



 Intercorp Financial Services

Earnings Presentation

3Q19 Results



Highlights 3Q19

Banking

Strong quarter with 19.8% ROAE

- Adjusted net profit¹⁾ increased 6.7% QoQ and 19.4% YoY
- 12.3% YoY loan growth, with a 17.2% increase in retail loans
- Retail deposits grew 13.9% YoY, gaining 50 bps in market share in the year
- Adjusted cost of risk decreased 20 bps QoQ
- CET1 up 80 bps QoQ and YoY

Insurance

Solid quarter in earnings with ROAE at 14.9%

- Net profit increased 3.5% QoQ and 70.5% YoY
- Growth in individual life and retail insurance partially offsets a contraction in annuities
- Net insurance underwriting result improved 20.8% QoQ and 15.7% YoY
- ROIP²⁾ increased 20 bps to 6.3%

Wealth Management

Quarterly results impacted by S/ 11.2 million negative mark-to-market in investments

- AUM and loans grew 2.2% and 20.7% YoY, respectively
- Fee income increased 11.3% QoQ and 11.9% YoY

Intercorp Financial Services

3Q19 earnings increased 5.8% YoY and 9M19 adjusted earnings grew 8.5% YoY

- ROAE at 18.0% and adjusted ROAE at 18.8% in 9M19
- Total revenues increased 11.4% YoY; efficiency ratio improved 20 bps QoQ and YoY
- Positive evolution of digital transformation indicators
- Relevant net income for dividend distribution reached S/ 1,421 million in 9M19, up 15.6% YoY

1) Adjusted net profit excludes the reversion of payroll deduction loan provisions in 2Q19 for S/ 27.4 million after taxes

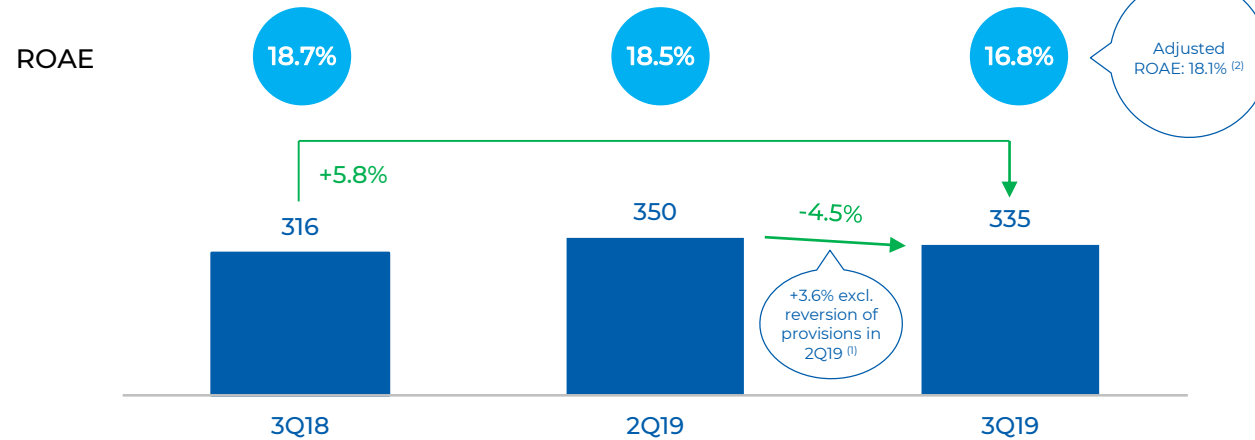
2) ROIP excluding the impact of IFRS 9 in mark-to-market of securities was 6.1% in 3Q18, 6.3% in 2Q19 and 6.2% in 3Q19

3Q19 earnings increased 5.8% YoY

IFRS

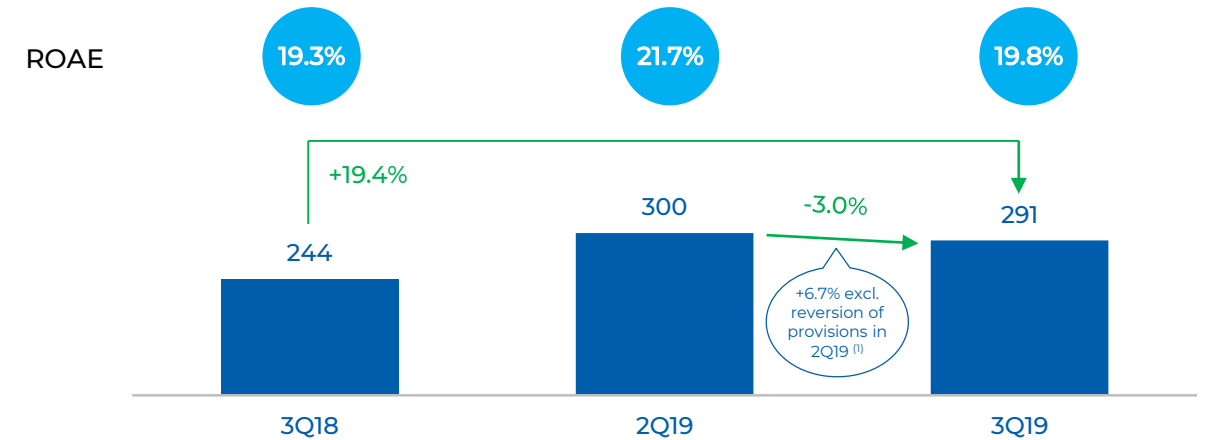
Intercorp Financial Services

Net profit in S/ million



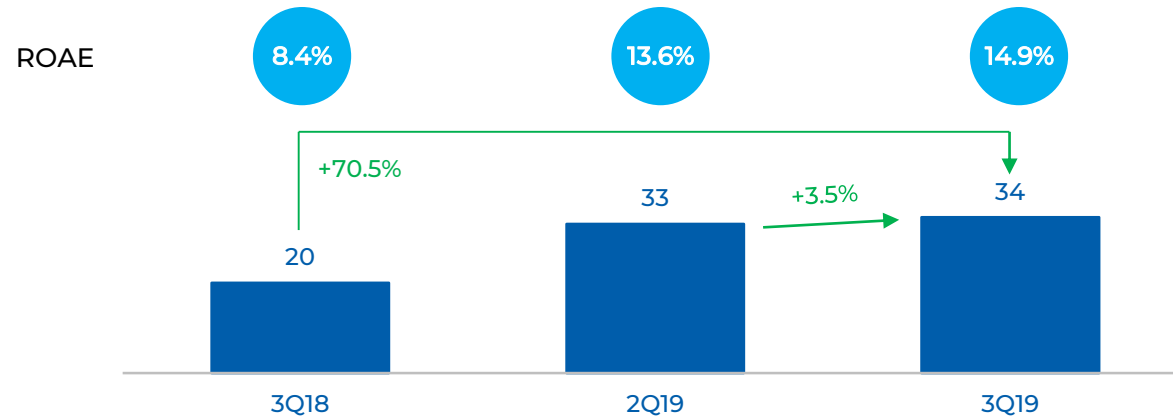
Banking

Net profit in S/ million



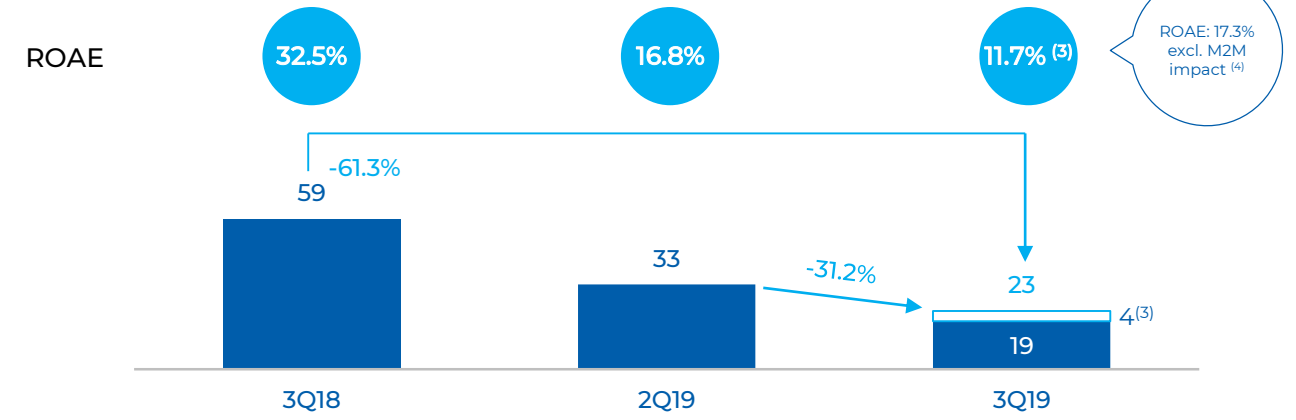
Insurance

Net profit in S/ million



Wealth Management

Net profit in S/ million



- 1) Reversion of payroll deduction loan provisions in 2Q19 for S/ 27.4 million after taxes
- 2) Adjusted ROAE excludes (i) negative impact of S/ 11.2 million due to M2M in investments at Inteligo, (ii) increase in equity due to primary offering of shares in NYSE, (iii) increase in equity due to secondary sale of Treasury stock in NYSE
- 3) Excluding asset amortization from Interfondos' acquisition for S/ 4.0 million. Including this effect, ROAE was 9.7% in 3Q19
- 4) Negative impact of S/ 11.2 million due to M2M in investments at Inteligo

■ Reported figures □ Adjustments
 → Reported growth → Adjusted growth

IFS key indicators 3Q19

IFRS

S/ million		3Q18	2Q19	3Q19	%chg QoQ	%chg YoY
IFS	Total revenues ⁽¹⁾	1,235.2	1,312.2	1,376.0	4.9%	11.4%
	Net interest and similar income	780.5	859.4	884.2	2.9%	13.3%
	Efficiency ratio ⁽²⁾	34.8%	34.8%	34.6%	-20 bps	-20 bps
	Profit for the period	316.1	350.1	334.5	-4.5%	5.8%
	ROAE	18.7%	18.5%	16.8%	-170 bps	-190 bps
	Adjusted ROAE ⁽³⁾	18.7%	18.5%	18.1%	-40 bps	-60 bps
	ROAA	2.1%	2.1%	1.9%	-20 bps	-20 bps
Banking	EPS	2.84	3.14	2.94		
	NIM ⁽⁴⁾	5.6%	5.8%	5.8%	0 bps	20 bps
	Risk-adjusted NIM ⁽⁵⁾	4.1%	3.9%	4.0%	10 bps	-10 bps
	Cost of Risk	2.2%	2.3%	2.6%	30 bps	40 bps
	Adjusted Cost of Risk ⁽⁶⁾	2.2%	2.8%	2.6%	-20 bps	40 bps
	BIS ratio (Regulatory Capital)	16.2%	16.1%	15.4%	-70 bps	-80 bps
Insurance	CET1	10.5%	10.6%	11.4%	80 bps	90 bps
	Gross premiums plus collections ⁽⁷⁾	210.8	218.3	201.6	-7.7%	-4.4%
	Adjustment of technical reserves	60.1	63.6	37.5	-41.0%	-37.6%
Wealth Management	ROIP ⁽⁸⁾	6.1%	6.1%	6.3%	20 bps	20 bps
	AUM	17,701	18,479	18,087	-2.1%	2.2%
	Fees from financial services	36.9	37.1	41.3	11.3%	11.9%

1) Total revenues defined as Net interest and similar income + Fee income from financial services + Other income + Net premiums earned

2) Efficiency ratio is defined as (Salaries and employee benefits + Administrative expenses + Depreciation and amortization) / (Net interest and similar income + Fee income + Other income + Net premiums earned)

3) Adjusted ROAE excludes (i) negative impact of S/ 11.2 million due to M2M in investments at Inteligo, (ii) increase in equity due to primary offering of shares in NYSE, (iii) increase in equity due to secondary sale of Treasury stock in NYSE

4) NIM is defined as (Net interest and similar income) / (Average interest-earning assets). Interest earning assets consider total loans, total investment available for sale and total cash and due from banks funds

5) NIM after provisions. Risk-adjusted NIM excludes the effect of reversion of payroll deduction loan provisions for S/ 38.8 million in 2Q19. Including this effect, risk-adjusted NIM was 4.2% in 2Q19

6) Adjusted cost of risk excludes the effect of reversion of payroll deduction loan provisions for S/ 38.8 million in 2Q19

7) Gross premiums plus collections exclude gross premiums from disability and survivorship contract of S. Sura that expired in December 2018

8) ROIP excluding the impact of IFRS 9 in mark-to-market of securities was 6.1% in 3Q18, 6.3% in 2Q19 and 6.2% in 3Q19

IFS 9M19 adjusted earnings increased 8.5% YoY

IFRS

Intercorp Financial Services

Net profit in S/ million

ROAE

19.6%⁽¹⁾

18.0%

Adjusted ROAE: 18.8%⁽²⁾

956⁽¹⁾

-145

811

9M18

+8.5%

1,037

9M19

Banking

Net profit in S/ million

ROAE

21.1%

20.4%⁽³⁾

772

+11.2%

891

859⁽³⁾

9M18

9M19

+14.2% growth excl. reversion of provisions in 2Q18 and 2Q19⁽⁴⁾

Insurance

Net profit in S/ million

ROAE

9.9%⁽¹⁾

14.1%

65⁽¹⁾

-79

9M18

+47.3%

96

9M19

-145

Wealth Management

Net profit in S/ million

ROAE

26.9%

22.4%⁽⁵⁾

ROAE: 26.4% excl. M2M impact⁽⁶⁾

153

-11.7%

135

131

9M18

9M19

4⁽⁵⁾

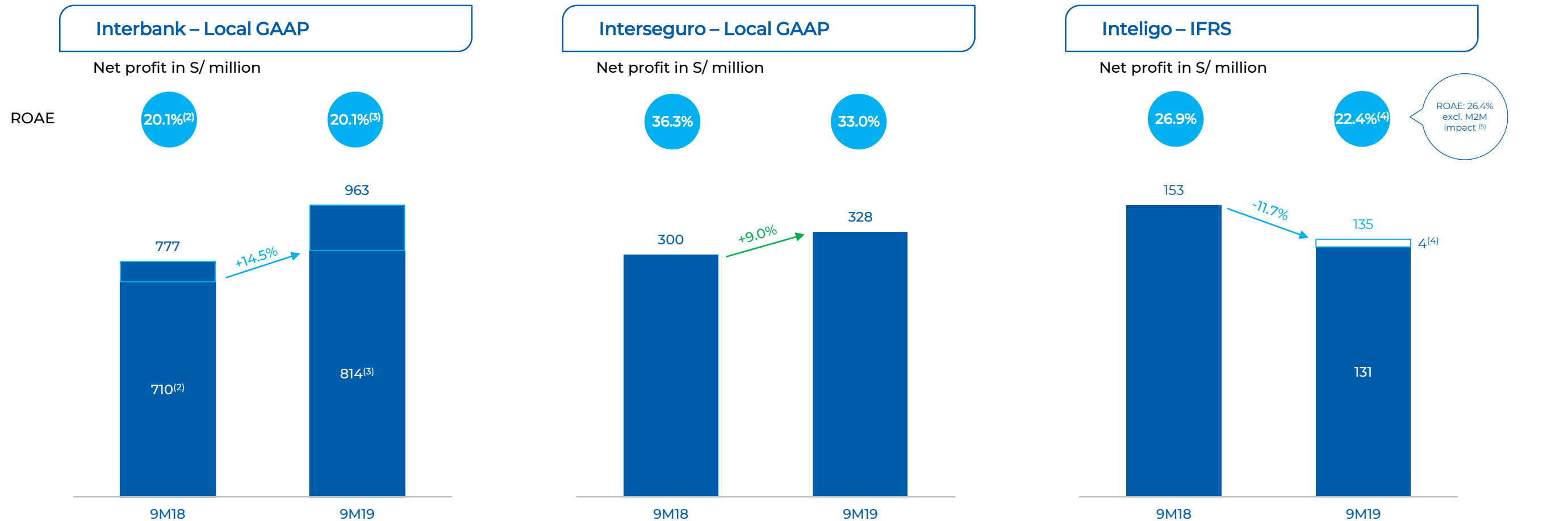
- 1) Adjusted net profit and adjusted ROAE exclude the aggregate negative effect of new mortality tables in our insurance segment for S/ 144.8 million in 2Q18. Including this effect, ROAE was 16.8% for IFS in 9M18 and negative for Interseguro
- 2) Adjusted ROAE excludes (i) negative impact of S/ 26.1 million due to M2M in investments at Inteligo, (ii) increase in equity due to primary offering of shares in NYSE, (iii) increase in equity due to secondary sale of Treasury stock in NYSE
- 3) Adjusted net profit and adjusted ROAE exclude the net gain on sale of Interfondos for S/ 32.4 million in 1Q19
- 4) Reversion of construction sector provisions in 2Q18 for S/ 44.3 million after taxes and reversion of payroll deduction loan provisions in 2Q19 for S/ 27.4 million after taxes
- 5) Excluding asset amortization from Interfondos' acquisition for S/ 4.0 million. Including this effect, ROAE was 21.7% in 9M19
- 6) Excluding negative impact of S/ 26.1 million due to M2M in investments at Inteligo in 9M19

■ Reported figures □ Adjustments

→ Reported growth → Adjusted growth

Relevant net income⁽¹⁾ reached S/ 1,421 million in 9M19, a 15.6% increase YoY

Local GAAP & IFRS



- 1) Relevant net income for dividend payments
- 2) Adjusted for S/128.6 million due to the net gain on sale of securities, partially offset by the effect of voluntary provisions for the construction sector for S/100.0 million, net of taxes and workers profit sharing for S/28.3 million in 1Q18, as well as the reversion of such voluntary provisions for S/4.5 million in 1Q18 and S/10.0 million in 2Q18, net of taxes and workers profit sharing for S/1.4 million in 1Q18 and S/3.3 million in 2Q18
- 3) Adjusted for S/32.4 million due to the net gain on sale of Interfondos in 1Q19 and S/117.0 million due to the net gain on sale of securities in 3Q19
- 4) Excluding asset amortization from Interfondos' acquisition for S/4.0 million. Including this effect, ROAE was 21.7% in 9M19
- 5) Excluding negative impact of S/26.1 million due to M2M in investments at Inteligo in 9M19

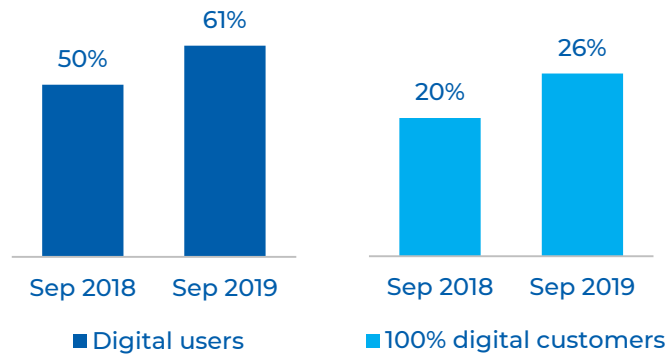
■ Reported figures □ Adjustments

→ Reported growth → Adjusted growth

Positive evolution of our digital transformation indicators

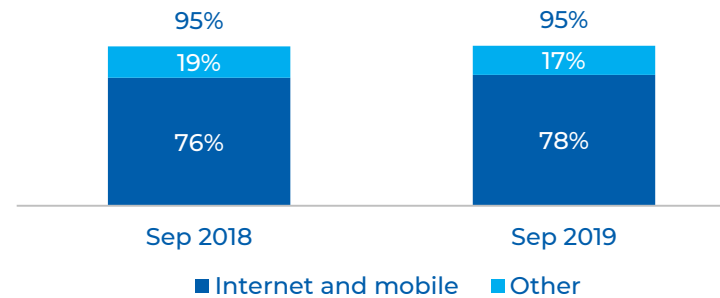
Digital users and 100% digital customers

% of digital users and 100% digital customers at Interbank



Off-branch transactions

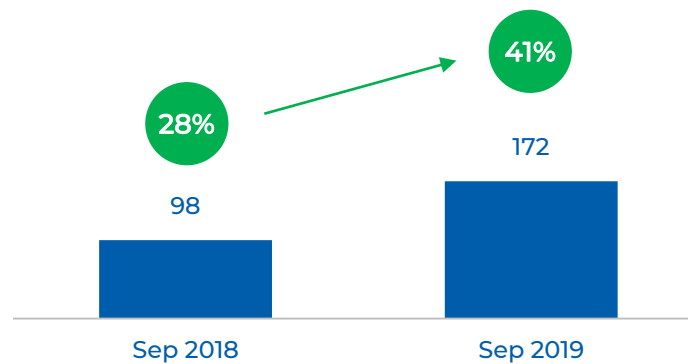
% of total transactions performed through digital platform



Ready-to-scale digital platform

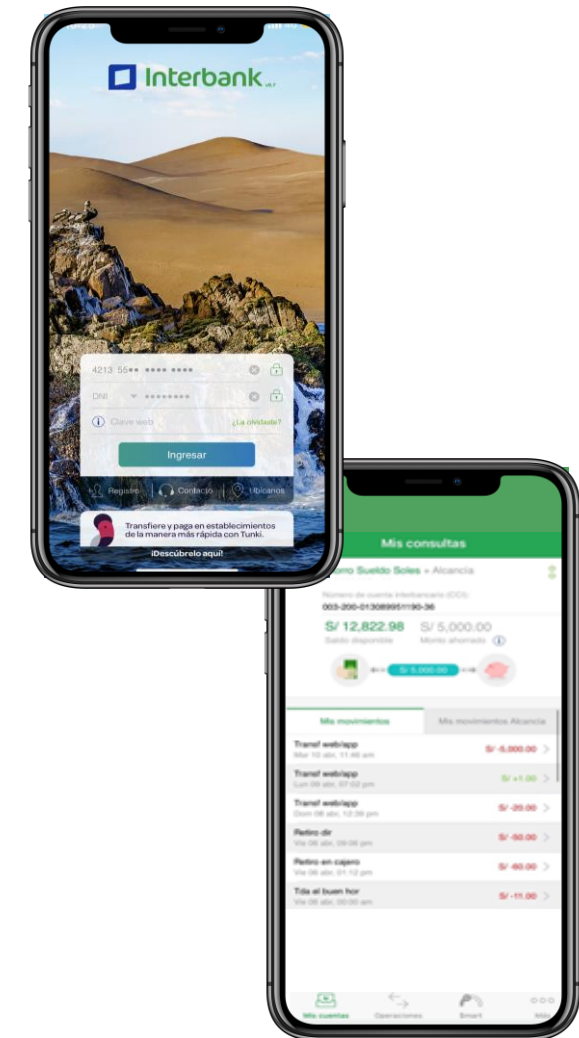
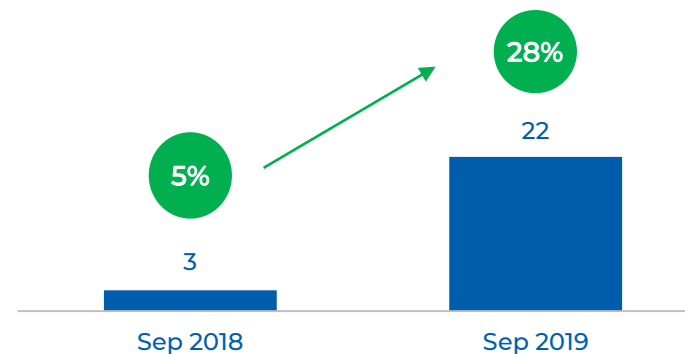
Digital sales

N° and % of products sold digitally (thousand)



Digital acquisition of retail customers

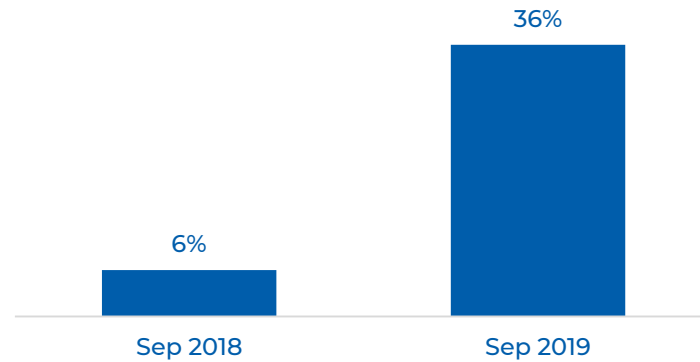
N° and % of monthly retail customers "born digitally" (thousand)



Continuous growth in digital sales

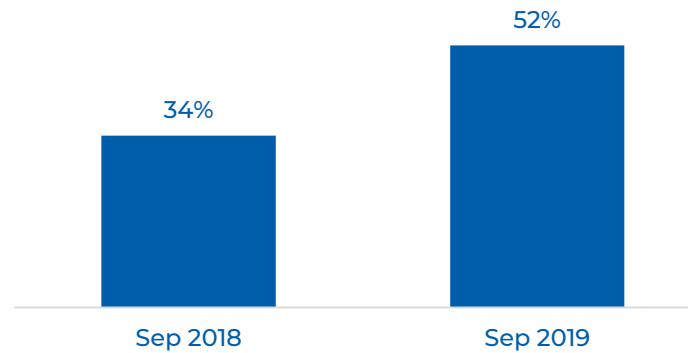
Savings accounts

% of savings accounts opened digitally



Business accounts (Cuenta Negocio)

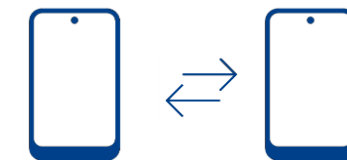
% of business accounts opened digitally



New digital features launched in 3Q19



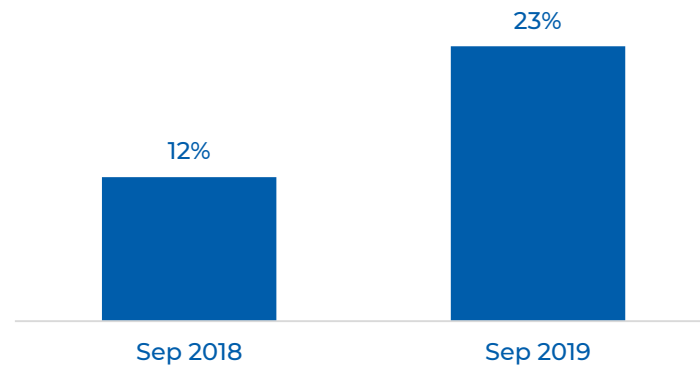
100% digital loans



P2P payments using
cellphone number

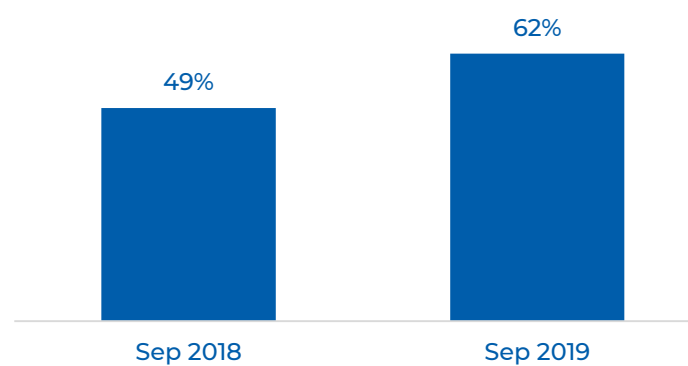
Extracash⁽¹⁾

% of Extracash⁽¹⁾ loans sold digitally



SOAT

% of SOAT policies sold digitally





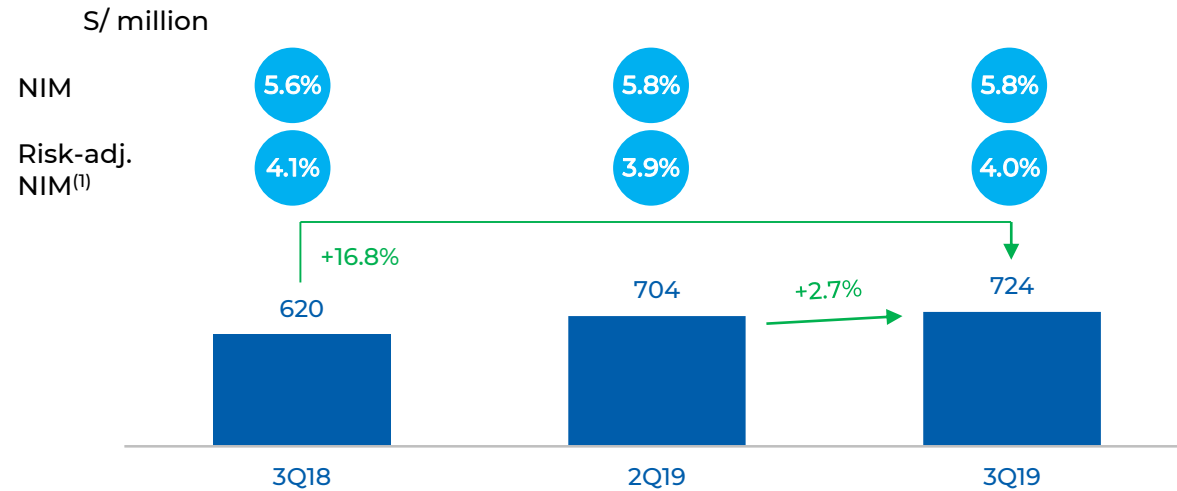
 InterCorp Financial Services

Banking

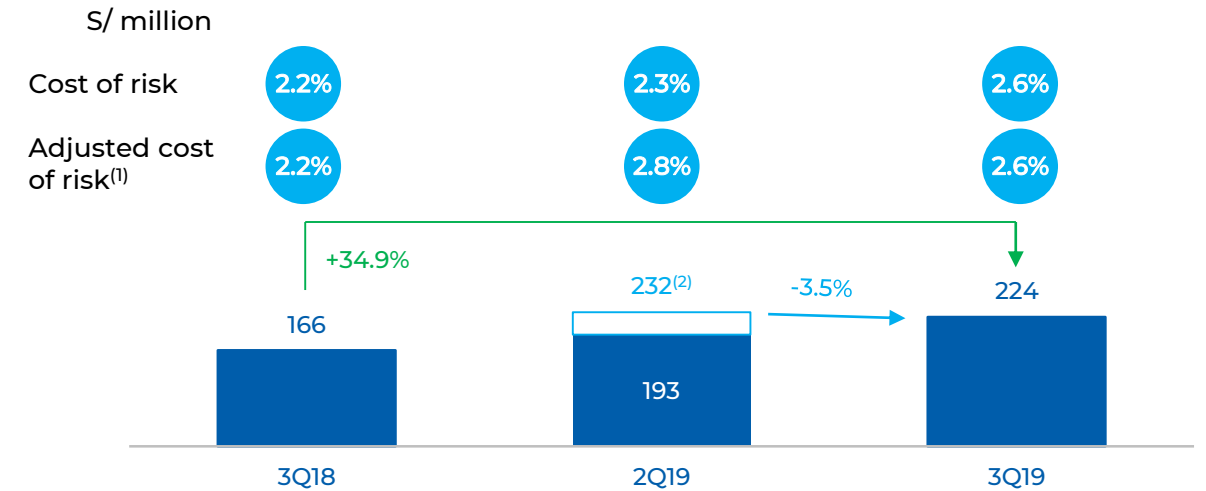
Improvement in NIM and efficiency ratio

IFRS

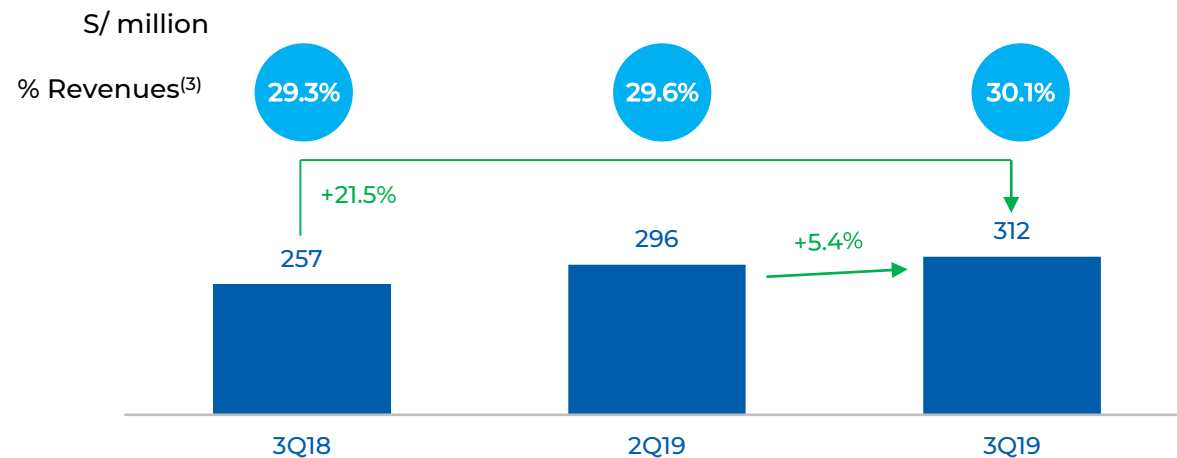
Net interest and similar income



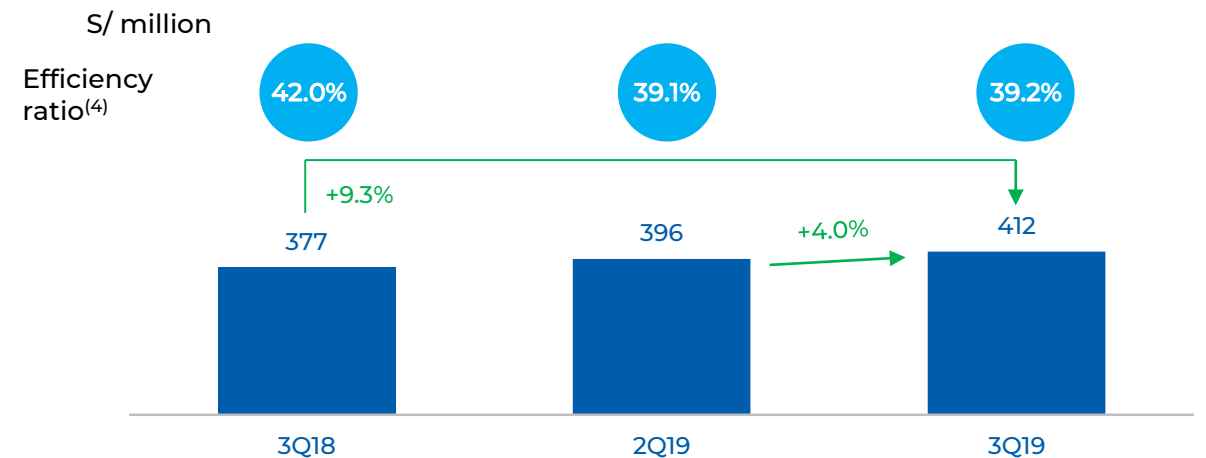
Loan provision expense



Total other income



Other expenses



- 1) Risk-adjusted NIM and adjusted cost of risk exclude the effect of reversion of payroll deduction loans provisions for S/ 38.8 million in 2Q19. Including these effects, risk-adjusted NIM was 4.2% in 2Q19
- 2) Excludes the effect of reversion of payroll deduction loans provisions for S/ 38.8 million in 2Q19
- 3) Ratio is defined as (Fee income + Other income) / (Net interest income + Fee income + Other income)
- 4) Efficiency ratio is defined as (Salaries and employee benefits + Administrative expenses + Depreciation and amortization) / (Net interest and similar income + Fee income + Other income)

■ Reported figures □ Adjustments

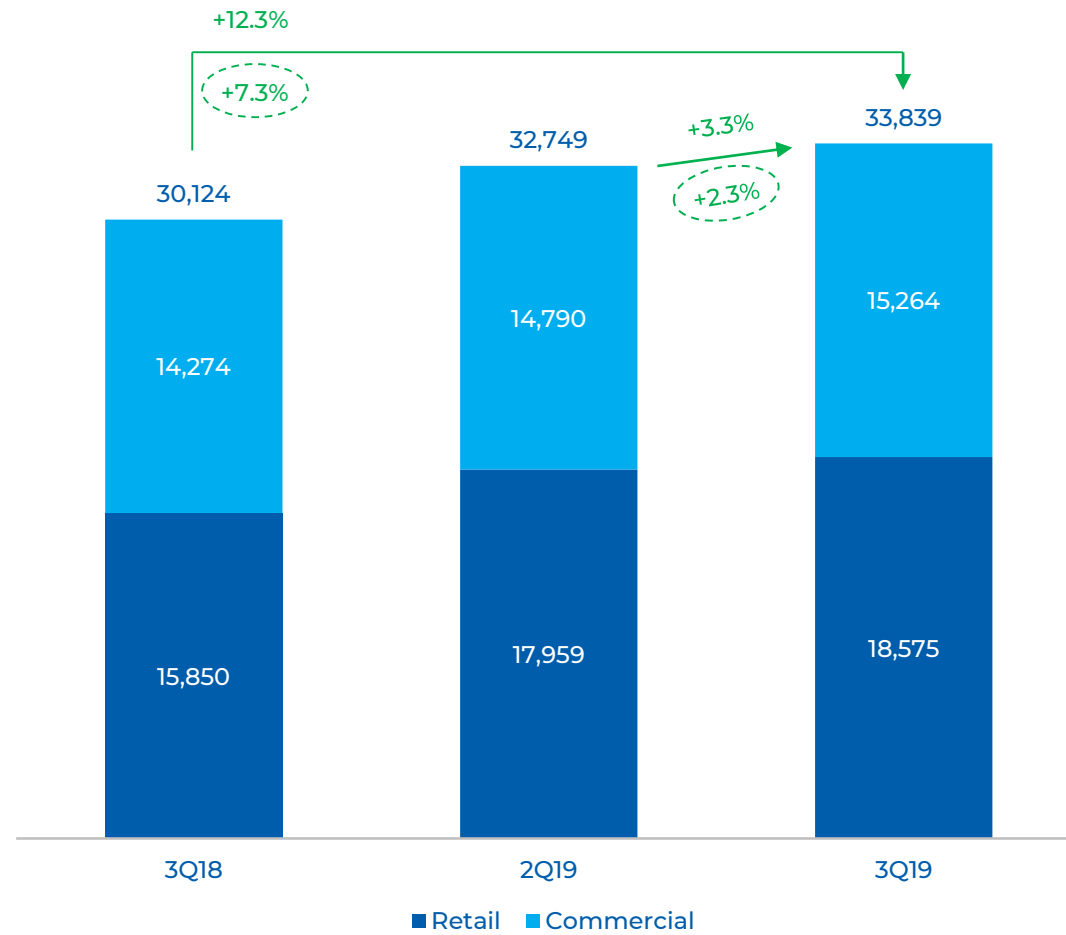
→ Reported growth → Adjusted growth

12.3% YoY loan growth, with a 17.2% increase in retail loans

Performing loans

S/ million

System's growth⁽¹⁾



Breakdown of loans

S/ million

	3Q18	2Q19	3Q19	%chg QoQ	%chg YoY
Consumer loans					
Credit cards	4,518.5	5,396.9	5,662.4	4.9%	25.3%
Other consumer	5,395.7	6,016.6	6,189.2	2.9%	14.7%
Total consumer loans	9,914.2	11,413.6	11,851.6	3.8%	19.5%
Mortgages	5,935.5	6,545.3	6,723.8	2.7%	13.3%
Total retail loans	15,849.7	17,958.8	18,575.5	3.4%	17.2%
Total commercial loans	14,274.0	14,790.5	15,263.8	3.2%	6.9%
Total loans	30,123.6	32,749.3	33,839.3	3.3%	12.3%

Market share in loans⁽¹⁾

	3Q18	2Q19	3Q19	bps QoQ	bps YoY
Consumer loans:					
Credit cards ⁽²⁾	24.5%	26.5%	27.1%	60	260
Other consumer	19.8%	20.2%	19.9%	-30	10
Total consumer loans	21.7%	22.8%	22.9%	10	120
Mortgages	14.1%	14.5%	14.5%	0	40
Total retail loans	18.1%	18.9%	18.9%	0	80
Total commercial loans	8.6%	8.7%	8.8%	10	20
Total loans	11.9%	12.4%	12.5%	10	60

1) Based on SBS figures

2) Annual increase in credit cards market share was partially attributed to the exclusion of Banco Cencosud from the banking system statistics. Banco Cencosud held 3.8% of the banking system's credit cards market as of Feb-19

Retail deposits grew 13.9% YoY, gaining 50 bps in market share

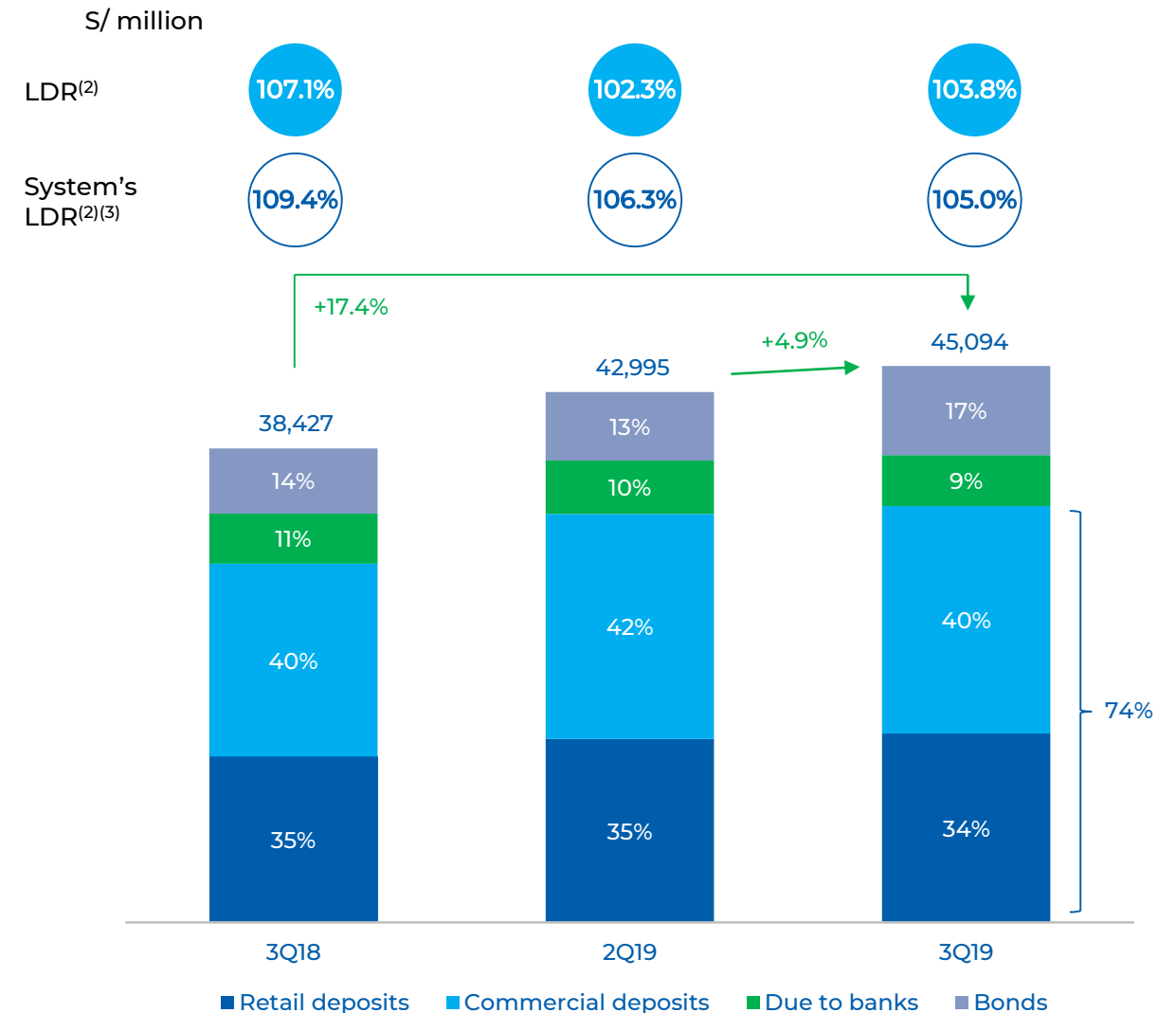
Funding structure

S/ million	3Q18	2Q19	3Q19	%chg QoQ	%chg YoY
Deposits	29,084.2	33,112.4	33,741.8	1.9%	16.0%
Retail	13,442.2	14,878.8	15,316.3	2.9%	13.9%
Commercial ⁽¹⁾	15,642.0	18,233.6	18,425.5	1.1%	17.8%
Due to banks	4,061.8	4,312.9	4,125.9	-4.3%	1.6%
Bonds	5,280.5	5,569.9	7,226.5	29.7%	36.9%
Total	38,426.5	42,995.3	45,094.3	4.9%	17.4%
Average cost of funding	2.9%	3.0%	2.9%	-10 bps	0 bps

Market share in deposits⁽³⁾

	3Q18	2Q19	3Q19	bps QoQ	bps YoY
Retail deposits	13.0%	13.5%	13.5%	0	50
Commercial deposits	11.7%	12.5%	12.1%	-40	40
Total deposits	12.3%	12.9%	12.7%	-20	40

Funding breakdown

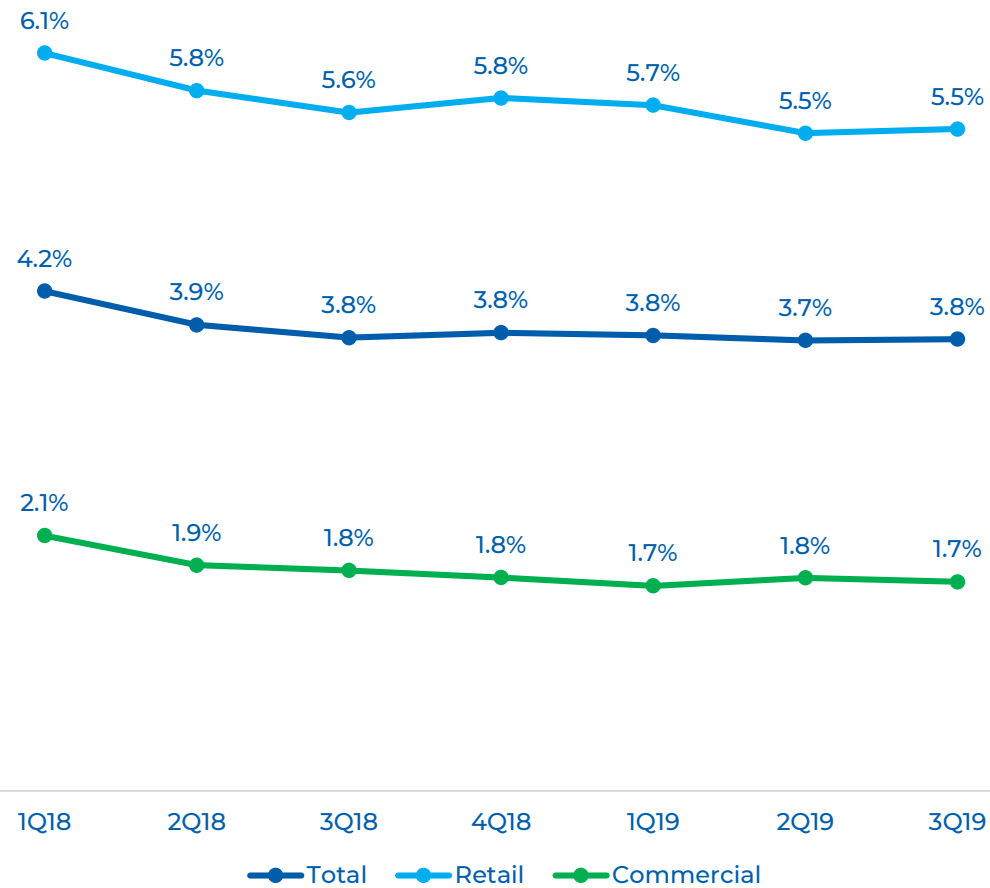


Risk profile remains stable

IFRS

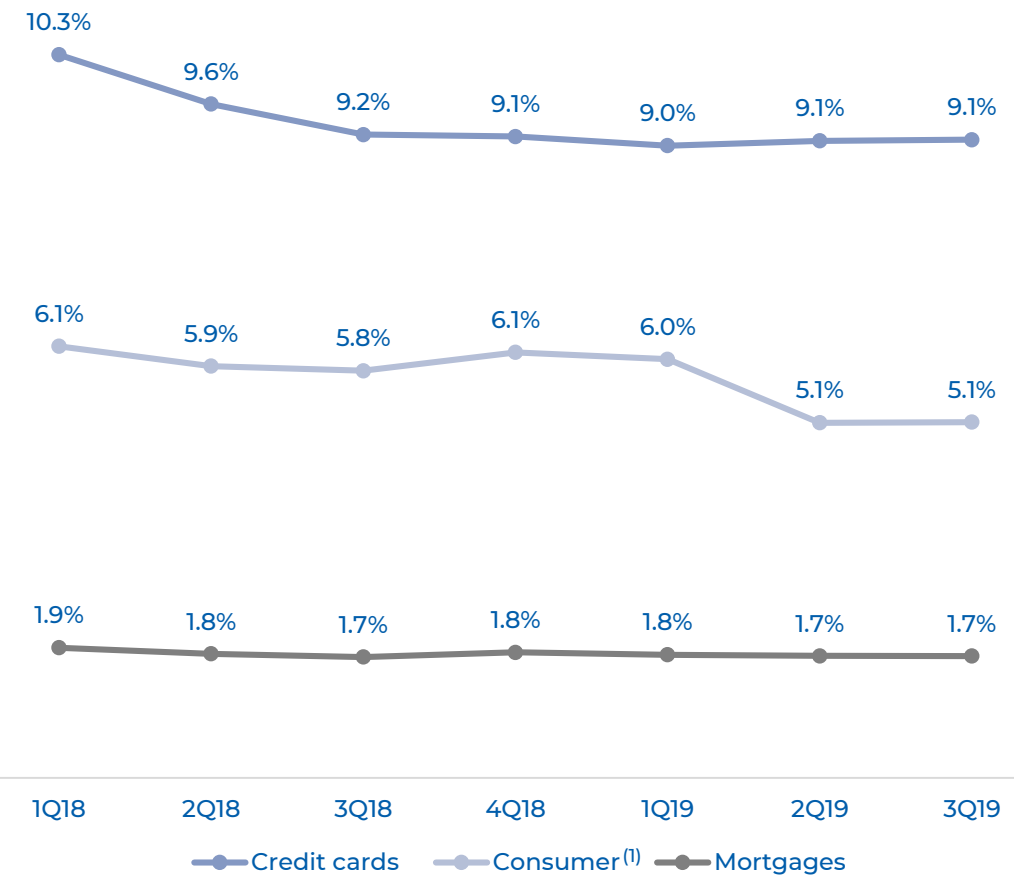
Expected loss

Stock of provisions (% of total exposure)



Expected loss – Retail banking by product

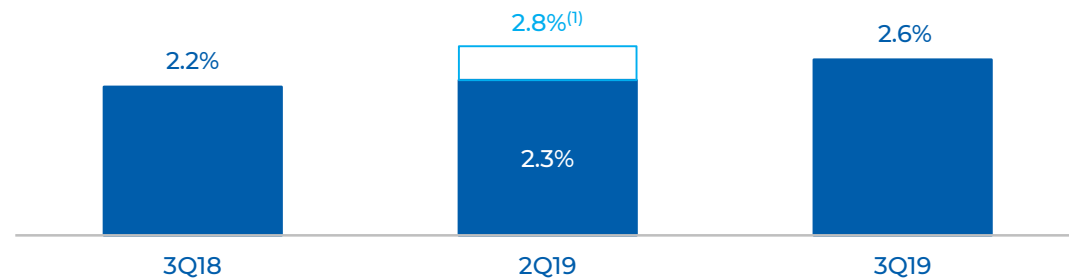
Stock of provisions (% of total exposure)



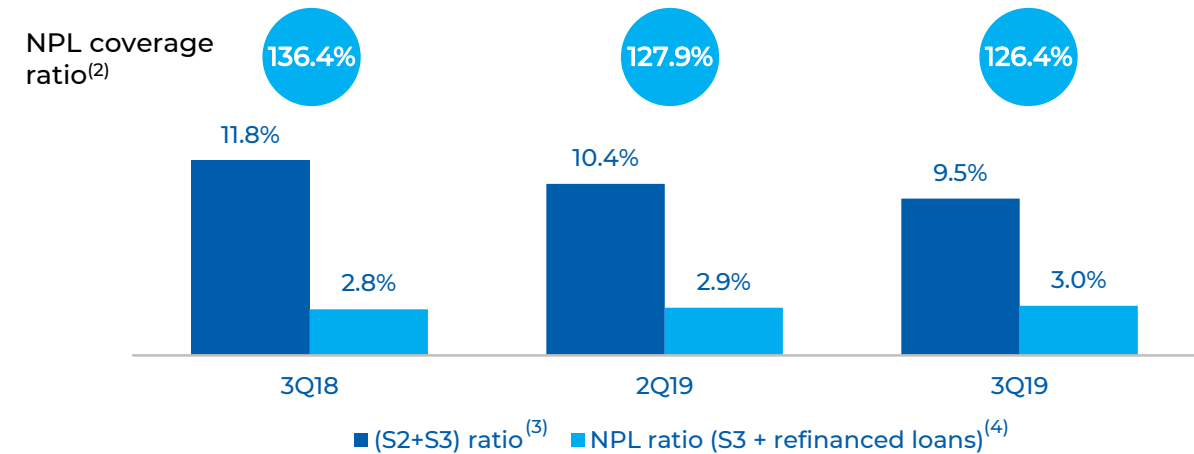
Adjusted cost of risk decreased 20 bps QoQ

IFRS

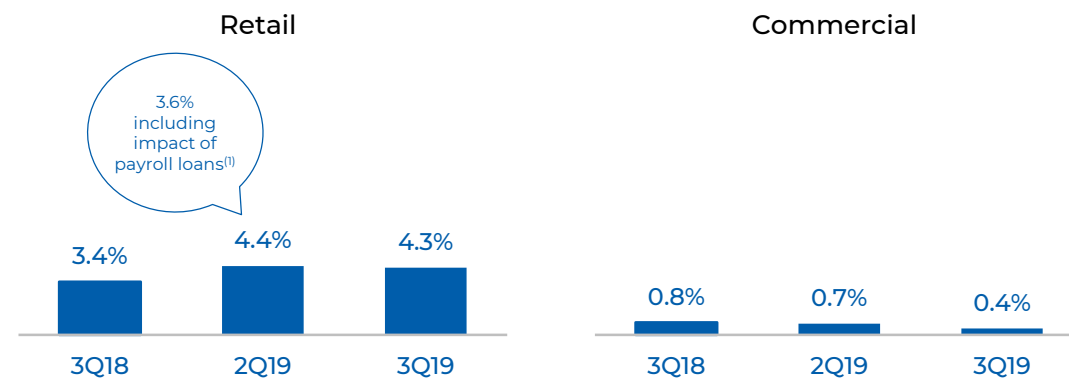
Cost of risk



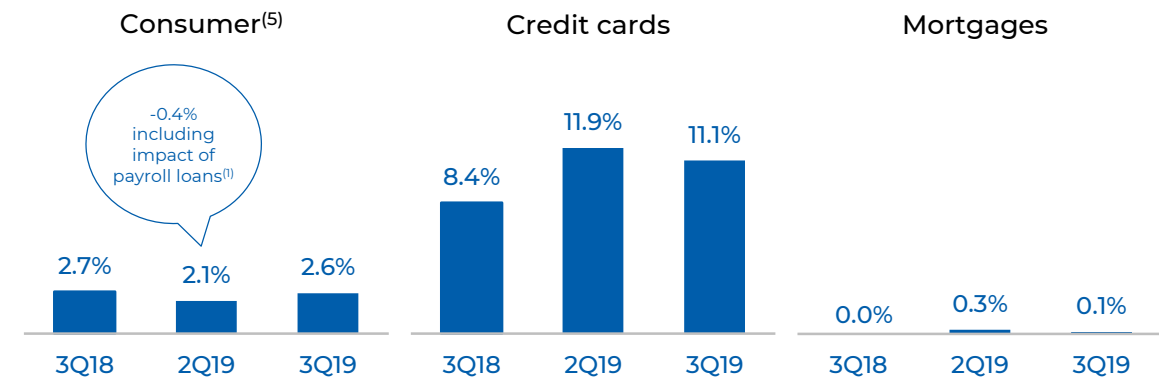
Non-performing exposure



Cost of risk – Retail and commercial banking



Cost of risk – Retail banking by product



1) Impact of reversion of payroll deduction loan provisions for S/ 38.8 million in 2Q19

2) NPL coverage ratio defined as (Stock of provisions) / (Exposure under Stage 3 + Refinanced loans)

3) (S2 + S3) ratio defined as (Exposure under Stage 2 and Stage 3) / (Total exposure under IFRS 9)

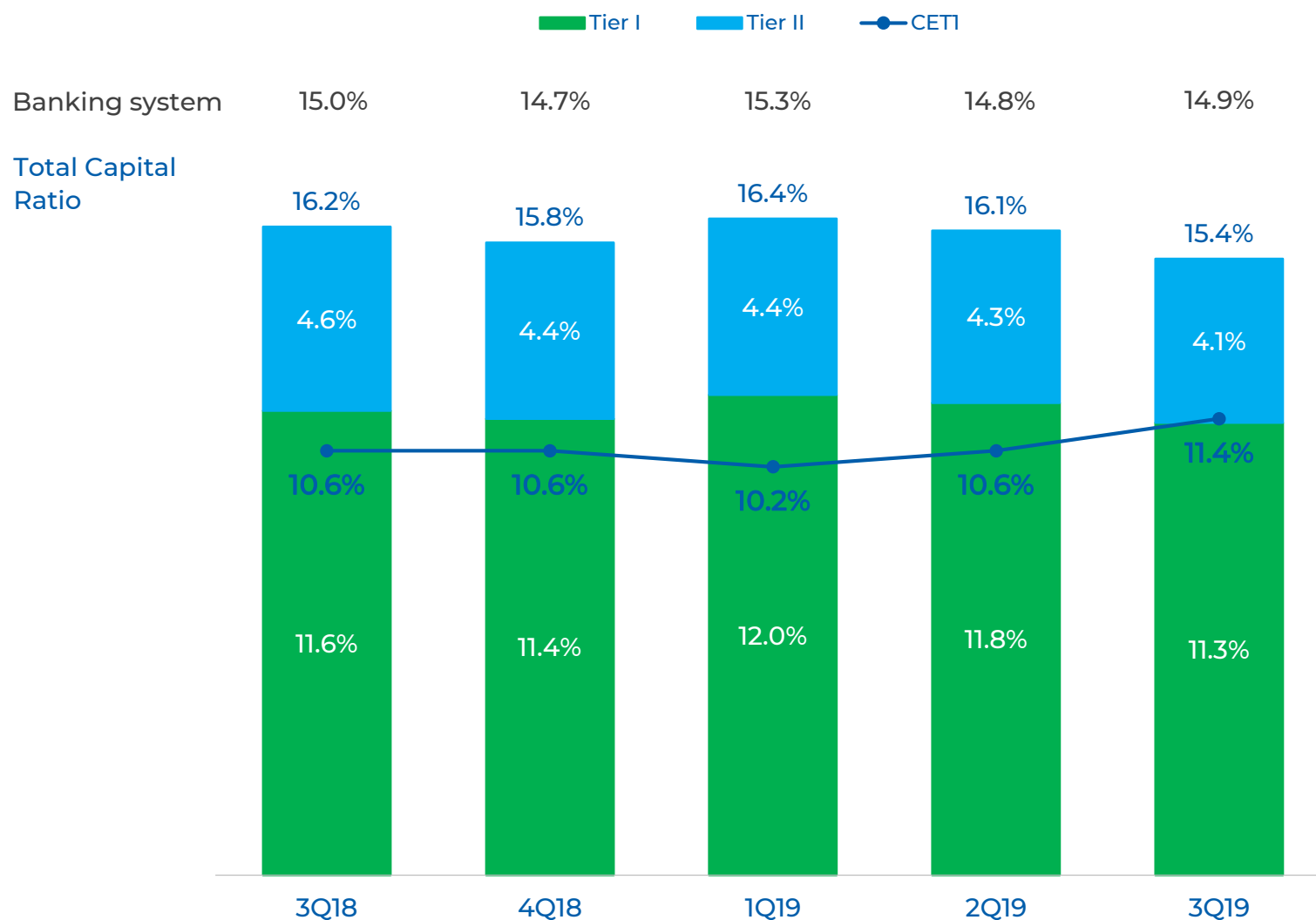
4) NPL ratio defined as (Exposure under Stage 3 and refinanced loans) / (Total exposure under IFRS 9)

5) Excludes credit cards

CET1 improved 80 bps QoQ and YoY

Capital ratio evolution

Capital ratios



- Interbank's capital ratio of 15.4%, above regulatory risk-adjusted minimum capital ratio requirement of 11.6%
- 3Q19 CET1 increased YoY, to 11.4%, despite loan growth of 12.3% and RWA growth of 15.8%



 InterCorp Financial Services

Insurance

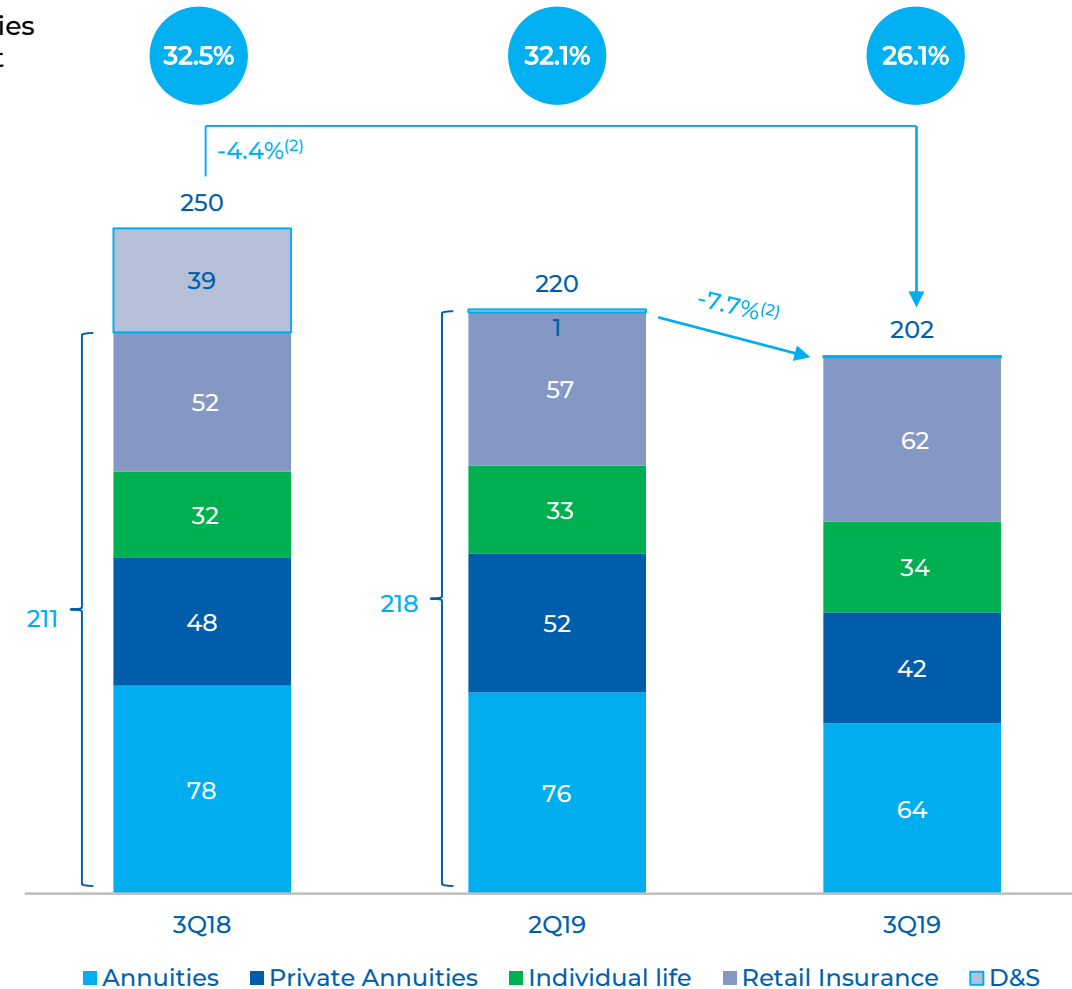
Growth in individual life and retail insurance partially offsets a contraction in annuities

IFRS

Gross premiums plus collections by business unit

S/ million

Annuities
market
share⁽¹⁾



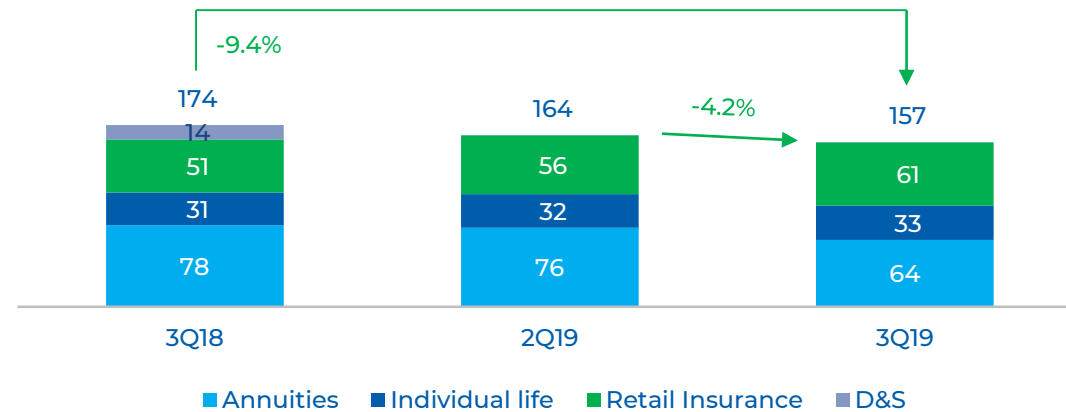
- Regulated Annuities decreased 15.5% QoQ and 18.2% YoY
- Private Annuities decreased 19.7% QoQ and 13.0% YoY
- Individual Life increased 2.5% QoQ and 4.7% YoY
- Retail Insurance increased 7.7% QoQ and 18.4% YoY

Net insurance underwriting result improved 20.8% QoQ and 15.8% YoY

IFRS

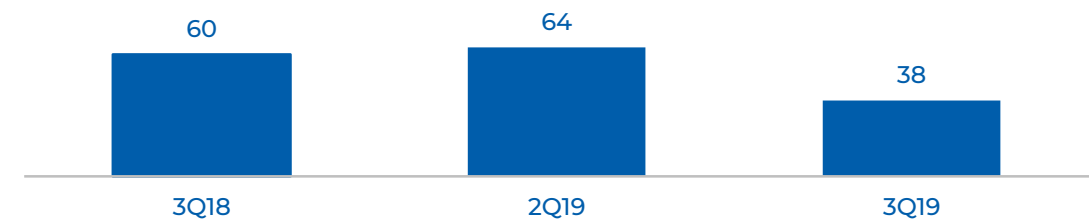
Net premiums

S/ million



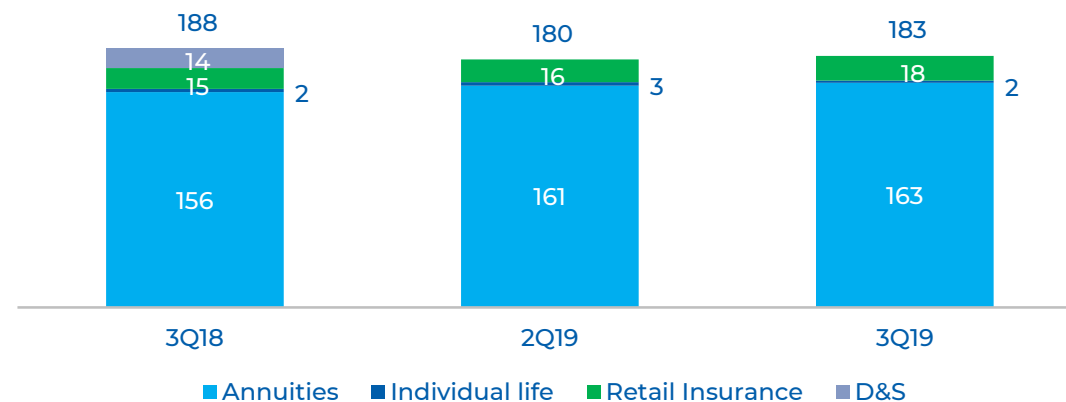
Adjustment of technical reserves

S/ million



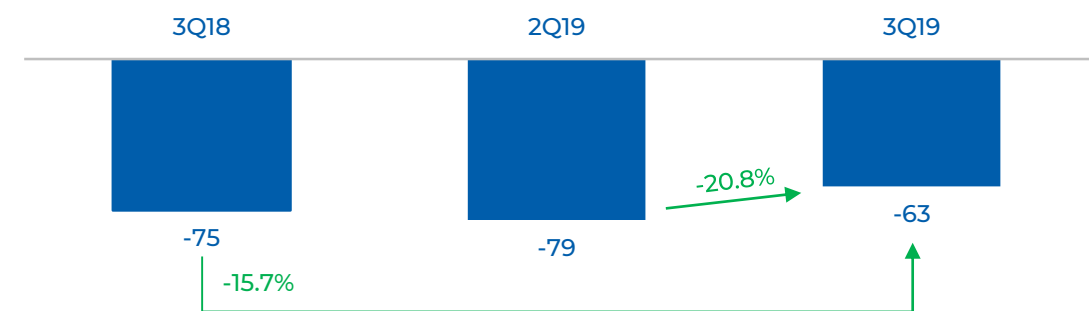
Net claims and benefits incurred

S/ million



Net insurance underwriting result

Total premiums earned minus claims and benefits (S/ million)

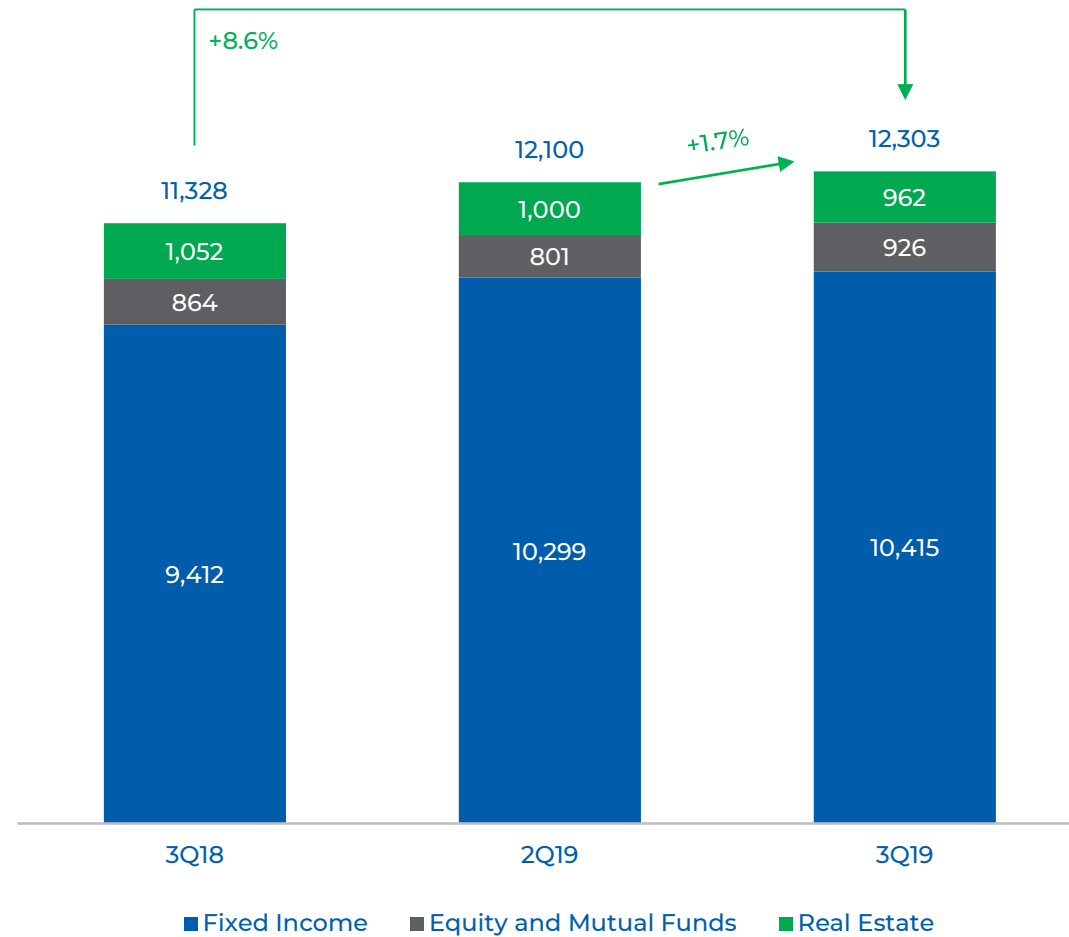


ROIP⁽²⁾ increased 20 bps to 6.3%

IFRS

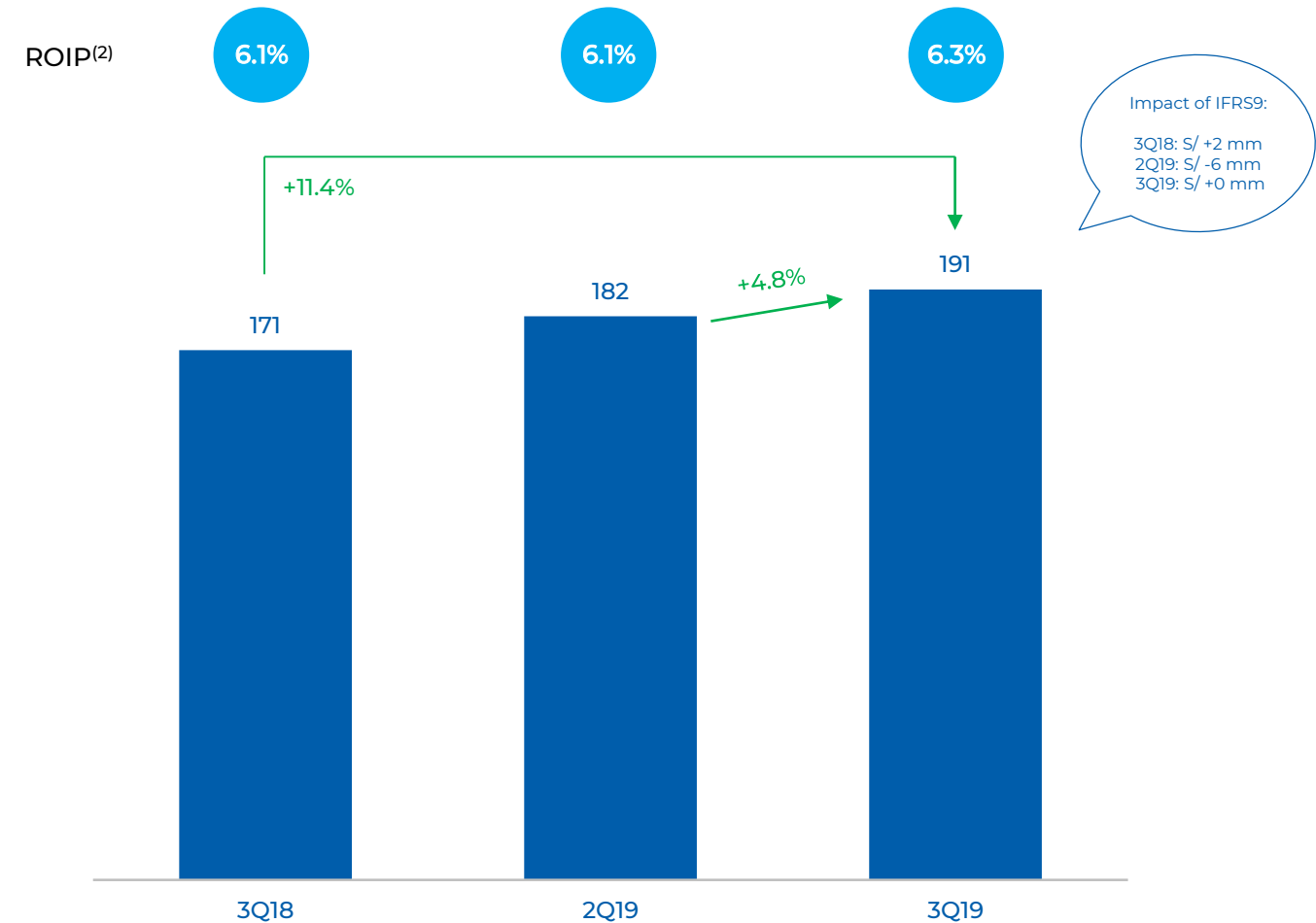
Investment portfolio

S/ million



Results from investments⁽¹⁾

S/ million





 InterCorp Financial Services

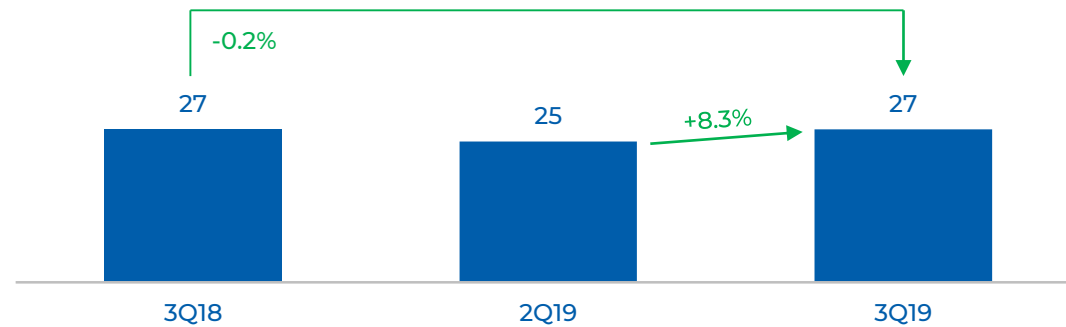
Wealth Management

3Q19 revenues impacted by market dynamics

IFRS

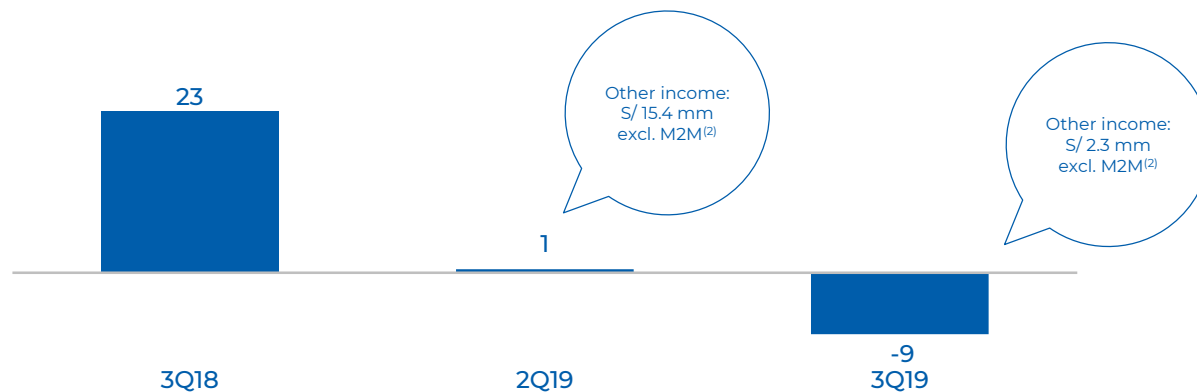
Net interest and similar income

S/ million



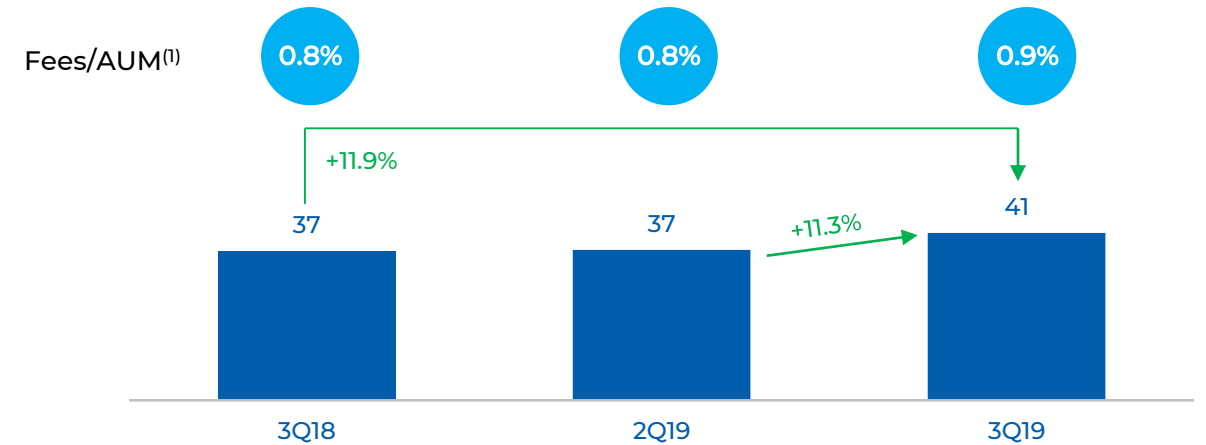
Other income

S/ million



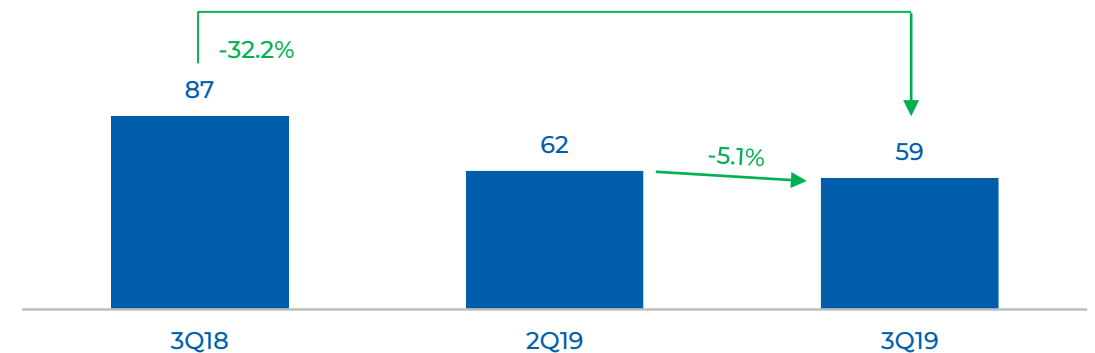
Fees from financial services

S/ million



Revenues

S/ million

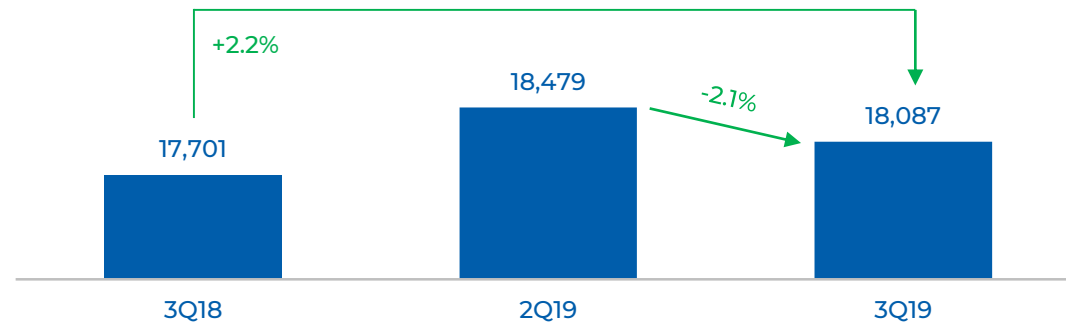


AUM and loans grew 2.2% and 20.7% YoY, respectively

IFRS

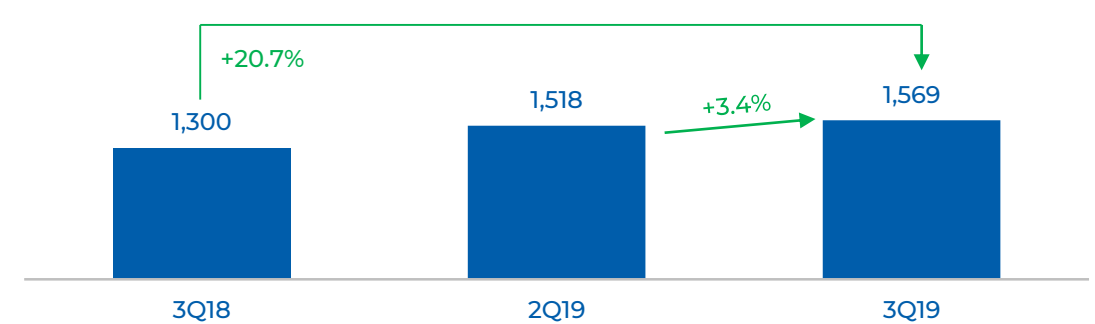
AUM

S/ million



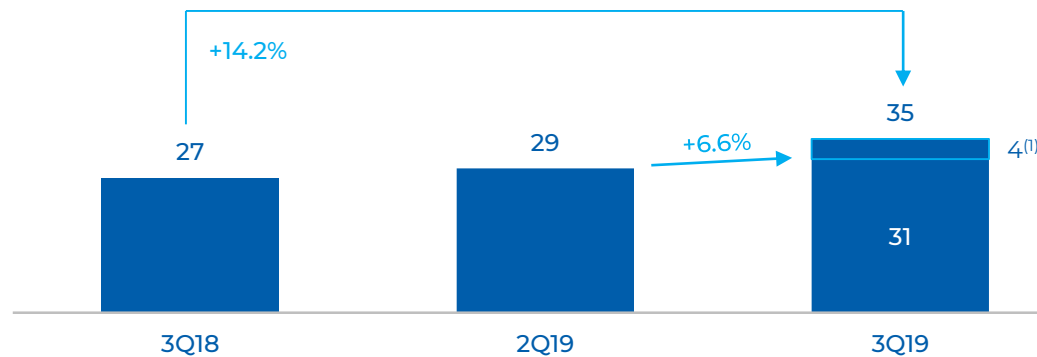
Loans

S/ million



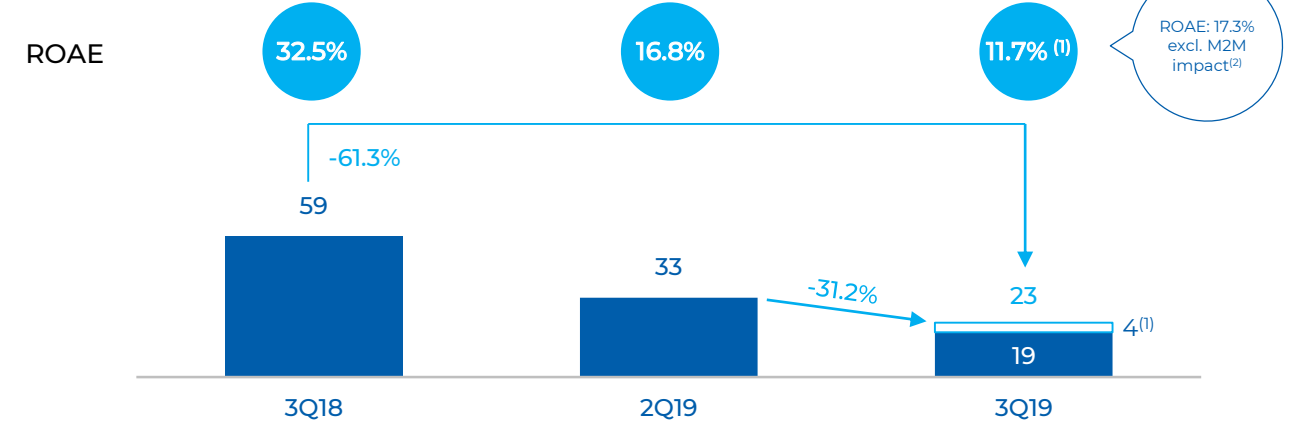
Other expenses

S/ million



Net profit

S/ million





 InterCorp Financial Services

Summary

Takeaways

Banking

Strong quarter with 19.8% ROAE

- Adjusted net profit¹⁾ increased 6.7% QoQ and 19.4% YoY
- 12.3% YoY loan growth, with a 17.2% increase in retail loans
- Retail deposits grew 13.9% YoY, gaining 50 bps in market share in the year
- Adjusted cost of risk decreased 20 bps QoQ
- CET1 up 80 bps QoQ and YoY

Insurance

Solid quarter in earnings with ROAE at 14.9%

- Net profit increased 3.5% QoQ and 70.5% YoY
- Growth in individual life and retail insurance partially offsets a contraction in annuities
- Net insurance underwriting result improved 20.8% QoQ and 15.7% YoY
- ROIP²⁾ increased 20 bps to 6.3%

Wealth Management

Quarterly results impacted by S/ 11.2 million negative mark-to-market in investments

- AUM and loans grew 2.2% and 20.7% YoY, respectively
- Fee income increased 11.3% QoQ and 11.9% YoY

Intercorp Financial Services

3Q19 earnings increased 5.8% YoY and 9M19 adjusted earnings grew 8.5% YoY

- ROAE at 18.0% and adjusted ROAE at 18.8% in 9M19
- Total revenues increased 11.4% YoY; efficiency ratio improved 20 bps QoQ and YoY
- Positive evolution of digital transformation indicators
- Relevant net income for dividend distribution reached S/ 1,421 million in 9M19, up 15.6% YoY

1) Adjusted net profit excludes the reversion of payroll deduction loan provisions in 2Q19 for S/ 27.4 million after taxes

2) ROIP excluding the impact of IFRS 9 in mark-to-market of securities was 6.1% in 3Q18, 6.3% in 2Q19 and 6.2% in 3Q19



 Intercorp Financial Services

Appendix

IFS 3Q19 Statement of financial position

IFRS

Intercorp Financial Services' Statement of financial position					
S/ million	3Q18	2Q19	3Q19	%chg QoQ	%chg YoY
Assets					
Cash and due from banks and inter-bank funds	7,206.3	10,823.0	11,710.7	8.2%	62.5%
Financial investments	18,118.3	17,835.5	18,353.2	2.9%	1.3%
Loans, net of unearned interest	32,680.5	35,647.0	36,880.4	3.5%	12.9%
Impairment allowance for loans	-1,281.2	-1,411.9	-1,465.1	3.8%	14.4%
Property, furniture and equipment, net	606.0	900.2	879.8	-2.3%	45.2%
Other assets	3,381.3	3,378.4	5,045.8	49.4%	49.2%
Total assets	60,711.2	67,172.2	71,404.9	6.3%	17.6%
Liabilities and equity					
Deposits and obligations	31,071.9	35,373.8	36,277.2	2.6%	16.8%
Due to banks and correspondents and inter-bank funds	4,387.0	4,647.0	4,468.8	-3.8%	1.9%
Bonds, notes and other obligations	6,378.6	6,606.2	8,339.3	26.2%	30.7%
Insurance contract liabilities	10,001.9	10,935.1	11,453.3	4.7%	14.5%
Other liabilities	1,851.8	2,167.0	2,385.7	10.1%	28.8%
Total liabilities	53,691.2	59,729.0	62,924.2	5.3%	17.2%
Equity, net					
Equity attributable to IFS' shareholders	6,981.0	7,401.2	8,436.2	14.0%	20.8%
Non-controlling interest	38.9	42.0	44.4	5.7%	14.0%
Total equity, net	7,019.9	7,443.2	8,480.6	13.9%	20.8%
Total liabilities and equity net	60,711.2	67,172.2	71,404.9	6.3%	17.6%

IFS 3Q19 P&L

IFRS

InterCorp Financial Services' P&L statement					
S/ million	3Q18	2Q19	3Q19	%chg QoQ	%chg YoY
Interest and similar income	1,086.2	1,201.7	1,228.9	2.3%	13.1%
Interest and similar expenses	-305.7	-342.3	-344.6	0.7%	12.7%
Net interest and similar income	780.5	859.4	884.2	2.9%	13.3%
Impairment loss on loans, net of recoveries	-165.8	-192.9	-223.6	15.9%	34.9%
Recovery (loss) due to impairment of financial investments	-1.2	0.8	-1.1	n.m.	-6.9%
Net interest and similar income after impairment loss	613.5	667.2	659.5	-1.2%	7.5%
Fee income from financial services, net	204.6	222.7	229.8	3.2%	12.3%
Other income	136.4	129.4	141.9	9.7%	4.0%
Total premiums earned minus claims and benefits	-74.7	-79.4	-62.9	-20.8%	-15.7%
Net Premiums	173.8	164.4	157.5	-4.2%	-9.4%
Adjustment of technical reserves	-60.1	-63.6	-37.5	-41.0%	-37.6%
Net claims and benefits incurred	-188.3	-180.2	-182.9	1.5%	-2.9%
Other expenses	-457.5	-484.7	-498.0	2.7%	8.8%
Income before translation result and income tax	422.3	455.2	470.4	3.3%	11.4%
Translation result	-10.3	11.9	-16.8	n.m.	n.m.
Income tax	-95.9	-117.0	-119.1	1.8%	24.3%
Profit for the period	316.1	350.1	334.5	-4.5%	5.8%
Attributable to IFS' shareholders	314.4	347.9	332.4	-4.5%	5.7%
EPS	2.84	3.14	2.94		
ROAE	18.7%	18.5%	16.8%		
Adjusted ROAE⁽¹⁾	18.7%	18.5%	18.1%		
ROAA	2.1%	2.1%	1.9%		
Efficiency ratio⁽²⁾	34.8%	34.8%	34.6%		

1) Adjusted ROAE excludes (i) negative impact of S/ 11.2 million due to M2M in investments at Inteligo, (ii) increase in equity due to primary offering of shares in NYSE, (iii) increase in equity due to secondary sale of Treasury stock in NYSE

2) Efficiency ratio is defined as (Salaries and employee benefits + Administrative expenses + Depreciation and amortization) / (Net interest and similar income + Fee income + Other income + Net premiums earned)

IFS key indicators 9M19

IFRS

S/ million		9M18	9M19	%chg YoY
IFS	Total revenues ⁽¹⁾	3,635.5	3,979.0	9.4%
	Net interest and similar income	2,334.1	2,574.6	10.3%
	Efficiency ratio ⁽²⁾	34.3%	34.4%	10 bps
	Profit for the period	811.1	1,037.3	27.9%
	Adjusted profit for the period ⁽³⁾	955.8	1,037.3	8.5%
	Adjusted ROAE ⁽³⁾⁽⁴⁾	19.6%	18.8%	-80 bps
	Adjusted ROAA ⁽³⁾	2.1%	2.1%	0 bps
	EPS	7.3	9.2	
Banking	NIM ⁽⁵⁾	5.5%	5.7%	20 bps
	Risk-adjusted NIM ⁽⁶⁾	4.0%	3.9%	-10 bps
	Cost of Risk	2.0%	2.4%	40 bps
	Adjusted Cost of Risk ⁽⁷⁾	2.3%	2.5%	20 bps
	BIS ratio (Regulatory Capital)	16.2%	15.4%	-80 bps
	CET1	10.5%	11.4%	90 bps
Insurance	Gross premiums plus collections ⁽⁸⁾	567.8	644.9	13.6%
	Adjustment of technical reserves	266.4	174.3	-34.6%
	ROIP ⁽⁹⁾	5.7%	6.2%	50 bps
Wealth Management	AUM	17,701	18,087	2.2%
	Fees from financial services	122.6	117.3	-4.3%

- 1) Total revenues defined as Net interest and similar income + Fee income from financial services + Other income + Net premiums earned. Total revenues exclude the aggregate negative effect of new mortality tables in our insurance segment for S/ 144.8 million in 2Q18. Including this effect, total revenues grew 14.0% in 9M19.
- 2) Efficiency ratio is defined as (Salaries and employee benefits + Administrative expenses + Depreciation and amortization) / (Net interest and similar income + Fee income + Other income + Net premiums earned). Efficiency ratio excludes the aggregate negative effect of new mortality tables in our insurance segment for S/ 144.8 million in 2Q18. Including this effect, efficiency ratio was 35.7% in 9M18.
- 3) In 9M18, adjusted net profit, adjusted ROAE and adjusted ROAA exclude the aggregate negative effect of new mortality tables in our insurance segment for S/ 144.8 million in 2Q18. Including this effect, ROAE was 16.8% and ROAA was 1.8%.
- 4) In 9M19, adjusted ROAE excludes (i) negative impact of S/ 26.1 million due to M2M in investments at Inteligo, (ii) increase in equity due to primary offering of shares in NYSE, (iii) increase in equity due to secondary sale of Treasury stock in NYSE.
- 5) NIM is defined as (Net interest and similar income) / (Average interest-earning assets).
- 6) NIM after provisions. Risk-adjusted NIM excludes the effects of reversion of construction sector provisions for S/ 62.9 million in 2Q18 and reversion of payroll deduction loan provisions for S/ 38.8 million in 2Q19. Including these effects, risk-adjusted NIM was 4.3% in 9M18 and 4.1% in 9M19.
- 7) Adjusted cost of risk excludes the effects of reversion of construction sector provisions for S/ 62.9 million in 2Q18 and reversion of payroll deduction loan provisions for S/ 38.8 million in 2Q19.
- 8) Gross premiums plus collections exclude gross premiums from disability and survivorship contract of S. Sura that expired in December 2018.
- 9) ROIP excluding the impact of IFRS 9 in mark-to-market of securities was 5.9% in 9M18 and 6.1% in 9M19.

Banking segment's 3Q19 P&L

IFRS

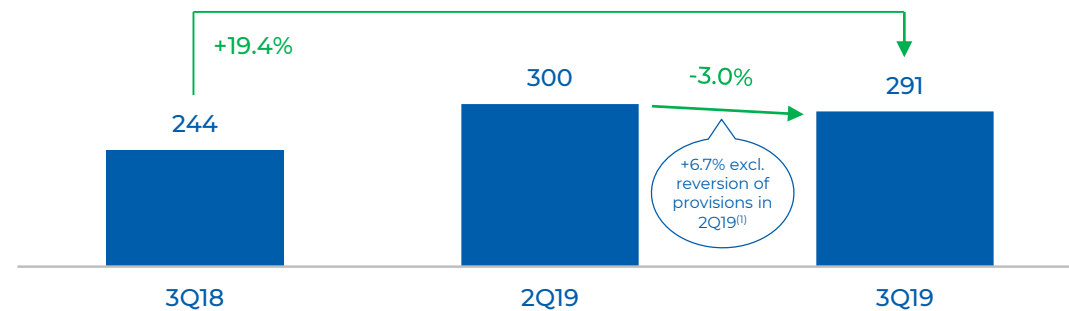
Banking Segment's P&L statement					
S/ million	3Q18	2Q19	3Q19	%chg QoQ	%chg YoY
Interest and similar income	898.4	1,019.1	1,038.2	1.9%	15.6%
Interest and similar expenses	-278.9	-314.9	-314.6	-0.1%	12.8%
Net interest and similar income	619.5	704.3	723.6	2.7%	16.8%
Impairment loss on loans, net of recoveries	-165.8	-193.0	-223.6	15.9%	34.9%
Recovery (loss) due to impairment of financial investments	0.0	0.1	-0.0	n.m.	n.m.
Net interest and similar income after impairment loss	453.7	511.4	500.0	-2.2%	10.2%
Fee income from financial services, net	183.8	200.6	213.4	6.4%	16.1%
Other income	73.1	95.3	98.6	3.4%	35.0%
Other expenses	-376.7	-395.8	-411.8	4.0%	9.3%
Income before translation result and income tax	334.0	411.5	400.2	-2.8%	19.8%
Translation result	-3.6	-3.7	1.2	n.m.	n.m.
Income tax	-86.5	-107.6	-110.2	2.3%	27.3%
Profit for the period	243.9	300.2	291.2	-3.0%	19.4%
ROAE	19.3%	21.7%	19.8%		
Efficiency ratio⁽¹⁾	42.0%	39.1%	39.2%		
NIM⁽²⁾	5.6%	5.8%	5.8%		
NIM on loans	8.7%	8.9%	9.0%		
Risk-adjusted NIM⁽³⁾	4.1%	3.9%	4.0%		

1) Efficiency ratio is defined as (Salaries and employee benefits + Administrative expenses + Depreciation and amortization) / (Net interest and similar income + Fee income + Other income)
2) NIM is defined as (Net interest and similar income) / (Average interest-earning assets). Interest earning assets consider total loans, total investment available for sale and total cash and due from banks funds
3) NIM after provisions. Risk-adjusted NIM excludes the effect of reversion of payroll deduction loan provisions for S/ 38.8 million in 2Q19. Including this effect, risk-adjusted NIM was 4.2% in 2Q19

Banking segment's net profit IFRS vs. Local GAAP

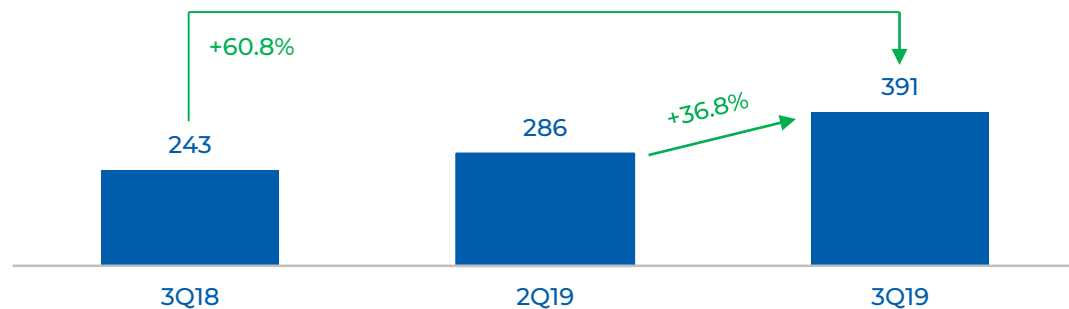
Net profit – IFRS

S/ million



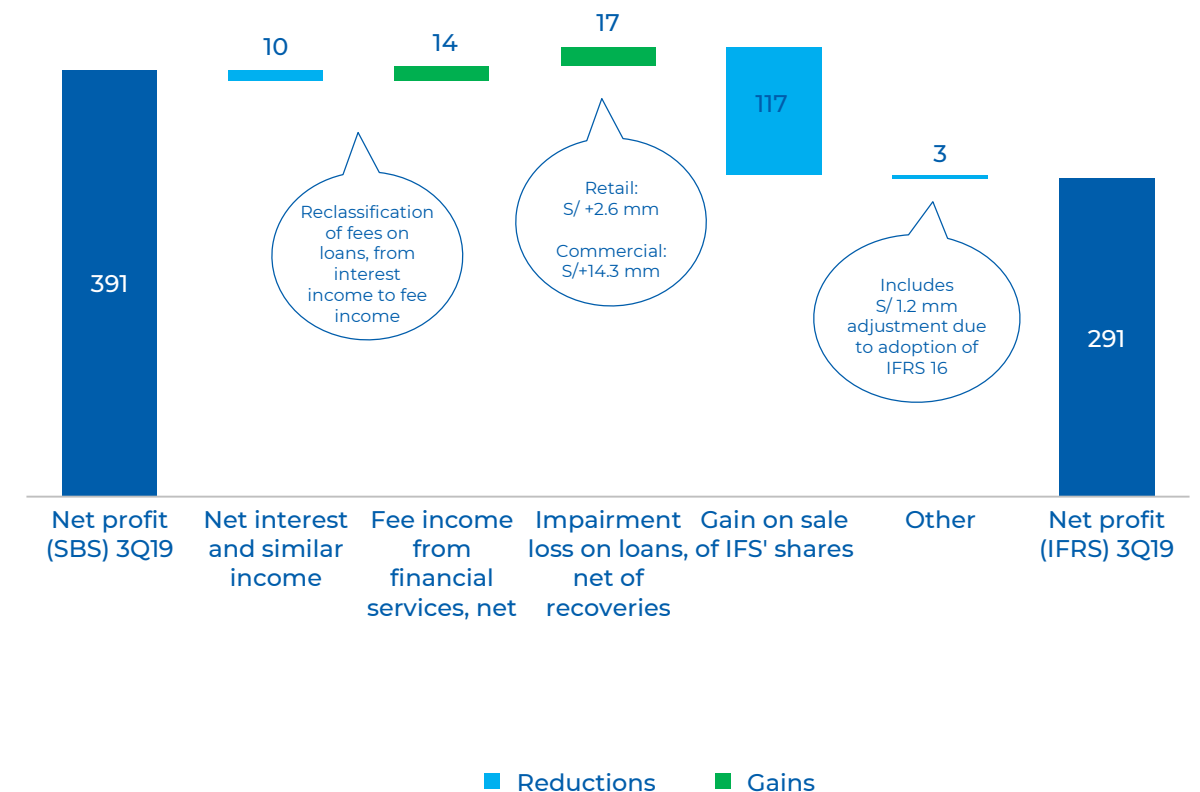
Net profit – Local GAAP

S/ million

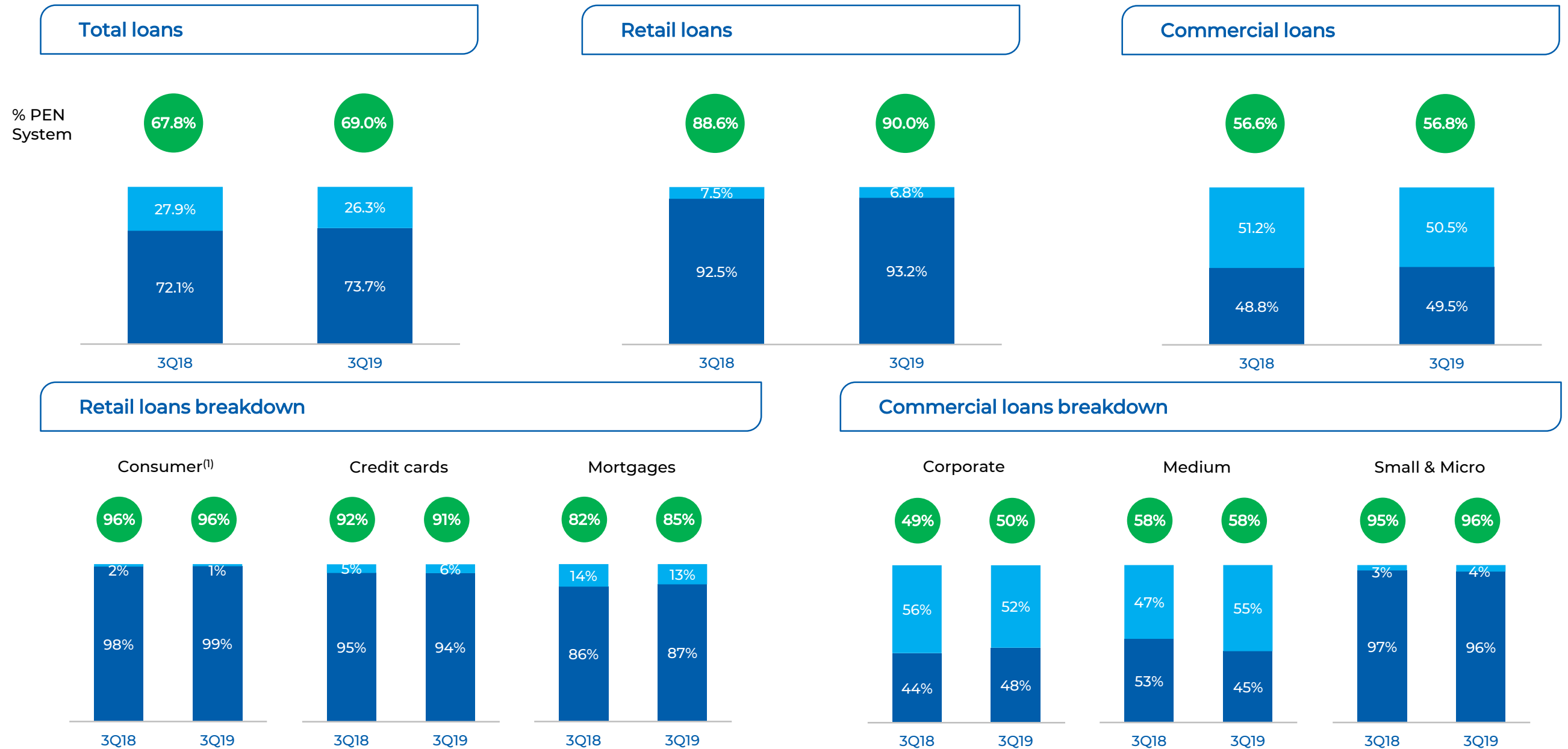


Net profit bridge from Local GAAP to IFRS (3Q19)

S/ million



Dollarization decreased in retail and commercial loans

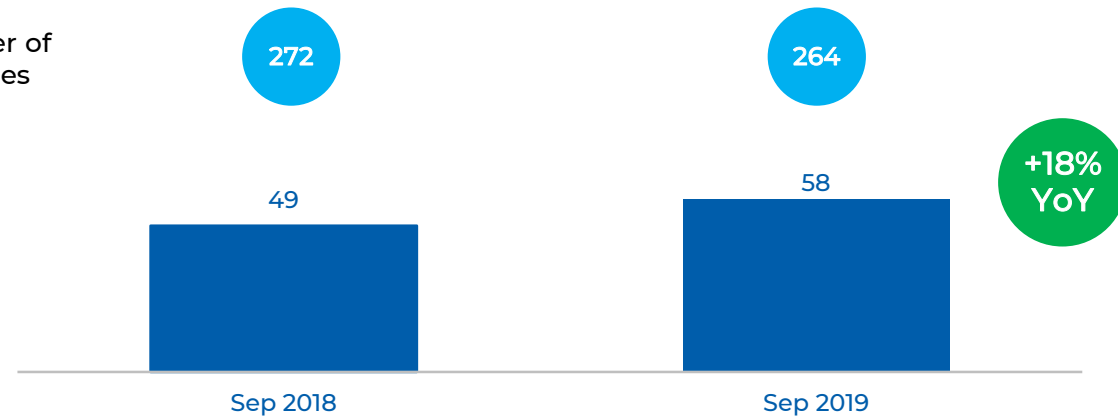


Further improvement in productivity supported by our digital transformation

Retail deposits per branch

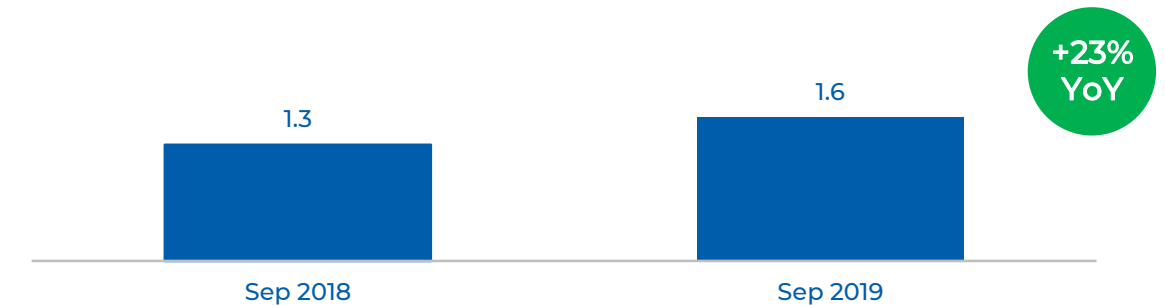
Retail deposit balances / n° of branches (S/ million)

Number of
branches



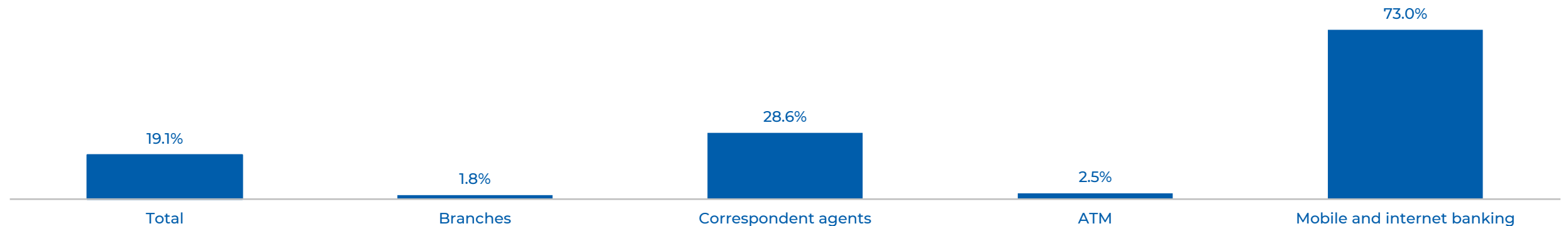
Products sold per branch

N° of products sold / n° of branches (thousand)



Monetary transactions by channel

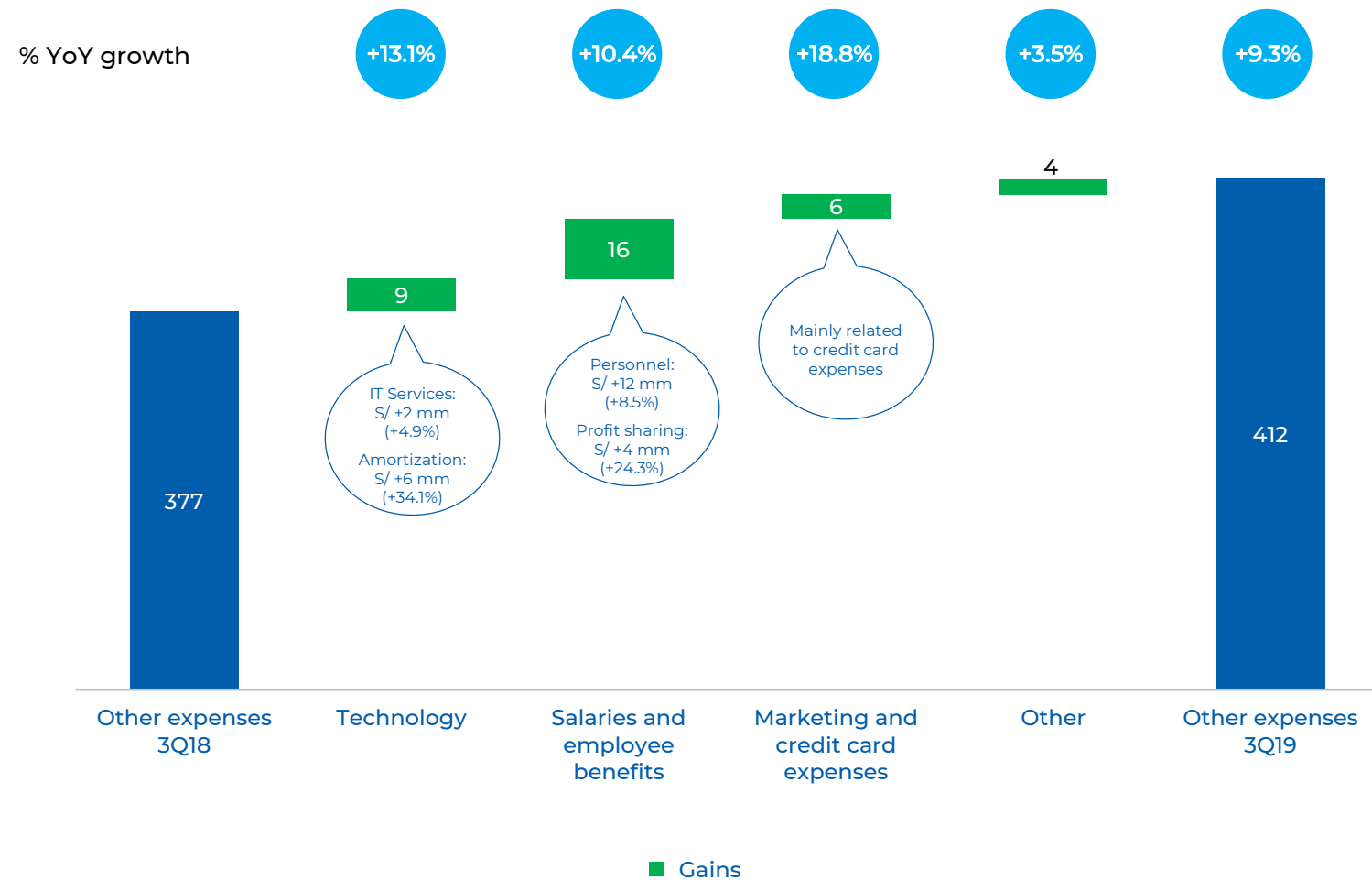
YoY growth of monetary transactions by channels (September 2019 vs September 2018)



Other expenses grew 9.3% YoY

Growth in other expenses

YoY growth in other expenses by line



- Efficiency ratio at 39.2% in 3Q19, compared to 39.1% in 2Q19 and 42.0% in 3Q18

- Total expenses / Assets ratio at 3.1% in 3Q19, down 10 bps QoQ and 20 bps YoY

Insurance segment's 3Q19 P&L

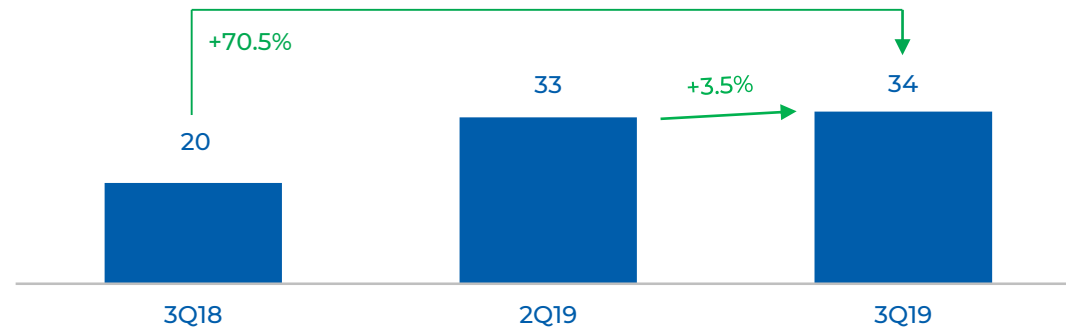
IFRS

Insurance Segment's P&L Statement					
S/ million	3Q18	2Q19	3Q19	%chg QoQ	%chg YoY
Interest and similar income	147.3	152.2	148.0	-2.7%	0.4%
Interest and similar expenses	-14.2	-12.3	-14.5	17.3%	1.8%
Net Interest and similar income	133.1	139.8	133.5	-4.5%	0.3%
Recovery (loss) due to impairment of financial investments	-1.5	0.4	-0.6	n.m.	-56.5%
Net Interest and similar income after impairment loss	131.7	140.2	132.9	-5.3%	0.9%
Fee income from financial services, net	-1.0	-1.0	-1.2	25.8%	19.4%
Other income	36.2	38.7	54.9	41.7%	51.4%
Total premiums earned minus claims and benefits	-74.7	-79.4	-62.9	-20.8%	-15.7%
Net premiums	173.8	164.4	157.5	-4.2%	-9.4%
Adjustment of technical reserves	-60.1	-63.6	-37.5	-41.0%	-37.6%
Net claims and benefits incurred	-188.3	-180.2	-182.9	1.5%	-2.9%
Other expenses	-69.0	-74.4	-74.8	0.5%	8.3%
Income before translation result and income tax	23.2	24.2	48.8	102.0%	110.8%
Translation result	-3.3	8.6	-14.9	n.m.	n.m.
Income tax	-	-	-	n.m.	n.m.
Profit for the period	19.9	32.8	34.0	3.5%	70.5%
ROAE	8.4%	13.6%	14.9%		
Efficiency ratio⁽¹⁾	12.4%	13.8%	11.9%		

Insurance segment's net profit IFRS vs. Local GAAP

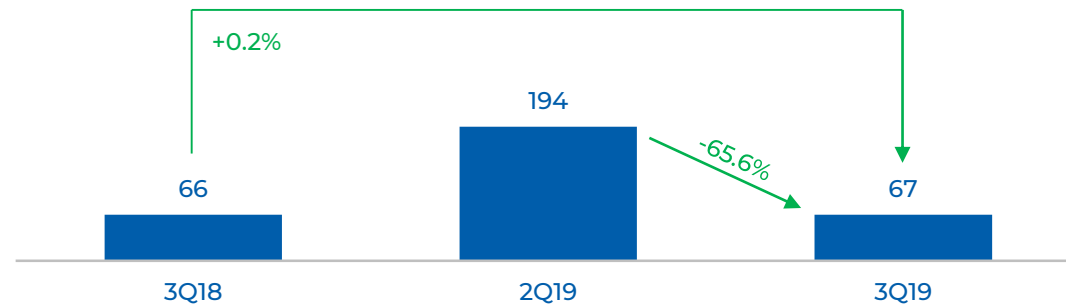
Net profit – IFRS

S/ million



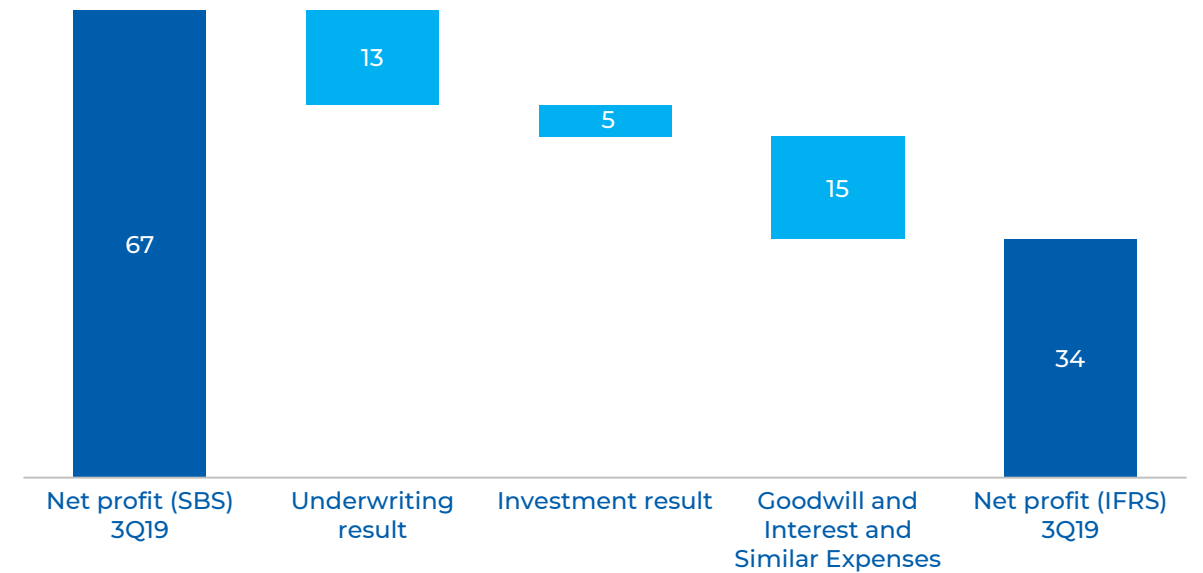
Net profit – Local GAAP

S/ million



Net profit bridge from Local GAAP to IFRS (3Q19)

S/ million



■ Reductions

Wealth management segment's 3Q19 P&L

IFRS

Wealth Management Segment's P&L Statement					
S/ million	3Q18	2Q19	3Q19	%chg QoQ	%chg YoY
Interest and similar income	38.2	38.9	42.5	9.0%	11.2%
Interest and similar expenses	-11.6	-14.4	-15.9	10.4%	37.4%
Net interest and similar income	26.6	24.5	26.6	8.3%	-0.2%
Impairment loss on loans, net of recoveries	0.0	0.0	0.0	-25.6%	n.m.
Recovery (loss) due to impairment of financial investments	0.2	0.3	-0.5	n.m.	n.m.
Net interest and similar income after impairment loss	26.8	24.8	26.1	4.9%	-2.8%
Fee income from financial services, net	36.9	37.1	41.3	11.3%	11.9%
Other income	23.4	0.5	-8.9	n.m.	n.m.
Other expenses	-26.8	-28.7	-34.6	20.7%	29.2%
Income before translation result and income tax	60.4	33.8	23.9	-29.3%	-60.5%
Translation result	0.1	1.6	-3.2	n.m.	n.m.
Income tax	-1.2	-2.1	-1.7	-17.2%	42.9%
Profit for the period	59.3	33.4	18.9	-43.2%	-68.1%
ROAE	32.5%	16.8%	9.7%		
Efficiency ratio⁽¹⁾	30.7%	45.9%	58.6%		

Safe Harbor for Forward-Looking Statements

This corporate presentation contains “forward looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934. All statements other than statements of historical facts included in this corporate presentation regarding IFS’ business, financial condition, results of operations and certain of IFS’ plans, objectives, assumptions, projections, expectations or beliefs and statements regarding other future events or prospects are forward-looking statements. These statements include, without limitation, those concerning: IFS’ strategy and IFS’ ability to achieve it; IFS’ recent developments; expectations regarding sales, profitability and growth; IFS’ possible or assumed future results of operations; capital expenditures and investment plans; adequacy of capital; and financing plans. In addition, this corporate presentation includes forward-looking statements relating to IFS’ potential exposure to various types of market risks, such as macroeconomic risk, Peru specific risks, foreign exchange rate risk, interest rate risks and other risks related to IFS’ financial performance. The words “aim,” “may,” “will,” “expect,” “is expected to,” “anticipate,” “believe,” “future,” “continue,” “help,” “estimate,” “plan,” “schedule,” “intend,” “should,” “would be,” “seeks,” “estimates,” “shall,” or the negative or other variations thereof, as well as other similar expressions regarding matters that are not historical facts, are or may indicate forward-looking statements.

IFS has based these forward-looking statements on its management’s current views with respect to future events and financial performance. These views reflect the best judgment of IFS’ management but involve a number of risks and uncertainties which could cause actual results to differ materially from those predicted in IFS’ forward-looking statements and from past results, performance or achievements. Although we believe that the estimates reflected in the forward-looking statements are reasonable, such estimates may prove to be incorrect. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. These factors include, among other things: (a) IFS’ holding company structure; (b) economic, business and political developments in Peru and globally; (c) changes in Peruvian, Panamanian and Bahamian and other foreign laws and regulations, including the adoption of new capital requirements for banks or insurance companies; (d) increased competition in the Peruvian financial services and insurance markets; (e) increased inflation; (f) exchange rate instability and government measures to control foreign exchange rates; (g) developments affecting the purchasing power of middle income consumers or consumer spending generally; (h) increases in interest rates; (i) downturns in the capital markets and changes in capital markets in general that affect policies or attitudes towards lending to Peru or Peruvian companies or securities issued by Peruvian companies; (j) IFS’ ability to keep up with technological changes; (k) the inability to obtain the capital we need for further expansion of IFS’ businesses; (l) the inability to attract and retain key personnel; (m) changes in tax laws; (n) severe weather, natural disasters and adverse climate changes; (o) changes in regional or global markets; (p) dependence on sovereign debt in IFS’ investment portfolios; (q) credit and other risks of lending, such as increases in defaults of borrowers; (r) increased costs of funding or IFS’ inability to obtain additional debt or equity financing on attractive terms or at all; (s) a deterioration in the quality of IFS’ assets; (t) allowances for impairment losses may be inadequate; (u) changes to accounting standards; (v) changes in actuarial assumptions upon which IFS’ annuity business is based; (w) failure to adequately price insurance premiums; (x) decreases in the spread between investment yields and implied interest rates in annuities; (y) dependence on information technology systems and cybersecurity risks; and (z) other risks and uncertainties.

Additionally, new risks and uncertainties can emerge from time to time, and it is not possible for IFS to predict all future risks and uncertainties, nor can IFS assess their potential impact. Accordingly, you should not place undue reliance on forward-looking statements as a prediction of actual results.

All forward-looking statements included in this corporate presentation are based on information available to IFS on the date of this corporate presentation. IFS undertakes no obligation to update publicly or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as may be required by applicable law. All other written and oral forward-looking statements attributable to IFS or persons acting on IFS’ behalf are expressly qualified in their entirety by the cautionary statements contained throughout this corporate presentation.

 **Intercorp Financial Services**

