercial deposits, partially offset by an increase of 5.1% in retail deposits.

The YoY decrease in bonds, notes and other obligations was mainly attributable to a lower volume given the execution of an optional redemption of S/ 110.0 million local subordinated bonds in September 2021.

As of March 31, 2022, the proportion of deposits and obligations to total funding was 75.8%, higher than the 75.2% reported as of March 31, 2021. Likewise, the proportion of institutional deposits to total deposits decreased from 18.2% as of March 31, 2021 to 11.4% as of March 31, 2022.

| Breakdown of deposits | | | | | |
|-----------------------|-----------------|-----------------|-----------------|------------------------------|------------------------------|
| S/ million | 03.31.21 | 12.31.21 | 03.31.22 | %chg 03.31.22 12.31.21 | %chg 03.31.22 03.31.21 |
| By customer service: | | | | | |
| Retail | 21,115.3 | 22,911.8 | 22,190.3 | -3.1% | 5.1% |
| Commercial | 16,534.4 | 15,443.0 | 15,447.6 | 0.0% | -6.6% |
| Institutional | 8,480.3 | 6,251.7 | 4,907.7 | -21.5% | -42.1% |
| Other | 506.9 | 359.8 | 340.4 | -5.4% | -32.8% |
| Total | 46,636.8 | 44,966.3 | 42,885.9 | -4.6% | -8.0% |
| By type: | | | | | |
| Demand | 13,603.1 | 12,310.6 | 12,417.2 | 0.9% | -8.7% |
| Savings | 18,738.5 | 22,541.9 | 21,592.0 | -4.2% | 15.2% |
| Time | 14,280.9 | 10,107.7 | 8,862.0 | -12.3% | -37.9% |
| Other | 14.3 | 6.1 | 14.7 | n.m. | 3.1% |
| Total | 46,636.8 | 44,966.3 | 42,885.9 | -4.6% | -8.0% |

NET INTEREST AND SIMILAR INCOME

| Net interest and similar income | | | | | |
|--|--------------|--------------|--------------|---------------|---------------|
| S/ million | 1Q21 | 4Q21 | 1Q22 | %chg QoQ | %chg YoY |
| Interest and similar income | 865.0 | 983.5 | 1,010.0 | 2.7% | 16.8% |
| Interest and similar expense | -218.1 | -237.9 | -261.9 | 10.1% | 20.1% |
| Net interest and similar income | 647.0 | 745.6 | 748.0 | 0.3% | 15.6% |
| NIM | 3.7% | 4.4% | 4.5% | 10 bps | 80 bps |

| Interest and similar income | | | | | |
|--|--------------|--------------|----------------|-------------|--------------|
| S/ million | 1Q21 | 4Q21 | 1Q22 | %chg QoQ | %chg YoY |
| Interest and similar income | | | | | |
| Due from banks and inter-bank funds | 6.1 | 21.1 | 34.4 | 62.8% | n.m. |
| Financial investments | 62.9 | 72.4 | 87.4 | 20.7% | 38.8% |
| Loans | 796.0 | 890.0 | 888.2 | -0.2% | 11.6% |
| Total Interest and similar income | 865.0 | 983.5 | 1,010.0 | 2.7% | 16.8% |
| Average interest-earning assets | 69,134.6 | 68,453.0 | 66,291.2 | -3.2% | -4.1% |
| Average yield on assets (annualized) | 5.0% | 5.7% | 6.1% | 40 bps | 110 bps |

| Interest and similar expense | | | | | |
|--|---------------|---------------|---------------|--------------|--------------|
| S/ million | 1Q21 | 4Q21 | 1Q22 | %chg QoQ | %chg YoY |
| Interest and similar expense | | | | | |
| Deposits and obligations | -90.8 | -105.2 | -134.3 | 27.7% | 47.9% |
| Due to banks and correspondents and inter-bank funds | -38.1 | -39.6 | -38.8 | -1.9% | 1.8% |
| Bonds, notes and other obligations | -89.1 | -93.2 | -88.8 | -4.7% | -0.4% |
| Total Interest and similar expense | -218.1 | -237.9 | -261.9 | 10.1% | 20.1% |
| Average interest-bearing liabilities | 61,220.4 | 60,903.4 | 58,306.9 | -4.3% | -4.8% |
| Average cost of funding (annualized) | 1.4% | 1.6% | 1.8% | 20 bps | 40 bps |

QoQ Performance

Net interest and similar income slightly grew 0.3% QoQ due to a 2.7% increase in interest and similar income, almost completely offset by 10.1% growth in interest and similar expense.

The higher interest and similar income was due to increases of 62.8% in interest on due from banks and inter-bank funds and 20.7% in interest on financial investments, partially compensated by a reduction of 0.2% in interest on loans.

Interest on due from banks and inter-bank funds grew S/ 13.3 million QoQ, or 62.8%, explained by a 60 basis point increase in the nominal average rate, in spite of a 18.6% reduction in the average volume due to lower deposits at the Central Bank.

Interest on financial investments increased S/ 15.0 million QoQ, or 20.7%, due to a 40 basis point increase in the average yield, from 3.0% in 4Q21 to 3.4% in 1Q22, in addition to 6.2% growth in the average volume.

Interest on loans remained relatively stable QoQ. On one hand, the average rate on loans stabilized at 8.3% in 1Q22, as the effect of a shift in loan mix towards retail banking compensated slightly lower rates across the board compared to the previous quarter. On the other hand, the average volume of loans remained stable as growth of 4.2% in retail loans was offset by a decrease of 3.1% in commercial loans.

In the retail portfolio, average volumes increased 6.0% in consumer loans and 1.5% in mortgages. In the commercial portfolio, average volumes decreased 4.4% in short and medium-term loans, 3.9% in leasing operations and 0.7% in trade finance loans. For the first time in seven quarters, average balances of retail loans were higher than those of the commercial portfolio.

The nominal average yield on interest-earning assets increased 40 basis points QoQ, from 5.7% in 4Q21 to 6.1% in 1Q22, in line with the higher returns on due from banks and investments.

The higher interest and similar expense was due to an increase of 27.7% in interest on deposits and obligations, despite reductions of 4.7% in interest on bonds, notes and other obligations, and 1.9% in interest on due to banks and correspondents.

The quarterly growth in interest on deposits and obligations was due to a 30 basis point increase in the average cost, from 0.9% in 4Q21 to 1.2% in 1Q22, partially offset by a

4.0% decrease in the average volume. The increase in the average cost was due to higher rates paid to institutional deposits and certain commercial deposits following the Central Bank's decision to increase the monetary policy rate. However, the average rate on retail deposits remained stable. By currency, average balances of soles-denominated deposits decreased 6.7% while average dollar-denominated deposits increased 0.9%.

The 4.7% reduction in interest on bonds, notes and other obligations was mainly due to a lower average balance of such obligations in the same magnitude, as a result of a 5.4% lower average foreign exchange rate with respect to 4Q21.

Interest on due to banks and correspondents declined 1.9%, explained by a 5.3% reduction in the average volume, while the average cost remained relatively stable. The decrease in the average volume was mostly attributed to lower funding from the Central Bank.

The average cost of funding increased 20 basis points, from 1.6% in 4Q21 to 1.8% in 1Q22, as a consequence of the higher cost of deposits.

As a result of the above, net interest margin was 4.5% in 1Q22, 10 basis points higher than the 4.4% reported in 4Q21.

YoY Performance

Net interest and similar income grew 15.6% YoY due to a 16.8% increase in interest and similar income, partially offset by 20.1% growth in interest and similar expense.

The higher interest and similar income was due to increases of more than five-fold in interest on due from banks and inter-bank funds, 38.8% in interest on financial investments and 11.6% in interest on loans.

Interest on due from banks and inter-bank funds grew S/ 28.3 million YoY, or more than five-fold, explained by growth of 100 basis points in the average yield, despite a 27.3% reduction in the average volume. The higher yield was attributed to the effect of a higher policy rate on the return of deposits at the Central Bank and inter-bank funds, while the lower average volume was explained by significantly lower deposits at the Central Bank.

Interest on financial investments increased S/ 24.5 million YoY, or 38.8%, mainly due to growth of 70 basis points in the average yield and 8.7% in the average volume. The increase in the average volume was the result of higher average balances of corporate bonds, CDBCR and sovereign bonds, partially offset by lower balances of global bonds.

Interest on loans grew S/ 92.2 million YoY, or 11.6%, explained by increases of 70 basis points in the average yield and 2.9% in the average volume.

On one hand, the increase in the average rate on loans, from 7.6% in 1Q21 to 8.3% in 1Q22, was mainly due to higher yields on consumer and commercial loans. On the other hand, the higher average volume of loans was attributed to growth of 12.0% in retail loans, partially offset by a 5.0% reduction in commercial loans. In the retail portfolio, average volumes grew due to increases of 13.8% in consumer loans and 9.5% in mortgages. In the commercial portfolio, the lower average volume was mainly attributed to certain maturities and prepayments of loans under the Reactiva Peru

Program, which resulted in decreasing volumes in working capital loans and leasing operations, despite a strong surge in trade finance loans.

The nominal average yield on interest-earning assets increased 110 basis points YoY, from 5.0% in 1Q21 to 6.1% in 1Q22, in line with the higher returns on all components of interest-earning assets.

Interest and similar expense grew 20.1% mainly due to increases of 47.9% in interest on deposits and obligations, and 1.8% in interest on due to banks and correspondents, while interest on bonds, notes and other obligations remained relatively stable.

Interest on deposits and obligations increased S/ 43.5 million YoY, or 47.9%, mostly explained by a 40 basis point increase in the average cost, from 0.8% in 1Q21 to 1.2% in 1Q22. Offsetting this, the average volume of deposits declined 3.7% YoY. By currency, average balances of soles-denominated deposits decreased 9.7% while average dollar-denominated deposits increased 8.5%.

Interest on due to banks and correspondents grew S/ 0.7 million YoY, or 1.8%, following a 30 basis point increase in the average cost, from 1.7% in 1Q21 to 2.0% in 1Q22, partially compensated by a 15.0% decrease in the average volume. On one hand, the average cost increased in line with higher policy rates globally. On the other hand, the decrease in the average volume was mostly due to lower funding from the Central Bank, in turn related to the bank's participation in the Reactiva Peru Program.

Interest on bonds, notes and other obligations remained stable as a lower average cost from the redemption of S/ 110.0 million subordinated bonds in the local market in September 2021 was compensated by the effect on the average volume of a 4.2% depreciation of the average foreign exchange rate with respect to 1Q21.

The average cost of funding increased 40 basis points, from 1.4% in 1Q21 to 1.8% in 1Q22, as a result of the higher implicit cost of deposits and due to banks and correspondents.

As a result of the above, net interest margin was 4.5% in 1Q22, 80 basis points higher than the 3.7% reported in 1Q21.

IMPAIRMENT LOSS ON LOANS, NET OF RECOVERIES

Impairment loss on loans, net of recoveries was marked by a base effect from the reversal of provisions recorded in 4Q21, which were determined considering improved credit and payment behavior among Interbank's retail clients. Setting aside the provision reversal, the quarterly performance was explained by higher provision requirements in the retail loan book, partially offset by lower provisions requirements in the commercial loan book. In the retail portfolio, the increase in provisions was mainly driven by higher requirements in credit cards and mortgage loans. Conversely, the decrease in provisions in the commercial portfolio was explained by lower requirements in loans to the small-sized segment.

The annual decrease in provisions was mainly explained by lower requirements in the retail loan book and in loans to the small-sized segment.

As a result of the above, the annualized ratio of impairment loss on loans to average loans was 1.4% in 1Q22, lower compared to the 1.8% reported in 1Q21. Moreover,

excluding the one-off impact of the reversion of loan loss provisions in 4Q21, cost of risk would have resulted in 1.9% in such quarter.

| Impairment loss on loans, net of recoveries | | | | | |
|--|---------|---------|---------|-------------|-------------|
| S/ million | 1Q21 | 4Q21 | 1Q22 | %chg QoQ | %chg YoY |
| Impairment loss on loans, net of recoveries | -188.9 | 97.8 | -151.7 | n.m. | -19.7% |
| Impairment loss on loans/average gross loans | 1.8% | -0.9% | 1.4% | n.m. | -40 bps |
| S3 NPL ratio (at end of period) | 3.1% | 3.1% | 2.9% | -20 bps | -20 bps |
| S3 NPL coverage ratio (at end of period) | 212.8% | 159.4% | 168.7% | 930 bps | n.m. |
| Impairment allowance for loans | 2,654.3 | 2,062.1 | 2,038.7 | -1.1% | -23.2% |

The Stage 3 NPL ratio decreased 20 basis points QoQ and YoY, to 2.9% in 1Q21. The quarterly reduction was due to a 20 basis point decrease in retail loans' NPL, while the commercial portfolio remained stable in terms of credit quality. The lower Stage 3 NPL ratio YoY was explained by a 220 basis point decrease in the retail portfolio NPL, partially offset by a 160 basis point increase in the commercial portfolio NPL.

Furthermore, the S3 NPL coverage ratio was 168.7% as of March 31, 2022, higher than the 159.4% reported as of December 31, 2021 but lower than the 212.8% registered as of March 31, 2021.

FEE INCOME FROM FINANCIAL SERVICES, NET

Net fee income from financial services decreased S/ 5.0 million QoQ, or 2.7%, mainly explained by lower fees from maintenance and mailing of accounts, transfer fees and commissions on debit card services, fees from indirect loans and fees from collection services. These factors were partially offset by higher commissions from banking services and from credit card services.

Net fee income from financial services grew S/ 23.0 million YoY, or 14.3%, mainly due to higher commissions from credit card services, fees from maintenance and mailing of accounts, transfer fees and commissions on debit card services, in addition to increased fees from banking services and fees from collection services.

| Fee income from financial services, net | | | | | |
|---|--------------|--------------|--------------|--------------|--------------|
| S/ million | 1Q21 | 4Q21 | 1Q22 | %chg QoQ | %chg YoY |
| Income | | | | | |
| Commissions from credit card services | 71.1 | 95.3 | 95.5 | 0.3% | 34.3% |
| Commissions from banking services | 74.5 | 74.2 | 79.8 | 7.6% | 7.2% |
| Maintenance and mailing of accounts, transfer fees and commissions on debit card services | 53.5 | 65.3 | 60.1 | -8.0% | 12.4% |
| Fees from indirect loans | 15.9 | 16.1 | 15.7 | -2.6% | -1.3% |
| Collection services | 12.5 | 14.2 | 13.8 | -2.6% | 9.9% |
| Other | 14.5 | 11.9 | 10.6 | -10.5% | -26.5% |
| Total income | 241.9 | 276.9 | 275.5 | -0.5% | 13.9% |
| Expenses | | | | | |
| Insurance | -26.3 | -24.9 | -25.5 | 2.4% | -3.0% |
| Fees paid to foreign banks | -5.5 | -6.0 | -5.7 | -4.9% | 4.6% |
| Other | -49.9 | -57.8 | -61.1 | 5.8% | 22.4% |
| Total expenses | -81.7 | -88.7 | -92.4 | 4.1% | 13.0% |
| Fee income from financial services, net | 160.2 | 188.2 | 183.2 | -2.7% | 14.3% |

OTHER INCOME

Other income decreased S/ 8.6 million QoQ, mainly explained by a lower net gain on foreign exchange transactions and on financial assets at fair value through profit or loss, as well as by a higher net loss on sale of financial investments.

Other income decreased S/ 73.5 million YoY mostly due to a lower net gain on sale of financial investments, which occurred as a base effect related to an extraordinary realized gain on sale of sovereign bonds in 1Q21. This factor was partially compensated by higher net gain on foreign exchange transactions and on financial assets at fair value through profit or loss.

| Other income | | | | | |
|--|--------------|--------------|---------------------|--------------|---------------|
| S/ million | 1Q21 | 4Q21 | 1Q22 | %chg QoQ | %chg YoY |
| Net gain on foreign exchange transactions and on financial assets at fair value through profit or loss | 69.6 | 84.1 | 79.6 ⁽¹⁾ | -5.3% | 14.3% |
| Net gain on sale of financial investments | 98.5 | -0.3 | -3.3 | n.m. | n.m. |
| Other | 16.5 | 35.9 | 34.8 | -3.2% | n.m. |
| Total other income | 184.6 | 119.7 | 111.1 | -7.2% | -39.8% |

(1) Includes S/ 113.5 million of net gain on foreign exchange transactions and S/ -33.9 million of net gain (loss) on financial assets at fair value through profit or loss (derivatives).

OTHER EXPENSES

Other expenses decreased S/ 41.5 million QoQ, or 8.4%, but increased S/ 50.6 million YoY, or 12.5%.

The quarterly reduction in other expenses was explained by lower administrative expenses, depreciation and amortization, and other charges, partially offset by slightly higher salaries and employee benefits.

The annual growth was the result of increases in salaries and employee benefits, administrative expenses associated with a higher level of activity, and depreciation and amortization charges.

It is important to note that salaries and employee benefits grew due to higher employee profit sharing.

The efficiency ratio was 41.7% in 1Q22, compared to the 42.2% reported in 4Q21 and the 39.1% registered in 1Q21.

| Other expenses | | | | | |
|--------------------------------|---------------|---------------|---------------|----------------|----------------|
| S/ million | 1Q21 | 4Q21 | 1Q22 | %chg QoQ | %chg YoY |
| Salaries and employee benefits | -136.1 | -160.3 | -162.8 | 1.6% | 19.6% |
| Administrative expenses | -192.4 | -217.6 | -210.5 | -3.2% | 9.4% |
| Depreciation and amortization | -59.1 | -66.8 | -61.1 | -8.6% | 3.3% |
| Other | -16.2 | -51.3 | -20.1 | -60.8% | 23.9% |
| Total other expenses | -403.9 | -496.0 | -454.5 | -8.4% | 12.5% |
| Efficiency ratio | 39.1% | 42.2% | 41.7% | -50 bps | 260 bps |

REGULATORY CAPITAL

The ratio of regulatory capital to risk-weighted assets (RWA) was 15.5% as of March 31, 2022, below the 15.9% reported as of December 31, 2021 and the 16.9% registered as of March 31, 2021.

In 1Q22, regulatory capital decreased 1.7% QoQ, mainly attributed to the effect of a lower foreign exchange rate on the balance of subordinated, dollar-denominated bonds. RWA grew 0.8% QoQ due to higher capital requirements for credit risk, operating risk and market risk. The higher RWA for credit risk were attributed to an increase of RWA for other assets, partially offset by lower RWA for loans and financial investments.

The annual reduction in the total capital ratio was due to a 10.2% increase in RWA, partially offset by 0.8% growth in regulatory capital. The YoY increase in RWA was mostly attributed to higher capital requirements for credit risk and operating risk. RWA for credit risk grew due to higher RWA for loans and investments, in addition to a higher risk weight applied to intangible assets by disposition of the SBS, with impact on the bank's increasing digital investments.

Regulatory capital increased YoY mainly as a result of the addition of S/ 780.0 million in capital, reserves and earnings with capitalization agreement during the last twelve months. These effects were partially compensated by higher unrealized loss on investments available for sale and the execution of an optional redemption of S/ 110.0 million local subordinated bonds in September 2021.

Also, it is worth mentioning that in June 2021, the SBS issued the Official Document No. 27358-2021 which refers to the Emergency Decree No. 037-2021, by which it established that, from April 2021 to March 2022, the minimum regulatory capital ratio requirement is reduced from 10% to 8%. Subsequently, the Decree N° 003-2022 stated that the minimum regulatory capital requirement must be maintained at 8% until August 2022 and then raised to 8.5% until March 2023, when the 10% minimum would be restored.

As of March 31, 2022, Interbank's capital ratio of 15.5% was significantly higher than its risk-adjusted minimum capital ratio requirement, established at 9.0%. As previously mentioned, the minimum regulatory capital ratio requirement was 8.0%, while the additional capital requirement for Interbank was 1.0% as of March 31, 2022. Furthermore, Core Equity Tier 1 (CET1) was 10.9% as of March 31, 2022, below the 11.4% reported as of March 31, 2021.

| S/ million | Regulatory capital | | | %chg | |
|-----------------------------|--------------------|--------------|--------------|----------------------|----------------------|
| | 03.31.21 | 12.31.21 | 03.31.22 | 03.31.22 12.31.21 | 03.31.22 03.31.21 |
| Tier I capital | 6,039.0 | 6,262.1 | 6,302.4 | 0.6% | 4.4% |
| Tier II capital | 2,867.3 | 2,873.5 | 2,675.5 | -6.9% | -6.7% |
| Total regulatory capital | 8,906.3 | 9,135.6 | 8,977.9 | -1.7% | 0.8% |
| Risk-weighted assets (RWA) | 52,684.0 | 57,570.3 | 58,039.6 | 0.8% | 10.2% |
| Total capital ratio | 16.9% | 15.9% | 15.5% | -40 bps | -140 bps |
| Tier I capital / RWA | 11.5% | 10.9% | 10.9% | 0 bps | -60 bps |
| CET1 | 11.4% | 12.5% | 10.9% | -160 bps | -50 bps |

Interseguro

SUMMARY

Interseguro's profits reached S/ 38.6 million in 1Q22, an increase of S/ 25.2 million QoQ, but a decrease of S/ 98.5 million compared to 1Q21.

The quarterly growth was mainly explained by positive developments in translation result, other income and in recovery due to impairment of financial investments, for S/ 12.8 million, S/ 5.9 million and S/ 4.1 million, respectively, in addition to a S/ 1.6 million reduction in other expenses.

The annual performance in bottom-line results was mainly due to negative performances of S/ 167.3 million in other income and S/ 41.8 million in recovery due to impairment of financial investments, as well as S/ 20.5 million higher other expenses. These effects were partially compensated by improvements of S/ 97.2 million in total premiums earned minus claims and benefits, S/ 18.5 million in net interest and similar income, and S/ 15.1 million in translation result.

As a result of the contribution of other income, Interseguro's ROAE was 15.7% in 1Q22, an improvement compared to the 5.7% registered in 4Q21, but lower than the extraordinary high level of 56.6% reported in 1Q21.

| Insurance Segment's P&L Statement | | | | | |
|--|--------------|--------------|--------------|--------------|---------------|
| S/ million | 1Q21 | 4Q21 | 1Q22 | %chg QoQ | %chg YoY |
| Net Interest and similar income | 153.4 | 171.3 | 171.9 | 0.3% | 12.1% |
| Recovery (loss) due to impairment of financial investments | 46.9 | 1.0 | 5.1 | n.m. | -89.1% |
| Net Interest and similar income after impairment loss | 200.3 | 172.4 | 177.0 | 2.7% | -11.6% |
| Fee income from financial services, net | -2.4 | -2.7 | -2.1 | -20.3% | -12.1% |
| Other income | 150.6 | -22.6 | -16.7 | -26.4% | n.m. |
| Total premiums earned minus claims and benefits | -117.9 | -20.5 | -20.7 | 1.3% | -82.4% |
| Net premiums | 211.9 | 348.7 | 272.3 | -21.9% | 28.5% |
| Adjustment of technical reserves | -88.9 | -151.5 | -94.9 | -37.4% | 6.7% |
| Net claims and benefits incurred | -240.9 | -217.6 | -198.1 | -8.9% | -17.8% |
| Other expenses | -78.8 | -100.9 | -99.3 | -1.6% | 26.1% |
| Income before translation result and income tax | 151.8 | 25.8 | 38.2 | 48.3% | -74.8% |
| Translation result | -14.7 | -12.4 | 0.4 | n.m. | n.m. |
| Income tax | - | - | - | n.m. | n.m. |
| Profit for the period | 137.1 | 13.4 | 38.6 | n.m. | -71.8% |
| ROAE | 56.6% | 5.7% | 15.7% | | |
| Efficiency ratio | 10.0% | 16.2% | 15.9% | | |

RESULTS FROM INVESTMENTS

| Results from Investments ⁽¹⁾ | | | | | |
|--|--------------|--------------|--------------|---------------|---------------|
| S/ million | 1Q21 | 4Q21 | 1Q22 | %chg QoQ | %chg YoY |
| Interest and similar income | 175.9 | 211.9 | 202.6 | -4.4% | 15.2% |
| Interest and similar expenses | -10.8 | -27.1 | -18.2 | -32.8% | 68.3% |
| Net interest and similar income | 165.1 | 184.8 | 184.4 | -0.2% | 11.7% |
| Recovery (loss) due to impairment of financial investments | 46.9 | 1.0 | 5.1 | n.m. | -89.1% |
| Net Interest and similar income after impairment loss | 212.0 | 185.9 | 189.5 | 2.0% | -10.6% |
| Net gain (loss) on sale of financial investments | 87.6 | 31.3 | -7.3 | n.m. | n.m. |
| Net gain (loss) on financial assets at fair value through profit or loss | 16.3 | -26.5 | 2.5 | n.m. | -84.8% |
| Rental income | 8.3 | 14.9 | 16.4 | 9.7% | 98.0% |
| Gain on sale of investment property | - | - | - | n.m. | n.m. |
| Valuation gain (loss) from investment property | 35.5 | -47.3 | -30.8 | -34.9% | n.m. |
| Other ⁽¹⁾ | -4.2 | -4.9 | -4.5 | -9.0% | 5.9% |
| Other income | 143.4 | -32.5 | -23.7 | -27.1% | n.m. |
| Results from investments | 355.4 | 153.3 | 165.8 | 8.1% | -53.3% |

(1) Only includes transactions related to investments.

NET INTEREST AND SIMILAR INCOME

Net interest and similar income related to investments was S/ 184.4 million in 1Q22, relatively stable QoQ, and 11.7% higher YoY.

The annual performance was mainly explained by a S/ 26.7 million increase in interest and similar income, driven by growth of the investment portfolio, partially offset by a S/ 7.5 million increase in interest and similar expenses. In both cases, growth was associated with an expansion of the annuities business and a higher inflation rate.

RECOVERY (LOSS) DUE TO IMPAIRMENT OF FINANCIAL INVESTMENTS

Recovery due to impairment of financial investments was S/ 5.1 million in 1Q22, compared to a recovery of S/ 1.0 million in 4Q21 and S/ 46.9 million in 1Q21.

The positive performance was mainly due to a reversion of provision for impairment on a fixed income investment that was upgraded from B+ to BB- in 1Q22, after having been upgraded from CCC+ to B in 1Q21.

OTHER INCOME

Other income (loss) related to investments was S/ -23.7 million in 1Q22, compared to S/ -32.5 million in 4Q21 and an extraordinary high level of S/ 143.4 million reported in 1Q21.

The quarterly and annual performances were mainly explained by negative developments of S/ 38.6 million and S/ 94.9 million, respectively, in net gain on sale of financial investments. The annual decrease was also attributed to a negative performance of S/ 66.3 million in valuation gain from investment property, however the quarterly loss was partially offset by a S/ 29.0 million increase in net gain on financial assets at fair value.

TOTAL PREMIUMS EARNED MINUS CLAIMS AND BENEFITS

| Total Premiums Earned Minus Claims And Benefits | | | | | |
|--|---------------|--------------|--------------|-------------|---------------|
| S/ million | 1Q21 | 4Q21 | 1Q22 | %chg QoQ | %chg YoY |
| Net premiums | 211.9 | 348.7 | 272.3 | -21.9% | 28.5% |
| Adjustment of technical reserves | -88.9 | -151.5 | -94.9 | -37.4% | 6.7% |
| Net claims and benefits incurred | -240.9 | -217.6 | -198.1 | -8.9% | -17.8% |
| Total premiums earned minus claims and benefits | -117.9 | -20.5 | -20.7 | 1.3% | -82.4% |

Total premiums earned minus claims and benefits were S/ -20.7 million in 1Q22, a relatively stable underwriting result QoQ, but an improvement compared to S/ -117.9 million in 1Q21.

The annual performance was explained by S/ 60.4 million higher net premiums, and a S/ 42.8 million decrease in net claims and benefits incurred, partially offset by a S/ 6.0 million increase in adjustment of technical reserves.

NET PREMIUMS

| Net Premiums by Business Line | | | | | |
|-------------------------------|--------------|--------------|--------------|---------------|--------------|
| S/ million | 1Q21 | 4Q21 | 1Q22 | %chg QoQ | %chg YoY |
| Annuities | 116.2 | 231.5 | 151.3 | -34.6% | 30.2% |
| D&S | 0.0 | 0.0 | 0.0 | -22.0% | -23.2% |
| Individual Life | 39.8 | 48.3 | 49.7 | 3.0% | 24.8% |
| Retail Insurance | 55.9 | 68.8 | 71.3 | 3.5% | 27.5% |
| Net Premiums | 211.9 | 348.7 | 272.3 | -21.9% | 28.5% |

Net premiums were S/ 272.3 million in 1Q22, a decrease of S/ 76.4 million, or 21.9% QoQ, but an increase of S/ 60.4 million, or 28.5%, YoY.

The quarterly result was mainly due to a decrease of S/ 80.2 million in annuities. The higher annuities in 4Q21 were a result of different market conditions in relation to the second wave of COVID-19.

The annual performance in net premiums was mainly due to increases of S/ 35.1 million in annuities, associated to the COVID-19 third wave, S/ 15.4 million in retail insurance, driven by growth in credit life insurance, and S/ 9.9 million in individual life.

ADJUSTMENT OF TECHNICAL RESERVES

| Adjustment of Technical Reserves by Business Line | | | | | |
|---|--------------|---------------|--------------|---------------|-------------|
| S/ million | 1Q21 | 4Q21 | 1Q22 | %chg QoQ | %chg YoY |
| Annuities | -65.2 | -127.9 | -73.5 | -42.6% | 12.8% |
| Individual Life | -19.5 | -17.0 | -9.6 | -43.6% | -50.7% |
| Retail Insurance | -4.3 | -6.6 | -11.8 | 79.4% | 175.9% |
| Adjustment of technical reserves | -88.9 | -151.5 | -94.9 | -37.4% | 6.7% |

Adjustment of technical reserves was S/ 94.9 million in 1Q22, a decrease of S/ 56.6 million QoQ, but an increase of S/ 6.0 million YoY.

The quarterly reduction was explained by decreases of \$/ 54.4 million in technical reserves for annuities, mostly attributed to the effect of lower sales, and \$/ 7.4 million in technical reserves for individual life. These effects were partially offset by a \$/ 5.2 million increase in technical reserves for retail insurance, explained by credit card protection.

Additionally, the annual performance in the adjustment of technical reserves was explained by \$/ 8.3 million higher technical reserves for annuities and \$/ 7.5 million higher reserves for retail insurance, partially offset by a \$/ 9.9 million reduction in individual life.

NET CLAIMS AND BENEFITS INCURRED

| Net Claims and Benefits Incurred by Business Line | | | | | |
|---|---------------|---------------|---------------|--------------|---------------|
| \$/ million | 1Q21 | 4Q21 | 1Q22 | %chg QoQ | %chg YoY |
| Annuities | -174.0 | -190.4 | -187.7 | -1.4% | 7.9% |
| D&S | -0.7 | -0.6 | -0.6 | -0.1% | -15.8% |
| Individual Life | -3.8 | -5.6 | -3.0 | -46.9% | -21.8% |
| Retail Insurance | -62.5 | -21.1 | -7.0 | -67.0% | -88.9% |
| Net claims and benefits incurred | -240.9 | -217.6 | -198.1 | -8.9% | -17.8% |

Net claims and benefits incurred reached \$/ 198.1 million in 1Q22, a decrease of \$/ 19.5 million QoQ and \$/ 42.8 million YoY.

The quarterly and annual performances were mainly explained by decreases of \$/ 14.1 million and \$/ 55.5 million, respectively, in retail insurance claims, in turn associated with higher claims in credit life insurance due to the COVID-19 mortality in Peru in 4Q21 and 1Q21. Additionally, the annual performance was also the result of increases of \$/ 13.7 million in annuity benefits explained by the growth of the business.

OTHER EXPENSES

| Other Expenses | | | | | |
|-----------------------------------|--------------|---------------|--------------|--------------|--------------|
| \$/ million | 1Q21 | 4Q21 | 1Q22 | %chg QoQ | %chg YoY |
| Salaries and employee benefits | -23.3 | -27.9 | -27.2 | -2.3% | 16.7% |
| Administrative expenses | -12.7 | -21.6 | -19.1 | -11.6% | 51.2% |
| Depreciation and amortization | -6.3 | -6.0 | -6.1 | 1.0% | -3.2% |
| Expenses related to rental income | -0.2 | -2.0 | -0.6 | -68.7% | 163.8% |
| Other | -36.2 | -43.4 | -46.2 | 6.6% | 27.6% |
| Other expenses | -78.8 | -100.9 | -99.3 | -1.6% | 26.1% |

Other expenses decreased \$/ 1.6 million QoQ, or 1.6%, and grew \$/ 20.5 million YoY, or 26.1%.

The quarterly reduction was mainly due to decreases of \$/ 2.5 million in administrative expenses, mainly explained by expenses incurred in 2021 for life insurance projects, and \$/ 1.4 million in expenses related to rental income, partially offset by increases of \$/ 2.8 million in other expenses, mainly attributed to third-party commissions.

The annual performance in other expenses was mainly due to increases of \$/ 10.0 million in other expenses, mainly related to third-party commissions, \$/ 6.4 million in

administrative expenses and \$/ 3.9 million in salaries and employee benefits, mainly associated with a higher operational activity between the comparing periods.

Inteligo

SUMMARY

Inteligo's net profit in 1Q22 was \$/ 3.0 million, a positive development compared to the previous quarter's loss, but a 96.6% decrease YoY.

The quarterly performance was mainly explained by a lower mark-to-market loss on proprietary portfolio investments, as well as a 11.0% reduction in other expenses. This was partially offset by decreases of 15.1% in net fee income from financial services and 14.5% in net interest and similar income.

The annual performance was mainly attributable to a negative development in other income due to a loss in net gain from the sale of investments in 1Q22 compared to 1Q21. Other factors that impacted the YoY performance were decreases of 17.3% in fees and 7.9% in net interest and similar income, as well as an 11.0% increase in other expenses.

From a business development perspective, Inteligo's prospection process continued to show positive results in terms of new account openings and assets under management growth in Private Wealth Management. However, these results were offset by outflows in mutual funds and the effect of a sequentially lower foreign exchange rate in the first quarter of the year. Consequently, Inteligo's AUM decreased 7.3% QoQ and 4.6% YoY as of March 31, 2022.

Consequently, Inteligo's ROAE was 1.0% in 1Q22, well below the 30.7% registered in 1Q21. Furthermore, the efficiency ratio in 1Q22 was impacted by the negative effect of the mark-to-market losses on revenues.

| Wealth Management Segment's P&L Statement | | | | | |
|--|--------------|--------------|--------------|---------------|---------------|
| S/ million | 1Q21 | 4Q21 | 1Q22 | %chg QoQ | %chg YoY |
| Interest and similar income | 37.8 | 40.5 | 35.3 | -12.9% | -6.7% |
| Interest and similar expenses | -9.6 | -10.1 | -9.3 | -8.2% | -3.1% |
| Net interest and similar income | 28.2 | 30.4 | 26.0 | -14.5% | -7.9% |
| Impairment loss on loans, net of recoveries | -0.1 | -0.4 | 2.1 | n.m. | n.m. |
| Recovery (loss) due to impairment of financial investments | 0.4 | -1.2 | -3.0 | n.m. | n.m. |
| Net interest and similar income after impairment loss | 28.6 | 28.8 | 25.1 | -12.9% | -12.2% |
| Fee income from financial services, net | 49.3 | 48.1 | 40.8 | -15.1% | -17.3% |
| Other income | 47.7 | -110.5 | -24.3 | -78.0% | n.m. |
| Other expenses | -32.4 | -40.3 | -35.9 | -11.0% | 11.0% |
| Income before translation result and income tax | 93.2 | -74.0 | 5.7 | n.m. | -93.9% |
| Translation result | -2.7 | -2.5 | -3.1 | 22.9% | 16.0% |
| Income tax | -3.6 | -0.2 | 0.4 | n.m. | n.m. |
| Profit for the period | 86.9 | -76.6 | 3.0 | n.m. | -96.6% |
| ROAE | 30.7% | n.m. | 1.0% | | |
| Efficiency ratio | 25.4% | n.m. | 83.9% | | |

ASSETS UNDER MANAGEMENT & DEPOSITS

AUM reached S/ 21,310.7 million in 1Q22, a S/ 1,671.0 million or 7.3% decrease QoQ and a S/ 1,035.5 million or 4.6% decrease YoY. This was mostly because of a lower foreign exchange rate between the comparing periods.

Client deposits were S/ 3,834.9 million in 1Q22, a S/ 337.0 million or 8.1% decrease QoQ, but a S/ 869.3 million or 29.3% increase YoY. The yearly growth was mainly due to net new funds from clients amid uncertainty caused by political events in Peru during 2021.

NET INTEREST AND SIMILAR INCOME

| Net interest and similar income | | | | | |
|--|-------------|--------------|-------------|---------------|--------------|
| S/ million | 1Q21 | 4Q21 | 1Q22 | %chg QoQ | %chg YoY |
| Interest and similar income | | | | | |
| Due from banks and inter-bank funds | 0.8 | 2.0 | 1.9 | -5.8% | n.m. |
| Financial Investments | 21.3 | 22.1 | 18.6 | -16.1% | -12.9% |
| Loans | 15.7 | 16.4 | 14.9 | -9.5% | -5.4% |
| Total interest and similar income | 37.8 | 40.5 | 35.3 | -12.9% | -6.7% |
| Interest and similar expenses | | | | | |
| Deposits and obligations | -8.5 | -9.2 | -8.4 | -9.0% | -1.9% |
| Due to banks and correspondents | -1.0 | -0.9 | -0.9 | 0.5% | -13.1% |
| Total interest and similar expenses | -9.6 | -10.1 | -9.3 | -8.2% | -3.1% |
| Net interest and similar income | 28.2 | 30.4 | 26.0 | -14.5% | -7.9% |

Inteligo's net interest and similar income was S/ 26.0 million in 1Q22, a S/ 4.4 million, or 14.5% decrease when compared with 4Q21. Interest and similar income declined in all lines of income, yet partially offset by lower interest on deposits and obligations.

Net interest and similar income decreased S/ 2.2 million YoY, or 7.9%, mainly as a consequence of lower income from financial investments and interest on loans compared to 1Q21.

FEE INCOME FROM FINANCIAL SERVICES

| Fee income from financial services, net | | | | | |
|--|-------------|-------------|-------------|---------------|---------------|
| S/ million | 1Q21 | 4Q21 | 1Q22 | %chg QoQ | %chg YoY |
| Income | | | | | |
| Brokerage and custody services | 3.2 | 3.0 | 3.2 | 4.8% | 0.3% |
| Funds management | 46.6 | 45.4 | 38.2 | -15.9% | -18.1% |
| Total income | 49.8 | 48.5 | 41.4 | -14.6% | -16.9% |
| Expenses | | | | | |
| Brokerage and custody services | -0.2 | -0.2 | -0.3 | 83.2% | 70.8% |
| Others | -0.3 | -0.2 | -0.2 | 21.2% | -5.3% |
| Total expenses | -0.5 | -0.4 | -0.6 | 50.5% | 27.4% |
| Fee income from financial services, net | 49.3 | 48.1 | 40.8 | -15.1% | -17.3% |

Net fee income from financial services was S/ 40.8 million in 1Q22, a decrease of S/ 7.3 million, or 15.1% when compared to the previous quarter, mainly affected by a lower foreign exchange rate between periods and lower client activity amid global markets volatility.

On a YoY basis, net fee income from financial services decreased S/ 8.5 million, or 17.3%, mainly explained by a decrease in fees from funds management, associated with a lower foreign exchange rate compared to the previous year.

OTHER INCOME

| Other income | | | | | |
|---|-------------|---------------|--------------|---------------|-------------|
| S/ million | 1Q21 | 4Q21 | 1Q22 | %chg QoQ | %chg YoY |
| Net gain on sale of financial investments | 20.0 | 13.0 | -24.8 | n.m. | n.m. |
| Net trading gain (loss) | 29.7 | -120.4 | 1.0 | n.m. | -96.5% |
| Other | -2.0 | -3.1 | -0.5 | -84.6% | -76.7% |
| Total other income | 47.7 | -110.5 | -24.3 | -78.0% | n.m. |

Inteligo's other income (loss) reached S/ -24.3 million in 1Q22, compared to S/ -110.5 million in 4Q21, mainly attributable to a significant recovery in net trading gain, partially compensated by a loss in net gain on sale of financial investments. The loss in net gain on sale of investments also explained the negative performance in other income YoY.

OTHER EXPENSES

| Other expenses | | | | | |
|--------------------------------|--------------|--------------|--------------|---------------|--------------|
| S/ million | 1Q21 | 4Q21 | 1Q22 | %chg QoQ | %chg YoY |
| Salaries and employee benefits | -19.2 | -23.1 | -20.9 | -9.5% | 8.9% |
| Administrative expenses | -8.9 | -12.4 | -11.1 | -10.2% | 24.5% |
| Depreciation and amortization | -3.7 | -4.4 | -3.7 | -16.2% | -0.3% |
| Other | -0.6 | -0.5 | -0.2 | -52.1% | -58.6% |
| Total other expenses | -32.4 | -40.3 | -35.9 | -11.0% | 11.0% |
| Efficiency ratio | 25.4% | n.m. | 83.9% | | |

Other expenses reached S/ 35.9 million in 1Q22, a decrease of S/ 4.4 million or 11.0% QoQ, mainly due to lower salary expenses and a reduction in administrative expenses.

On a yearly basis, other expenses increased S/ 3.5 million, or 11.0% YoY, mainly as a result of S/ 2.2 million higher administrative expenses, in addition to higher salaries and benefits to employees.