

**InterCorp Financial Services Inc. and Subsidiaries**

Interim consolidated financial statements as of June 30, 2021, December 31, 2020  
and for the six-month periods ended June 30, 2021 and 2020

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## Intercorp Financial Services Inc. and Subsidiaries

### Interim consolidated statement of financial position

As of June 30, 2021 (unaudited) and December 31, 2020 (audited)

	Note	30.06.2021 S/(000)	31.12.2020 S/(000)		Note	30.06.2021 S/(000)	31.12.2020 S/(000)
<b>Assets</b>				<b>Liabilities and equity</b>			
Cash and due from banks	4(a)			Deposits and obligations	9		
Non-interest bearing		6,039,132	3,397,663	Non-interest bearing		8,997,236	9,354,487
Interest bearing		12,795,340	14,750,135	Interest bearing		40,494,487	37,794,788
Restricted funds		575,892	617,684			49,491,723	47,149,275
		19,410,364	18,765,482				
Inter-bank funds	4(e)	-	18,105	Inter-bank funds	4(e)	-	28,971
Financial investments	5	24,278,132	24,277,115	Due to banks and correspondents	10	9,027,442	9,660,877
Loans, net:	6			Bonds, notes and other obligations	11	8,250,907	7,778,751
Loans, net of unearned interest		43,875,223	43,504,274	Due from customers on acceptances		137,260	16,320
Impairment allowance for loans		(2,466,961)	(2,984,851)	Insurance contract liabilities	12	11,567,720	12,501,723
		41,408,262	40,519,423	Other accounts payable, provisions and other liabilities	8	2,745,002	2,146,152
				Deferred Income Tax liability, net		770	11
				<b>Total liabilities</b>		81,220,824	79,282,080
				<b>Equity, net</b>	13		
				Equity attributable to IFS's shareholders:			
Investment property	7	1,226,746	1,043,978	Capital stock		1,038,017	1,038,017
Property, furniture and equipment, net		788,631	844,427	Treasury stock		(3,314)	(2,769)
Due from customers on acceptances		137,260	16,320	Capital surplus		532,771	532,771
Intangibles and goodwill, net		1,023,968	1,042,585	Reserves		5,200,000	5,200,000
Other accounts receivable and other assets, net	8	2,010,894	1,355,029	Unrealized results, net		471,647	836,773
Deferred Income Tax asset, net		255,452	353,565	Retained earnings		2,032,341	1,303,317
		90,539,709	88,236,029			9,271,462	8,908,109
<b>Total assets</b>				Non-controlling interest		47,423	45,840
				<b>Total equity, net</b>		9,318,885	8,953,949
				<b>Total liabilities and equity, net</b>		90,539,709	88,236,029

The accompanying notes are an integral part of these consolidated financial statements.

## Intercorp Financial Services Inc. and Subsidiaries

### Interim consolidated statement of income

For the six-month periods ended June 30, 2021 and 2020

	Note	30.06.2021 S/(000)	30.06.2020 S/(000)
Interest and similar income	15	2,198,029	2,291,703
Interest and similar expenses	15	(496,664)	(646,336)
<b>Net interest and similar income</b>		<b>1,701,365</b>	<b>1,645,367</b>
Impairment loss on loans, net of recoveries	6(d.1) and (d.2)	(366,849)	(1,603,166)
Recovery (loss) due to impairment of financial investments	5(c)	39,468	(52,396)
<b>Net interest and similar income after impairment loss</b>		<b>1,373,984</b>	<b>(10,195)</b>
Fee income from financial services, net	16	401,873	362,884
Net gain on foreign exchange transactions		170,296	241,440
Net gain on sale of financial investments		221,469	85,435
Net gain (loss) on financial assets at fair value through profit or loss		144,259	(140,913)
Net gain on investment property	7(b)	80,514	25,864
Other income	17	39,229	14,818
		<b>1,057,640</b>	<b>589,528</b>
<b>Insurance premiums and claims</b>			
Net premiums earned	18(a)	302,055	240,958
Net claims and benefits incurred for life insurance contracts and others	18(b)	(465,926)	(367,094)
		<b>(163,871)</b>	<b>(126,136)</b>
<b>Other expenses</b>			
Salaries and employee benefits		(381,272)	(370,559)
Administrative expenses		(439,434)	(361,699)
Depreciation and amortization		(134,212)	(131,648)
Other expenses	17	(82,910)	(63,210)
		<b>(1,037,828)</b>	<b>(927,116)</b>
<b>Income (loss) before translation result and Income Tax</b>		<b>1,229,925</b>	<b>(473,919)</b>
Translation result		(51,123)	(29,597)
Income Tax	14(e)	(194,501)	191,107
<b>Net profit (loss) for the period</b>		<b>984,301</b>	<b>(312,409)</b>
<b>Attributable to:</b>			
IFS's shareholders		979,711	(310,107)
Non-controlling interest		4,590	(2,302)
		<b>984,301</b>	<b>(312,409)</b>
<b>Earnings (losses) per share attributable to IFS's shareholders, basic and diluted (stated in Soles)</b>	19	<b>8.488</b>	<b>(2.686)</b>
<b>Weighted average number of outstanding shares (in thousands)</b>	19	<b>115,419</b>	<b>115,446</b>

The accompanying notes are an integral part of these consolidated financial statements.

## Intercorp Financial Services Inc. and Subsidiaries

### Interim consolidated statement of other comprehensive income

For the six-month periods ended June 30, 2021 and 2020

	<b>30.06.2021</b> S/(000)	<b>30.06.2020</b> S/(000)
<b>Net profit (loss) for the period</b>	984,301	(312,409)
<b>Other comprehensive income that will not be reclassified to the consolidated statement of income in subsequent periods:</b>		
Revaluation of gains (losses) on equity instruments at fair value through other comprehensive income	71,389	(76,995)
Income Tax	(8)	29
<b>Total unrealized gain (loss) that will not be reclassified to the consolidated statement of income</b>	<u>71,381</u>	<u>(76,966)</u>
<b>Other comprehensive income to be reclassified to the consolidated statement of income in subsequent periods:</b>		
Net movement of debt instruments at fair value through other comprehensive income	(1,812,821)	(266,230)
Income Tax	7,634	1,004
	<u>(1,805,187)</u>	<u>(265,226)</u>
Insurance premiums reserve	<u>1,347,893</u>	<u>226,273</u>
Net movement of cash flow hedges	37,747	16,647
Income Tax	(4,623)	(2,569)
	<u>33,124</u>	<u>14,078</u>
Translation of foreign operations	<u>65,835</u>	<u>50,443</u>
<b>Total unrealized (loss) gain to be reclassified to the consolidated statement of income in subsequent periods</b>	<u>(358,335)</u>	<u>25,568</u>
<b>Total other comprehensive income for the period, net of Income Tax</b>	<u>697,347</u>	<u>(363,807)</u>
<b>Attributable to:</b>		
IFS's shareholders	695,437	(361,481)
Non-controlling interest	1,910	(2,326)
	<u>697,347</u>	<u>(363,807)</u>

The accompanying notes are an integral part of these consolidated financial statements.

## Intercorp Financial Services Inc. and Subsidiaries

### Interim consolidated statement of changes in equity

For the six-month periods ended June 30, 2021 and 2020

Attributable to IFS's shareholders															
	Number of shares					Unrealized results, net									
						Instruments that will not be reclassified to the consolidated statement of Income	Instruments that will be reclassified to the consolidated statement of Income								
							Equity instruments at fair value	Debt instruments at fair value	Insurance premiums reserves	Cash flow hedges reserve	Translation of foreign operations	Retained earnings	Total	Non-controlling interest	Total equity, net
	Issued (in thousands)	In treasury (in thousands)	Capital stock S/(000)	Treasury stock S/(000)	Capital surplus S/(000)	Reserves S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)
Balances as of January 1, 2020	115,447	(1)	1,038,017	(196)	530,456	4,700,000	264,883	1,036,159	(923,855)	(22,758)	88,476	2,145,688	8,856,870	46,578	8,903,448
Net loss for the period	-	-	-	-	-	-	-	-	-	-	-	(310,107)	(310,107)	(2,302)	(312,409)
Other comprehensive income	-	-	-	-	-	-	(76,840)	(264,914)	225,902	14,035	50,443	-	(51,374)	(24)	(51,398)
Total other comprehensive income	-	-	-	-	-	-	(76,840)	(264,914)	225,902	14,035	50,443	(310,107)	(361,481)	(2,326)	(363,807)
Declared and paid dividends, Note 13(a)	-	-	-	-	-	-	-	-	-	-	-	(698,228)	(698,228)	-	(698,228)
Sale of treasury stock, Note 13(b)	-	1	-	139	-	-	-	-	-	-	-	-	139	-	139
Transfer of retained earnings to reserves, Note 13(e)	-	-	-	-	-	-	-	-	-	-	-	(500,000)	-	-	-
Dividends paid to non-controlling interest of Subsidiaries	-	-	-	-	-	500,000	-	-	-	-	-	-	-	(2,432)	(2,432)
Sale of equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	38,348	-	-	-	-	(38,348)	-	-	-
Others	-	-	-	-	2,315	-	-	-	-	-	-	(4,625)	(2,310)	(2)	(2,312)
Balance as of June 30, 2020	115,447	-	1,038,017	(57)	532,771	5,200,000	226,391	771,245	(697,953)	(8,723)	138,919	594,380	7,794,990	41,818	7,836,808
Balances as of January 1, 2021	115,447	(24)	1,038,017	(2,769)	532,771	5,200,000	297,212	1,667,103	(1,255,845)	(37,108)	165,411	1,303,317	8,908,109	45,840	8,953,949
Net profit for the period	-	-	-	-	-	-	-	-	-	-	-	979,711	979,711	4,590	984,301
Other comprehensive income	-	-	-	-	-	-	71,240	(1,800,077)	1,345,681	33,047	65,835	-	(284,274)	(2,680)	(286,954)
Total other comprehensive income	-	-	-	-	-	-	71,240	(1,800,077)	1,345,681	33,047	65,835	979,711	695,437	1,910	697,347
Declared and paid dividends, Note 13(a)	-	-	-	-	-	-	-	-	-	-	-	(332,096)	(332,096)	-	(332,096)
Purchase of treasury stock, Note 13(b)	-	(5)	-	(545)	-	-	-	-	-	-	-	-	(545)	-	(545)
Dividends paid to non-controlling interest of Subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	(328)	(328)
Sale of equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	(80,852)	-	-	-	-	80,852	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	557	557	1	558
Balance as of June 30, 2021	115,447	(29)	1,038,017	(3,314)	532,771	5,200,000	287,600	(132,974)	89,836	(4,061)	231,246	2,032,341	9,271,462	47,423	9,318,885

The accompanying notes are an integral part of these consolidated financial statements.

## Intercorp Financial Services Inc. and Subsidiaries

### Interim consolidated statement of cash flows

For the six-month periods ended June 30, 2021 and 2020

	30.06.2021 S/(000)	30.06.2020 S/(000)
<b>Cash flows from operating activities</b>		
Net profit (loss) for the period	984,301	(312,409)
<b>Plus (minus) adjustments to net profit</b>		
Impairment loss on loans, net of recoveries	366,849	1,603,166
(Recovery) loss due to impairment of financial investments	(39,468)	52,396
Depreciation and amortization	134,212	131,648
Provision for sundry risks	4,354	3,220
Deferred Income Tax	101,423	(249,394)
Net gain on sale of financial investments	(221,469)	(85,435)
Net (gain) loss of financial assets at fair value through profit or loss	(144,259)	140,913
Gain for valuation of investment property	(56,595)	(6,483)
Translation result	51,123	29,597
Decrease (increase) in accrued interest receivable	24,946	(106,478)
(Decrease) increase in accrued interest payable	(32,908)	21,042
<b>Net changes in assets and liabilities</b>		
Net increase in loans	(1,316,079)	(3,792,818)
Net increase in other accounts receivable and other assets	(536,653)	(1,444,624)
Net decrease in restricted funds	36,490	453,312
Increase in deposits and obligations	2,436,668	6,049,469
(Decrease) increase in due to banks and correspondents	(597,519)	4,025,403
Increase in other accounts payable, provisions and other liabilities	1,370,573	975,934
Increase of investments at fair value through profit or loss	(339,000)	(11,689)
<b>Net cash provided by operating activities</b>	<u>2,226,989</u>	<u>7,476,770</u>

The accompanying notes are an integral part of these consolidated financial statements.

## Interim consolidated statement of cash flows (continued)

	30.06.2021 S/(000)	30.06.2020 S/(000)
<b>Cash flows from investing activities</b>		
Net sale of financial investments	(1,002,091)	(2,219,745)
Purchase of property, furniture and equipment	(19,012)	(32,907)
Purchase of intangible assets	(56,357)	(112,054)
Purchase of investment property	(124,557)	(52,661)
<b>Net cash used in investing activities</b>	<b>(1,202,017)</b>	<b>(2,417,367)</b>
<b>Cash flows from financing activities</b>		
Dividends paid	(332,096)	(698,228)
Net increase of bonds, notes and other obligations	-	288,123
Net decrease in receivable inter-bank funds	18,105	53,165
Net decrease in payable inter-bank funds	(28,971)	(169,138)
(Purchase) sale of treasury stock, net	(545)	139
Dividend payments to non-controlling interest	(328)	(2,432)
Lease payments	(57,152)	(52,017)
<b>Net cash (used in) provided by financing activities</b>	<b>(400,987)</b>	<b>(580,388)</b>
<b>Net increase in cash and cash equivalents</b>	<b>623,985</b>	<b>4,479,015</b>
Gain (loss) from exchange rate variation on cash and cash equivalents	62,805	(10,034)
Cash and cash equivalents at the beginning of the period	18,145,919	9,851,729
<b>Cash and cash equivalents at the end of the period</b>	<b>18,832,709</b>	<b>14,320,710</b>

The accompanying notes are an integral part of these consolidated financial statements.



## Intercorp Financial Services Inc. and Subsidiaries

### Notes to the interim consolidated financial statements

As of June 30, 2021 (unaudited) and December 31, 2020 (audited)

#### 1. Business activity

##### (a) Business activity -

Intercorp Financial Services Inc. and Subsidiaries (henceforth "IFS", "the Company" or "the Group"), is a limited liability holding company incorporated in the Republic of Panama on September 19, 2006, and is a Subsidiary of InterCorp Perú Ltd. (henceforth "InterCorp Perú"), a holding Company incorporated in 1997 in the Commonwealth of the Bahamas. As of June 30, 2021, InterCorp Perú holds directly and indirectly 70.65 percent of the issued capital stock of IFS, equivalent to 70.64 percent of the outstanding capital stock of IFS (70.64 percent of the issued and outstanding capital stock of IFS, as of December 31, 2020).

IFS's legal domicile is located at Av. Carlos Villarán 140 Urb. Santa Catalina, La Victoria, Lima, Peru.

As of June 30, 2021 and December 31, 2020, IFS holds 99.30 percent of the capital stock of Banco Internacional del Perú S.A.A. - Interbank (henceforth "Interbank"), 99.84 percent of the capital stock of Interseguro Compañía de Seguros S.A. (henceforth "Interseguro"), 100 percent of the capital stock of Inteligo Group Corp. (henceforth "Inteligo").

The operations of Interbank and Interseguro are concentrated in Peru, while the operations of Inteligo and its Subsidiaries (Interfondos S.A. Sociedad Administradora de Fondos, Inteligo Sociedad Agente de Bolsa S.A. and Inteligo Bank Ltd.) are mainly concentrated in Peru and Panama.

The interim consolidated financial statements as of June 30, 2021, have been approved by the Audit Committee and Board of Directors held on August 09 and August 11, 2021, respectively. The audited consolidated financial statements as of December 31, 2020, were approved by the General Shareholders' Meeting held on March 31, 2021.

##### (b) Global pandemic Covid-19 -

###### (b.1) State of National and Sanitary Emergency

In December 2019, a new coronavirus strain (SARS-CoV-2) was identified in Wuhan, China, which causes the coronavirus disease 2019 known as "Covid-19", and subsequently, in March 2020, it was declared a global pandemic by the World Health Organization. Covid-19 has had a significant impact on the world economy. Many countries imposed travel bans, social isolation, and even people in many places have been and are subject to quarantine measures.

In the case of Peru, in March 2020, the Government declared a State of National and Sanitary Emergency ordering the closure of borders, mandatory social isolation, the closure of businesses considered non-essential (the exceptions were the production, distribution and commercialization of food and pharmaceuticals, financial services and healthcare), among other measures related to the health and well-being of citizens.

Subsequently, in May 2020, through Supreme Decree No. 080-2020, the government approved the gradual resumption of economic activities in order to mitigate the economic negative effects of the pandemic. The proposed reactivation would be in four phases based on the impact of each sector on the economy, being mining

and industry, construction, services and tourism and commerce the first ones to restart, followed by manufacturing. The last phase had considered the reopening of the entertainment sector with reduced capacity.

Notwithstanding the aforementioned, due to the increase in the number of infections at national level, through Supreme Decree No. 009-2021, dated February 19, 2021, the Peruvian Government extended the State of Sanitary Emergency until September 2, 2021. Likewise, through Supreme Decree No. 131-2021-PCM, the State of National Emergency was also extended through August 31, 2021, with measures focused by region in the areas of health care and traffic restrictions on movement.

(b.2) Economic measures adopted by the Peruvian Government

Within this context, the Ministry of Economy and Finance (henceforth “MEF”), the Central Reserve Bank of Peru (henceforth “BCRP”) and the Superintendence of Banking and Insurance and private Pension Fund Administrators (henceforth “SBS”), activated extraordinary measures aimed to alleviate the financial and economic impact of Covid-19, in particular on customers of the financial system (due to the closure of most sectors of economic activity), as well as some additional measures focused on securing the continuity of the economy’s payment chain.

The main measures implemented in the financial system are related to facilities for loan rescheduling (payment deferrals), suspension of counting of past due days, partial withdrawal of deposits from compensation from service time accounts, setting of Repo operations with the BCRP and the launching of credit programs guaranteed by the Peruvian Government, such as “Reactiva Peru”, created through Legislative Decree No. 1455-2020 and expanded through Supreme Decree No. 1485-2020, which has the purpose to secure the continuity of companies’ payment chain to face the impact of Covid-19.

Such program grants guarantees to companies to obtain working capital loans and thus fulfill their short-term obligations to their workers and suppliers of goods and services. This program manages guarantees for the Peruvian financial system whose total amounted to S/60,000 million.

As of June 30, 2021 and December 31, 2020, Interbank holds loans of the “Reactiva Peru” program for an amount of S/6,081,952,000 and S/6,615,768,000, respectively, from which S/5,417,113,000 and S/5,855,826,000, respectively, are guaranteed by the Peruvian Government.

(b.3) Measures adopted by the Company and Subsidiaries

Management and the Board of IFS monitors the situation closely and is focusing on four fundamental pillars which is going to allow the continuity of its operations; taking the following measures in each one of these pillars:

i) Liquidity and solvency

Active participation in the BCRP’s daily operations, thus raising funds through loan reporting operations represented by securities. These funds were aimed to loans under the “Reactiva Peru” program, which in turn allowed a higher collection in the levels of deposits. Likewise, in order to strengthen its capital and regulatory capital to face with the volatile environment, the Group implemented the following measures:

- The General Shareholders’ Meeting of Interbank held on April 3, 2020, approved the reduction in the percentage of distributable dividends for the 2019 period, from 45 percent to 25 percent. In addition, it was agreed that the net profit generated in the first quarter of 2020,

## Notes to the interim consolidated financial statements (continued)

which amounted to S/231,887,000 were capitalized through the General Shareholders' Meeting held on March 25, 2021.

- On June 30, 2020, Interbank placed an International subordinated bonds for US\$300,000,000.
- In the Board's Session held on June 30, 2020, Interseguro agreed to the capitalization of S/50,000,000 with charge to the period's net profit. Through the General Shareholders' Meeting dated March 9, 2021, the capitalization of S/62,963,000 was approved, which includes the amount committed in June 2020.
- On September 30, 2020, Interseguro placed subordinated bonds for US\$25,000,000.
- In the General Shareholders' Meeting held on December 24, 2020, Interseguro agreed to the capitalization of S/48,148,000 with charge to the retained earnings.

### ii) Operations

In order to sustain the Group's operations, the following measures have been taken:

- Provide to employees with technological tools
- Implementation of new protocols for business continuity under the current circumstances
- Monitoring of supplier operations related to the supply of cash
- Reinforcement of IT systems and cybersecurity

### iii) Distribution channels

- Financial stores – implementation of flexible opening hours
- ATMs – Maintenance and cash availability of cash at full capacity
- Call center – Increase of telephone operators
- Apps and home banking

### iv) Employees

- Implementation of Covid-19 protocols and health surveillance
- Home office implementation
- Testing kits to detect Covid-19 acquired for the Group's employees and daily health tracking in case of contagion

In Management's opinion, these and other additional measures implemented will sufficiently enable IFS to address the negative effects of the Covid-19 pandemic.

## 2. Subsidiaries

IFS's Subsidiaries are the following:

### (a) Banco Internacional del Perú S.A.A. - Interbank and Subsidiaries -

Interbank is incorporated in Peru and is authorized by the Superintendence of Banking, Insurance and Private Pension Funds (henceforth "SBS", by its Spanish acronym) to operate as a universal bank in accordance with Peruvian legislation. The Bank's operations are governed by the General Act of the Banking and Insurance System and Organic Act of the SBS – Act No. 26702 (henceforth "the Banking and Insurance Act"), that establishes the requirements, rights, obligations, restrictions and other operating conditions that financial and insurance entities must comply with in Peru.

## Notes to the interim consolidated financial statements (continued)

As of June 30, 2021, Interbank had 195 offices (215 offices as of December 31, 2020). Additionally, IFS holds approximately 100 percent of the shares of the following Subsidiaries:

Entity	Activity
Internacional de Títulos Sociedad Titulizadora S.A. - Intertítulos S.T.	Manages securitization funds.
Compañía de Servicios Conexos Expressnet S.A.C.	Services related to credit card transactions or products related to the brand "American Express".

(b) Interseguro Compañía de Seguros S.A. and Subsidiary -

Interseguro is incorporated in Peru and its operations are governed by the Banking and Insurance Act. It is authorized by the SBS to issue life and general risk insurance contracts.

Interseguro holds participations in Patrimonio Fideicometido D.S.093-2002-EF, Interproperties Perú (henceforth "Patrimonio Fideicometido - Interproperties Perú"), that is a structured entity, incorporated in April 2008, and in which several investors (related parties to the Group) contributed investment properties. Each investor or investors have ownership of and specific control over the contributed investment property. The fair values of the properties contributed by Interseguro, which were included in this structured entity as of June 30, 2021 and December 31, 2020, amounted to S/89,037,000 and S/118,892,000, respectively. For accounting purposes and under IFRS 10 "Consolidated Financial Statements" the assets included in said structure are considered "silos", because they are ring-fenced parts of the wider structured entity (the Patrimonio Fideicometido - Interproperties Perú). The Group has ownership and decision-making power over these properties and the Group has the exposure or rights to their returns; therefore, the Group has consolidated the silos containing the investment properties that it controls.

(c) Inteligo Group Corp. and Subsidiaries -

Inteligo is an entity incorporated in the Republic of Panama. As of June 30, 2021 and December 31, 2020, it holds 100 percent of the shares of the following Subsidiaries:

Entity	Activity
Inteligo Bank Ltd.	It is incorporated in The Commonwealth of the Bahamas and has a branch established in the Republic of Panama that operates under an international license issued by the Superintendence of Banks of the Republic of Panama. Its main activity is to provide private and institutional banking services, mainly to Peruvian citizens.
Inteligo Sociedad Agente de Bolsa S.A.	Brokerage firm incorporated in Peru.
Inteligo Perú Holding S.A.C.	Financial holding company incorporated in Peru in December 2018. As of June 30, 2021 and December 31, 2020, it holds 99.99 percent interest in Interfondos S.A. Sociedad Administradora de Fondos, company that manages mutual funds and investment funds.
Inteligo USA, Inc.	Incorporated in the United States of America in January 2019 and provides investment consultancy and related services.

## Notes to the interim consolidated financial statements (continued)

(d) **Negocios e Inmuebles S.A. and Holding Retail Perú S.A. -**

These entities were acquired by IFS as part of the purchase of Seguros Sura and Hipotecaria Sura in 2017. In April 2021, Negocios e Inmuebles S.A. (absorbing company) merged with Holding Retail Perú S.A. (absorbed company), the latter being extinguished without the need to liquidate. As of June 30, 2021, Negocios e Inmuebles S.A., holds 8.50 percent of Interseguro's capital stock (as of December 31, 2020, as a result of the merger between Interseguro and Seguros Sura, Negocios e Inmuebles S.A. and Holding Retail Perú S.A. held 8.50 percent of Interseguro's capital stock).

(e) **San Borja Global Opportunities S.A.C. -**

Its corporate purpose is the marketing of products and services through Internet, telephony or related and it operates under the name of Shopstar, an online marketplace, dedicated to the sale of products from different stores locally.

(f) **IFS Digital S.A.C. -**

Entity incorporated in August 2020, its corporate purpose is to perform any type of investments and related services.

### 3. **Significant accounting policies**

3.1 **Basis of presentation and use of estimates -**

The interim consolidated financial statements as of June 30, 2021 and December 31, 2020, have been prepared in accordance with IAS 34 "Interim Financial Reporting".

The interim consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's consolidated audited financial statements as of December 31, 2020 and 2019 (henceforth "Annual Consolidated Financial Statements").

The accompanying interim consolidated financial statements have been prepared on a historical cost basis, except for investment property, derivative financial instruments, financial investments at fair value through profit or loss and through other comprehensive income, which have been measured at fair value. The interim consolidated financial statements are presented in Soles, which is the functional currency of the Group, and all values are rounded to the nearest thousand (S/(000)), except when otherwise indicated.

The preparation of the interim consolidated financial statements, in accordance with the International Financial Reporting Standards (henceforth "IFRS") as issued by the International Accounting Standards Board (IASB), requires Management to make estimations and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of significant events in the notes to the interim consolidated financial statements.

In that sense, the estimates and criteria are continually assessed and are based on historical experience, as well as other factors, including expectations of future events that are believed to be reasonable under the current circumstances. Existing circumstances and assumptions about future developments, however, may change due to markets' behavior or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur. Actual results could differ from those estimates. The most significant estimates comprised in the accompanying interim consolidated financial statements are related to the calculation of the impairment of the portfolio of loan and financial investments, the measurement of the fair value of the financial investments and investment property, the assessment of the impairment of goodwill, the liabilities for insurance contracts and measurement of the fair value of derivative financial instruments; also, there are other estimates such as provisions for litigation, the estimated useful life of intangible assets and property, furniture and equipment, the estimation of deferred Income Tax and the determination of the terms and estimation of the interest rate of the lease contracts.

## Notes to the interim consolidated financial statements (continued)

### 3.2 Basis of consolidation -

The interim consolidated financial statements of IFS comprise the financial statements of InterCorp Financial Services Inc. and Subsidiaries. The method adopted by IFS to consolidate information with its Subsidiaries is described in Note 3.3 to the Annual Consolidated Financial Statements.

## 4. Cash and due from banks and inter-bank funds

(a) The detail of cash and due from banks is as follows:

	30.06.2021 S/(000)	31.12.2020 S/(000)
Cash and clearing (b)	4,803,227	2,152,432
Deposits in the BCRP (b)	10,077,989	14,102,067
Deposits in banks (c)	3,951,493	1,891,420
Accrued interest	1,763	1,879
	<u>18,834,472</u>	<u>18,147,798</u>
Restricted funds (d)	575,892	617,684
<b>Total</b>	<u>19,410,364</u>	<u>18,765,482</u>

(b) In accordance with rules in force, Interbank is required to maintain a legal reserve in order to honor its obligations with the public. This reserve is comprised of funds kept in Interbank and in the BCRP.

The legal reserve funds maintained in the BCRP are non-interest bearing, except for the part that exceeds the minimum reserve required. As of June 30, 2021, Interbank maintained excess reserves in foreign currency, whose funds did not accrue interest in US Dollars and did not maintain excess reserves in national currency. As of December 31, 2020, the excess in foreign currency accrued interest in US Dollars at an annual average rate of 0.01 percent and did not maintain excess reserves in foreign currency.

In Group Management's opinion, Interbank has complied with the requirements established by the rules in force related to the computation of the legal reserve.

(c) Deposits in domestic banks and abroad are mainly in Soles and US Dollars, they are freely available and accrue interest at market rates.

(d) The Group maintains restricted funds related to:

	30.06.2021 S/(000)	31.12.2020 S/(000)
Repurchase agreements with BCRP (*)	405,840	542,922
Derivative financial instruments	139,216	70,559
Inter-bank transfers	26,115	-
Others	4,721	4,203
<b>Total</b>	<u>575,892</u>	<u>617,684</u>

(\*) As of June 30, 2021, corresponds to deposits maintained in the BCRP which guarantee agreements amounting to S/370,000,000 (guaranteed agreements amounting to S/520,000,000 as of December 31, 2020); see Note 10(b).

## Notes to the interim consolidated financial statements (continued)

Cash and cash equivalents presented in the consolidated statements of cash flows exclude restricted funds and accrued interest.

(e) Inter-bank funds

Corresponds to loans made between financial institutions with maturity, in general, minor than 30 days. As of December 31, 2020, Inter-bank funds assets accrued interest at an annual rate of 0.25 percent in foreign currency and Inter-bank funds liabilities accrued interest at an annual rate of 0.25 percent in foreign currency and did not have specific guarantees.

### 5. Financial investments

(a) This caption is made up as follows:

	30.06.2021 S/(000)	31.12.2020 S/(000)
Debt instruments measured at fair value through other comprehensive income (b) and (c)	17,519,852	17,902,352
Investments at amortized cost (d)	2,745,731	2,650,930
Investments at fair value through profit or loss (e)	2,535,854	2,042,777
Equity instruments measured at fair value through other comprehensive income (f)	1,146,676	1,373,548
<b>Total financial investments</b>	<b>23,948,113</b>	<b>23,969,607</b>
Accrued income		
Debt instruments measured at fair value through other comprehensive income (b)	271,657	251,140
Investments at amortized cost (d)	58,362	56,368
<b>Total</b>	<b>24,278,132</b>	<b>24,277,115</b>

## Notes to the interim consolidated financial statements (continued)

(b) Following is the detail of debt instruments measured at fair value through other comprehensive income:

	Amortized cost S/(000)	Unrealized gross amount		Estimated fair value S/(000)	Maturity	Annual effective interest rates			
		Gains S/(000)	Losses (c) S/(000)			S/		US\$	
						Min %	Max %	Min %	Max %
As of June 30, 2021									
Corporate, leasing and subordinated bonds (*)	8,064,286	448,208	(217,699)	8,294,795	Nov-21 / Feb-97	0.68	11.86	0.24	11.91
Sovereign Bonds of the Republic of Peru	6,741,786	237	(392,797)	6,349,226	Aug-24 / Feb-55	1.09	6.55	-	-
Negotiable Certificates of Deposit issued by BCRP	1,675,333	2,273	(1)	1,677,605	Jul-21 / Mar-23	0.28	2.28	-	-
Bonds guaranteed by the Peruvian Government	530,815	19,956	(6,926)	543,845	Oct-24 / Oct-33	1.68	4.94	3.55	7.46
Global Bonds of the Republic of Peru	547,981	-	(5,924)	542,057	Jul-25 / Dec-32	-	-	1.33	2.79
Global Bonds of the Republic of Colombia	112,957	-	(633)	112,324	Mar-23 / Feb-24	-	-	1.13	1.56
Total	17,673,158	470,674	(623,980)	17,519,852					
Accrued interest				271,657					
Total				17,791,509					

	Amortized cost S/(000)	Unrealized gross amount		Estimated fair value S/(000)	Maturity	Annual effective interest rates			
		Gains S/(000)	Losses (c) S/(000)			S/		US\$	
						Min %	Max %	Min %	Max %
As of December 31, 2020									
Corporate, leasing and subordinated bonds (*)	8,031,775	1,046,789	(121,797)	8,956,767	Mar-21 / Feb-97	0.04	13.33	0.44	10.73
Sovereign Bonds of the Republic of Peru	5,765,074	589,423	(154)	6,354,343	Aug-24 / Feb-55	0.15	6.13	-	-
Negotiable Certificates of Deposit issued by BCRP	1,279,644	4,087	(5)	1,283,726	Jan-21 / Mar-23	0.25	2.28	-	-
Bonds guaranteed by the Peruvian Government	566,915	79,762	-	646,677	Oct-24 / Jul-34	0.58	2.61	2.64	4.24
Global Bonds of the Republic of Peru	491,791	9,189	-	500,980	Jul-25 / Dec-32	-	-	1.04	1.79
Global Bonds of the Republic of Colombia	157,405	2,454	-	159,859	Jul-21 / Feb-24	-	-	0.25	1.38
Total	16,292,604	1,731,704	(121,956)	17,902,352					
Accrued interest				251,140					
Total				18,153,492					

(\*) As of June 30, 2021 and December 31, 2020, Inteligo holds corporate bonds and mutual funds from different entities for approximately S/396,762,000 and S/393,364,000, respectively, which guarantee loans with Credit Suisse First Boston and Bank J. Safra Sarasin; see Note 10(a).



## Notes to the interim consolidated financial statements (continued)

- (c) The Group, according to the business model applied to these debt instruments, has the capacity to hold these investments for a sufficient period that allows the early recovery of the fair value, up to the maximum period for the early recovery or the due date.

Following is the movement of the provision for expected credit loss for these debt instruments, measured at fair value through other comprehensive income:

	30.06.2021 S/(000)	31.12.2020 S/(000)	30.06.2020 S/(000)
<b>Expected credit loss at the beginning of the period</b>	71,560	34,743	34,743
New assets originated or purchased	611	120	74
Assets derecognized or matured (excluding write-offs)	(743)	(8,879)	(395)
Effect on the expected credit loss due to the change of the stage during the year	462	7,646	-
(Recovery) impairment loss of Rutas de Lima	(46,330)	33,188	47,236
Others	6,532	829	5,481
<b>(Recovery) loss due to impairment on financial investments</b>	<b>(39,468)</b>	<b>32,904</b>	<b>52,396</b>
Foreign exchange effect	290	3,913	4,214
<b>Expected credit loss at the end of the period</b>	<b>32,382</b>	<b>71,560</b>	<b>91,353</b>

- (d) As of June 30, 2021 and December 31, 2020, investments at amortized cost corresponds to Sovereign Bonds of the Republic of Peru issued in Soles, for an amount of S/2,804,093,000 and S/2,707,298,000, respectively, including accrued interest. Said investments present low credit risk and the expected credit loss is not significant.

As of June 30, 2021 and December 31, 2020, these investments have maturity dates that range from September 2023 to August 2037, have accrued interest at effective annual rates ranging from 4.29 percent and 5.13 percent and estimated fair value amounting to approximately S/2,842,284,000 (as of December 31, 2020, these investments have maturity dates that range from September 2023 to August 2037, have accrued interest at effective annual rates ranging from 4.29 percent and 5.15 percent and estimated fair value amounting to approximately S/2,988,539,000).

As of June 30, 2021 and December 31, 2020, Interbank keeps loans with the BCRP that are guaranteed with these sovereign bonds, classified as restricted, for approximately S/490,281,000 and S/1,071,740,000, respectively; see Note 10(a).

## Notes to the interim consolidated financial statements (continued)

- (e) The composition of financial instruments at fair value through profit or loss is as follows:

	30.06.2021 S/(000)	31.12.2020 S/(000)
<b>Equity instruments</b>		
Local and foreign mutual funds and investment funds participations	1,572,570	1,212,259
BioPharma Credit PLC	121,591	131,623
Royalty Pharma	113,700	107,530
Ishares	105,107	90,647
ViaSat Inc.	70,316	43,626
LendUp and Mission Lane	49,790	48,670
Dhani Services Limited	31,034	53,557
Others	292,668	91,635
<b>Debt instruments</b>		
Corporate, leasing and subordinated bonds	102,310	80,342
Indexed Certificates of Deposit issued by BCRP	76,768	182,888
<b>Total</b>	<b>2,535,854</b>	<b>2,042,777</b>

- (f) The following is the composition of equity instruments measured at fair value through other comprehensive income as of June 30, 2021 and December 31, 2020:

	30.06.2021 S/(000)	31.12.2020 S/(000)
BioPharma Credit PLC	354,694	358,848
InRetail Perú Corp	322,901	339,945
VíaSat Inc.	190,343	117,033
Engie- Energía Perú S.A.	75,368	80,852
Ferreycorp S.A.A.	68,272	73,785
Zipline International Inc.	38,580	36,210
Cementos Pacasmayo S.A.A.	32,719	34,002
Enel Distribución Perú S.A.A.	18,551	-
Unión de Cervecerías Backus y Johnston	-	13,531
Ishares	-	131,795
Credicorp	-	70,130
Luz del Sur S.A.A.	-	87,129
Others below S/ 17 million	45,248	30,288
<b>Total</b>	<b>1,146,676</b>	<b>1,373,548</b>

## Notes to the interim consolidated financial statements (continued)

- (g) Below are the debt instruments measured at fair value through other comprehensive income and investments at amortized cost according to the stages indicated by IFRS 9 as of June 30, 2021 and December 31, 2020:

Debt instruments measured at fair value through other comprehensive income and at amortized cost	30.06.2021			
	Stage 1	Stage 2	Stage 3	Total
	S/(000)	S/(000)	S/(000)	S/(000)
Sovereign Bonds of the Republic of Peru	9,094,957	-	-	9,094,957
Corporate, leasing and subordinated bonds	7,777,727	517,068	-	8,294,795
Negotiable Certificates of Deposit issued by BCRP	1,677,605	-	-	1,677,605
Bonds guaranteed by the Peruvian Government	543,845	-	-	543,845
Global Bonds of the Republic of Peru	542,057	-	-	542,057
Global Bonds of the Republic of Colombia	-	112,324	-	112,324
<b>Total</b>	<b>19,636,191</b>	<b>629,392</b>	<b>-</b>	<b>20,265,583</b>

  

Debt Instruments measured at fair value through other comprehensive income and at amortized cost	31.12.2020			
	Stage 1	Stage 2	Stage 3	Total
	S/(000)	S/(000)	S/(000)	S/(000)
Sovereign Bonds of the Republic of Peru	9,005,273	-	-	9,005,273
Corporate, leasing and subordinated bonds	8,744,627	212,140	-	8,956,767
Negotiable Certificates of Deposit issued by BCRP	1,283,726	-	-	1,283,726
Bonds guaranteed by the Peruvian Government	646,677	-	-	646,677
Global Bonds of the Republic of Peru	500,980	-	-	500,980
Global Bonds of the Republic of Colombia	159,859	-	-	159,859
<b>Total</b>	<b>20,341,142</b>	<b>212,140</b>	<b>-</b>	<b>20,553,282</b>

## Notes to the interim consolidated financial statements (continued)

### 6. Loan, net

(a) This caption is made up as follows:

	30.06.2021 S/(000)	31.12.2020 S/(000)
<b>Direct loans</b>		
Loans	35,794,814	34,718,320
Credit cards and other loans (*)	4,001,968	4,379,884
Leasing	1,182,465	1,211,324
Discounted notes	422,347	468,664
Factoring	558,889	571,994
Advances and overdrafts	32,185	39,414
Refinanced loans	246,490	287,119
Past due and under legal collection loans	1,262,478	1,405,185
	<u>43,501,636</u>	<u>43,081,904</u>
<b>Plus (minus)</b>		
Accrued interest from performing loans	397,781	445,122
Unearned interest and interest collected in advance	(24,194)	(22,752)
Impairment allowance for loans (d)	<u>(2,466,961)</u>	<u>(2,984,851)</u>
<b>Total direct loans, net</b>	<u>41,408,262</u>	<u>40,519,423</u>
<b>Indirect loans</b>	<u>4,753,970</u>	<u>4,611,931</u>

(\*) Includes non-revolving consumer loans related to credit card lines that, as of June 30, 2021 and December 31, 2020, amounted to S/2,068,484,000 and S/2,343,079,000, respectively.

(b) The classification of the direct loan portfolio is as follows:

	30.06.2021 S/(000)	31.12.2020 S/(000)
Commercial loans	22,260,309	22,001,567
Consumer loans	11,231,130	11,416,175
Mortgage loans	8,421,903	7,721,267
Small and micro-business loans	<u>1,588,294</u>	<u>1,942,895</u>
<b>Total</b>	<u>43,501,636</u>	<u>43,081,904</u>

During the year 2020, the balance of the direct loans includes disbursements made by Interbank within the "Reactiva Peru" program for approximately S/6,617 million, out of which S/5,159 million were granted to clients of its commercial loans and S/1,458 million to clients of its small and micro-business loans. As of June 30, 2021, the balance of loans under said program amounts to S/6,082 million (as of December 31, 2020 amounted to S/6,616 million).

For purposes of estimating the impairment loss in accordance with IFRS 9, the Group's loans is segmented into homogeneous groups that share similar risk characteristics; the Group determined these 3 types of portfolios: Retail Banking (consumer and mortgage loans), Commercial Banking (commercial loans) and Small Business Banking (loans to small and micro-business).

## Notes to the interim consolidated financial statements (continued)

(c) The following table shows the credit quality and maximum exposure to credit risk based on the credit rating as of June 30, 2021 and December 31, 2020. The amounts presented do not consider impairment.

	30.06.2021				31.12.2020			
	Stage 1 S/(000)	Stage 2 S/(000)	Stage 3 S/(000)	Total S/(000)	Stage 1 S/(000)	Stage 2 S/(000)	Stage 3 S/(000)	Total S/(000)
<b>Direct loans, (c.1)</b>								
<b>Not impaired</b>								
High grade	29,606,225	683,809	-	30,290,034	29,056,184	1,268,445	-	30,324,629
Standard grade	4,377,260	1,159,818	-	5,537,078	4,354,168	1,534,936	-	5,889,104
Sub-standard grade	988,857	1,606,304	-	2,595,161	692,669	1,159,438	-	1,852,107
Past due but not impaired	1,259,467	1,471,090	-	2,730,557	790,257	1,781,871	-	2,572,128
<b>Impaired</b>								
Individually	-	-	7,962	7,962	-	-	7,678	7,678
Collectively	-	-	2,340,844	2,340,844	-	-	2,436,258	2,436,258
<b>Total direct loans</b>	<b>36,231,809</b>	<b>4,921,021</b>	<b>2,348,806</b>	<b>43,501,636</b>	<b>34,893,278</b>	<b>5,744,690</b>	<b>2,443,936</b>	<b>43,081,904</b>
	30.06.2021				31.12.2020			
	Stage 1 S/(000)	Stage 2 S/(000)	Stage 3 S/(000)	Total S/(000)	Stage 1 S/(000)	Stage 2 S/(000)	Stage 3 S/(000)	Total S/(000)
<b>Indirect loans</b>								
<b>Not impaired</b>								
High grade	4,020,492	486,546	-	4,507,038	3,938,193	460,431	-	4,398,624
Standard grade	145,586	52,286	-	197,872	104,499	68,379	-	172,878
Sub-standard grade	3,779	8,219	-	11,998	65	10,302	-	10,367
Past due but not impaired	-	-	-	-	-	-	-	-
<b>Impaired</b>								
Individually	-	-	22,323	22,323	-	-	22,607	22,607
Collectively	-	-	14,739	14,739	-	-	7,455	7,455
<b>Total indirect loans</b>	<b>4,169,857</b>	<b>547,051</b>	<b>37,062</b>	<b>4,753,970</b>	<b>4,042,757</b>	<b>539,112</b>	<b>30,062</b>	<b>4,611,931</b>

## Notes to the interim consolidated financial statements (continued)

(c.1) The following tables show the credit quality and maximum exposure to credit risk for each classification of the direct loans:

	30.06.2021				31.12.2020			
Commercial loans	Stage 1 S/(000)	Stage 2 S/(000)	Stage 3 S/(000)	Total S/(000)	Stage 1 S/(000)	Stage 2 S/(000)	Stage 3 S/(000)	Total S/(000)
<b>Not impaired</b>								
High grade	15,833,347	384,445	-	16,217,792	15,876,174	757,184	-	16,633,358
Standard grade	2,735,810	469,393	-	3,205,203	2,902,150	966,358	-	3,868,508
Sub-standard grade	532,588	480,940	-	1,013,528	304,843	124,287	-	429,130
Past due but not impaired	988,046	547,021	-	1,535,067	419,007	414,829	-	833,836
<b>Impaired</b>								
Individually	-	-	7,962	7,962	-	-	7,678	7,678
Collectively	-	-	280,757	280,757	-	-	229,057	229,057
<b>Total direct loans</b>	<b>20,089,791</b>	<b>1,881,799</b>	<b>288,719</b>	<b>22,260,309</b>	<b>19,502,174</b>	<b>2,262,658</b>	<b>236,735</b>	<b>22,001,567</b>

  

	30.06.2021				31.12.2020			
Consumer loans	Stage 1 S/(000)	Stage 2 S/(000)	Stage 3 S/(000)	Total S/(000)	Stage 1 S/(000)	Stage 2 S/(000)	Stage 3 S/(000)	Total S/(000)
<b>Not impaired</b>								
High grade	6,760,325	161,704	-	6,922,029	6,615,423	209,136	-	6,824,559
Standard grade	927,625	438,433	-	1,366,058	798,142	400,173	-	1,198,315
Sub-standard grade	242,847	582,328	-	825,175	135,137	539,175	-	674,312
Past due but not impaired	102,958	491,466	-	594,424	133,187	882,195	-	1,015,382
<b>Impaired</b>								
Individually	-	-	-	-	-	-	-	-
Collectively	-	-	1,523,444	1,523,444	-	-	1,703,607	1,703,607
<b>Total direct loans</b>	<b>8,033,755</b>	<b>1,673,931</b>	<b>1,523,444</b>	<b>11,231,130</b>	<b>7,681,889</b>	<b>2,030,679</b>	<b>1,703,607</b>	<b>11,416,175</b>

## Notes to the interim consolidated financial statements (continued)

	30.06.2021				31.12.2020			
Mortgage loans	Stage 1 S/(000)	Stage 2 S/(000)	Stage 3 S/(000)	Total S/(000)	Stage 1 S/(000)	Stage 2 S/(000)	Stage 3 S/(000)	Total S/(000)
<b>Not impaired</b>								
High grade	6,021,289	47,534	-	6,068,823	5,447,111	24,010	-	5,471,121
Standard grade	573,700	223,539	-	797,239	422,425	145,076	-	567,501
Sub-standard grade	192,827	380,792	-	573,619	217,289	371,910	-	589,199
Past due but not impaired	151,088	377,224	-	528,312	233,595	416,371	-	649,966
<b>Impaired</b>								
Individually	-	-	-	-	-	-	-	-
Collectively	-	-	453,910	453,910	-	-	443,480	443,480
<b>Total direct loans</b>	<b>6,938,904</b>	<b>1,029,089</b>	<b>453,910</b>	<b>8,421,903</b>	<b>6,320,420</b>	<b>957,367</b>	<b>443,480</b>	<b>7,721,267</b>
	30.06.2021				31.12.2020			
Small and micro-business loans	Stage 1 S/(000)	Stage 2 S/(000)	Stage 3 S/(000)	Total S/(000)	Stage 1 S/(000)	Stage 2 S/(000)	Stage 3 S/(000)	Total S/(000)
<b>Not impaired</b>								
High grade	991,264	90,126	-	1,081,390	1,117,476	278,115	-	1,395,591
Standard grade	140,125	28,453	-	168,578	231,451	23,329	-	254,780
Sub-standard grade	20,595	162,244	-	182,839	35,400	124,066	-	159,466
Past due but not impaired	17,375	55,379	-	72,754	4,468	68,476	-	72,944
<b>Impaired</b>								
Individually	-	-	-	-	-	-	-	-
Collectively	-	-	82,733	82,733	-	-	60,114	60,114
<b>Total direct loans</b>	<b>1,169,359</b>	<b>336,202</b>	<b>82,733</b>	<b>1,588,294</b>	<b>1,388,795</b>	<b>493,986</b>	<b>60,114</b>	<b>1,942,895</b>

## Notes to the interim consolidated financial statements (continued)

(d) The balances of the allowance for impairment of the direct and indirect loan portfolio and the movement of the respective allowance for expected credit loss, calculated according to IFRS 9, is as follows:

(d.1) Direct loans

	30.06.2021				30.06.2020				31.12.2020
Changes in the allowance for expected credit losses for direct loans, see (d.1.1)	Stage 1 S/(000)	Stage 2 S/(000)	Stage 3 S/(000)	Total S/(000)	Stage 1 S/(000)	Stage 2 S/(000)	Stage 3 S/(000)	Total S/(000)	Total S/(000)
<b>Expected credit loss at the beginning of year balances</b>	180,241	1,145,207	1,659,403	2,984,851	461,892	394,773	538,114	1,394,779	1,394,779
Impact of the expected credit loss in the consolidated statement of income -									
New originated or purchased assets	241,376	-	-	241,376	176,208	-	-	176,208	451,031
Assets matured or derecognized (excluding write-offs)	(65,998)	(33,318)	(20,830)	(120,146)	(40,683)	(18,136)	(12,142)	(70,961)	(175,993)
Transfers to Stage 1	102,181	(100,768)	(1,413)	-	67,646	(66,165)	(1,481)	-	-
Transfers to Stage 2	(83,770)	94,934	(11,164)	-	(107,427)	118,078	(10,651)	-	-
Transfers to Stage 3	(41,544)	(234,241)	275,785	-	(24,623)	(142,967)	167,590	-	-
Impact on the expected credit loss for credits that change stage in the year (*)	(73,906)	39,586	381,112	346,792	(50,095)	1,175,594	328,295	1,453,794	2,151,311
Others	(92,952)	(40,848)	26,813	(106,987)	61,659	40,151	(65,469)	36,341	(49,358)
<b>Total</b>	(14,613)	(274,655)	650,303	361,035	82,685	1,106,555	406,142	1,595,382	2,376,991
Write-offs	-	-	(985,085)	(985,085)	-	-	(326,872)	(326,872)	(925,960)
Recovery of written-off loans	-	-	87,296	87,296	-	-	46,136	46,136	106,395
Foreign exchange effect	5,147	3,890	9,827	18,864	6,503	3,968	11,452	21,923	32,646
<b>Expected credit loss at the end of year balances</b>	170,775	874,442	1,421,744	2,466,961	551,080	1,505,296	674,972	2,731,348	2,984,851

(d.1.1) The following tables show the movement of the allowance for expected credit losses for each classification of the direct loan portfolio:

	30.06.2021				30.06.2020				31.12.2020
Commercial loans	Stage 1 S/(000)	Stage 2 S/(000)	Stage 3 S/(000)	Total S/(000)	Stage 1 S/(000)	Stage 2 S/(000)	Stage 3 S/(000)	Total S/(000)	Total S/(000)
<b>Expected credit loss at the beginning of year balances</b>	71,272	98,040	68,448	237,760	54,693	24,399	67,158	146,250	146,250
Impact of the expected credit loss in the consolidated statement of income -									
New originated or purchased assets	34,457	-	-	34,457	46,800	-	-	46,800	118,602
Assets derecognized or matured (excluding write-offs)	(23,218)	(8,196)	(1,004)	(32,418)	(14,567)	(2,315)	(887)	(17,769)	(30,646)
Transfers to Stage 1	11,747	(11,747)	-	-	3,248	(3,248)	-	-	-
Transfers to Stage 2	(7,371)	7,380	(9)	-	(15,749)	15,749	-	-	-
Transfers to Stage 3	(1,046)	(8,749)	9,795	-	(208)	(3,153)	3,361	-	-
Impact on the expected credit loss for credits that change stage in the year (*)	(7,184)	16,766	33,747	43,329	(2,331)	60,282	15,138	73,089	64,166
Others	(9,350)	(12,272)	(5,165)	(26,787)	(24,788)	(6,217)	(9,484)	(40,489)	(50,679)
<b>Total</b>	(1,965)	(16,818)	37,364	18,581	(7,595)	61,098	8,128	61,631	101,443
Write-offs	-	-	(17,919)	(17,919)	-	-	(14,308)	(14,308)	(27,817)
Recovery of written-off loans	-	-	382	382	-	-	534	534	1,756
Foreign exchange effect	4,600	3,087	4,606	12,293	6,286	2,850	5,500	14,636	16,128
<b>Expected credit loss at the end of year balances</b>	73,907	84,309	92,881	251,097	53,384	88,347	67,012	208,743	237,760

(\*) With the purpose of reflecting the impact of the uncertainty due to the Covid-19 pandemic, see Note 1(b), the Group decided to apply the expert judgment to perform migrations of clients with higher risk from Stage 1 to Stage 2 and Stage 3, and from Stage 2 to Stage 3. These migrations into higher risk Stages led to incurrence of higher provisions for expected loss during 2020, see Note 30.1(d.5) of the audited annual consolidated financial statements.



Notes to the interim consolidated financial statements (continued)

	30.06.2021				30.06.2020				31.12.2020
Consumer loans	Stage 1 S/(000)	Stage 2 S/(000)	Stage 3 S/(000)	Total S/(000)	Stage 1 S/(000)	Stage 2 S/(000)	Stage 3 S/(000)	Total S/(000)	Total S/(000)
<b>Expected credit loss at the beginning of year balances</b>	85,321	901,602	1,426,470	2,413,393	384,989	332,697	340,914	1,058,600	1,058,600
Impact of the expected credit loss in the consolidated statement of income -									
New originated or purchased assets	200,220	-	-	200,220	93,163	-	-	93,163	185,014
Assets derecognized or matured (excluding write-offs)	(40,863)	(23,333)	(13,799)	(77,995)	(23,621)	(14,975)	(6,035)	(44,631)	(125,246)
Transfers to Stage 1	59,909	(58,678)	(1,231)	-	51,741	(50,260)	(1,481)	-	-
Transfers to Stage 2	(68,904)	74,588	(5,684)	-	(86,674)	91,117	(4,443)	-	-
Transfers to Stage 3	(38,360)	(205,011)	243,371	-	(23,747)	(129,863)	153,610	-	-
Impact on the expected credit loss for credits that change stage in the year (*)	(45,916)	4,031	304,883	262,998	(38,493)	958,712	289,584	1,209,803	1,908,097
Others	(71,892)	(7,050)	29,428	(49,514)	116,016	43,765	(515)	159,266	144,988
<b>Total</b>	(5,806)	(215,453)	556,968	335,709	88,385	898,496	430,720	1,417,601	2,112,853
Write-offs	-	-	(930,224)	(930,224)	-	-	(292,112)	(292,112)	(868,121)
Recovery of written-off loans	-	-	85,107	85,107	-	-	43,666	43,666	100,760
Foreign exchange effect	26	361	1,425	1,812	30	561	1,355	1,946	9,301
<b>Expected credit loss at the end of year balances</b>	79,541	686,510	1,139,746	1,905,797	473,404	1,231,754	524,543	2,229,701	2,413,393

  

	30.06.2021				30.06.2020				31.12.2020
Mortgage loans	Stage 1 S/(000)	Stage 2 S/(000)	Stage 3 S/(000)	Total S/(000)	Stage 1 S/(000)	Stage 2 S/(000)	Stage 3 S/(000)	Total S/(000)	Total S/(000)
<b>Expected credit loss at the beginning of year balances</b>	11,123	62,782	114,079	187,984	9,418	22,788	89,476	121,682	121,682
Impact of the expected credit loss in the consolidated statement of income -									
New originated or purchased assets	1,994	-	-	1,994	920	-	-	920	2,125
Assets derecognized or matured (excluding write-offs)	(1,021)	(355)	(5,073)	(6,449)	(434)	(331)	(4,469)	(5,234)	(13,556)
Transfers to Stage 1	2,465	(2,465)	-	-	10,042	(10,042)	-	-	-
Transfers to Stage 2	(790)	6,259	(5,469)	-	(721)	6,855	(6,134)	-	-
Transfers to Stage 3	(855)	(1,875)	2,730	-	(191)	(5,497)	5,688	-	-
Impact on the expected credit loss for credits that change stage in the year (*)	(1,946)	(2,634)	8,332	3,752	(7,806)	103,997	11,840	108,031	100,318
Others	(1,431)	(6,762)	2,073	(6,120)	(2,486)	(259)	(55,204)	(57,949)	(25,139)
<b>Total</b>	(1,584)	(7,832)	2,593	(6,823)	(676)	94,723	(48,279)	45,768	63,748
Write-offs	-	-	(1,691)	(1,691)	-	-	(999)	(999)	(4,350)
Recovery of written-off loans	-	-	-	-	-	-	-	-	-
Foreign exchange effect	478	437	3,701	4,616	161	552	4,367	5,080	6,904
<b>Expected credit loss at the end of year balances</b>	10,017	55,387	118,682	184,086	8,903	118,063	44,565	171,531	187,984

(\*) With the purpose of reflecting the impact of the uncertainty due to the Covid-19 pandemic, see Note 1(b), the Group decided to apply the expert judgment to perform migrations of clients with higher risk from Stage 1 to Stage 2 and Stage 3, and from Stage 2 to Stage 3. These migrations into higher risk Stages led to incurrence of higher provisions for expected loss during 2020, see Note 30.1(d.5) of the audited annual consolidated financial statements.

Notes to the interim consolidated financial statements (continued)

	30.06.2021				30.06.2020				31.12.2020
	Stage 1 S/(000)	Stage 2 S/(000)	Stage 3 S/(000)	Total S/(000)	Stage 1 S/(000)	Stage 2 S/(000)	Stage 3 S/(000)	Total S/(000)	Total S/(000)
<b>Small and micro-business loans</b>									
<b>Expected credit loss at the beginning of year balances</b>	12,525	82,783	50,406	145,714	12,792	14,889	40,566	68,247	68,247
Impact of the expected credit loss in the consolidated statement of income -									
New originated or purchased assets	4,705	-	-	4,705	35,325	-	-	35,325	145,290
Assets derecognized or matured (excluding write-offs)	(896)	(1,434)	(954)	(3,284)	(2,061)	(515)	(751)	(3,327)	(6,545)
Transfers to Stage 1	28,060	(27,878)	(182)	-	2,615	(2,615)	-	-	-
Transfers to Stage 2	(6,705)	6,707	(2)	-	(4,283)	4,357	(74)	-	-
Transfers to Stage 3	(1,283)	(18,606)	19,889	-	(477)	(4,454)	4,931	-	-
Impact on the expected credit loss for credits that change stage in the year (*)	(18,860)	21,423	34,150	36,713	(1,465)	52,603	11,733	62,871	78,730
Others	(10,279)	(14,764)	477	(24,566)	(27,083)	2,862	(266)	(24,487)	(118,528)
<b>Total</b>	(5,258)	(34,552)	53,378	13,568	2,571	52,238	15,573	70,382	98,947
Write-offs	-	-	(35,251)	(35,251)	-	-	(19,453)	(19,453)	(25,672)
Recovery of written-off loans	-	-	1,807	1,807	-	-	1,936	1,936	3,879
Foreign exchange effect	43	5	95	143	26	5	230	261	313
<b>Expected credit loss at the end of year balances</b>	7,310	48,236	70,435	125,981	15,389	67,132	38,852	121,373	145,714

(d.2) Indirect loans (substantially, all indirect loans correspond to commercial loans)

	30.06.2021				30.06.2020				31.12.2020
	Stage 1 S(000)	Stage 2 S(000)	Stage 3 S(000)	Total S(000)	Stage 1 S(000)	Stage 2 S(000)	Stage 3 S(000)	Total S(000)	Total S(000)
<b>Changes in the allowance for expected credit losses for indirect loans</b>									
<b>Expected credit loss at beginning of year balances</b>	15,741	18,945	23,037	57,723	16,367	4,720	18,607	39,694	39,694
Impact of the expected credit loss in the consolidated statement of income -									
New originated or purchased assets	4,773	-	-	4,773	1,541	-	-	1,541	5,816
Assets derecognized or matured	(4,276)	(672)	(1,289)	(6,237)	(981)	(494)	(45)	(1,520)	(3,753)
Transfers to Stage 1	145	(134)	(11)	-	1,820	(1,820)	-	-	-
Transfers to Stage 2	(384)	384	-	-	(632)	632	-	-	-
Transfers to Stage 3	(535)	(299)	834	-	(39)	(17)	56	-	-
Impact on the expected credit loss for credits that change stage in the year (*)	(53)	(140)	1,026	833	(1,604)	520	564	(520)	6,698
Others	2,356	4,789	(700)	6,445	7,912	1,193	(822)	8,283	8,192
<b>Total</b>	2,026	3,928	(140)	5,814	8,017	14	(247)	7,784	16,953
Write-offs	-	-	-	-	-	-	-	-	-
Foreign exchange effect	419	224	29	672	520	233	33	786	1,076
<b>Expected credit loss at the end of year balances</b>	18,186	23,097	22,926	64,209	24,904	4,967	18,393	48,264	57,723

(\*) With the purpose of reflecting the impact of the uncertainty due to Covid-19 pandemic, see Note 1(b), the Group decided to apply the expert judgment to perform migrations of clients with higher risk from Stage 1 to Stage 2 and Stage 3, and from Stage 2 to Stage 3. These migrations to higher risk stages led to incurrence of higher provisions for expected losses during the year 2020, see Note 30.1(d.5) of the audited annual consolidated financial statements.

## Notes to the interim consolidated financial statements (continued)

### 7. Investment property

(a) This caption is made up as follows:

	30.06.2021 S/(000)	31.12.2020 S/(000)	Acquisition or construction year	Valuation methodology as of June 30, 2021 and as of December 31, 2020
<b>Land</b>				
San Isidro – Lima	285,607	241,112	2009	Appraisal
San Martín de Porres – Lima	84,109	79,080	2015	Appraisal
Sullana	18,862	17,703	2012	Appraisal
Santa Clara – Lima	15,089	14,162	2017	Appraisal
Others	9,498	9,161	-	Appraisal / Cost
	<u>413,165</u>	<u>361,218</u>		
<b>Completed investment property - “Real Plaza” Shopping Malls</b>				
Talara	35,360	34,982	2015	DCF
	<u>35,360</u>	<u>34,982</u>		
<b>Buildings</b>				
Orquídeas - San Isidro – Lima	165,294	158,825	2017	DCF
Ate Vitarte – Lima	113,720	109,980	2006	DCF/Appraisal
Piura (d)	112,035	107,992	2008/2020	DCF/Appraisal
Paseo del Bosque (d)	108,770	-	2021	DCF
Chorrillos – Lima	68,432	67,424	2017	DCF
Chimbote	44,249	42,805	2015	DCF
Cusco	32,716	31,586	2017	DCF
Maestro-Huancayo	32,667	32,395	2017	DCF
Pardo y Aliaga – Lima	22,596	21,285	2008	DCF
Panorama – Lima	20,657	20,449	2016	DCF
Trujillo	18,758	18,111	2016	DCF
Cercado de Lima – Lima	15,801	14,697	2017	DCF
Others	22,526	22,229	-	DCF
	<u>778,221</u>	<u>647,778</u>		
<b>Total</b>	<u>1,226,746</u>	<u>1,043,978</u>		

DCF: Discounted cash flow

(i) As of June 30, 2021 and December 31, 2020, there are no liens on investment property.

## Notes to the interim consolidated financial statements (continued)

- b) The net gain on investment properties as of June 30, 2021 and 2020, consists of the following:

	<b>30.06.2021</b> S/(000)	<b>30.06.2020</b> S/(000)
Gain on valuation of investment property	56,595	6,483
Income from rental of investment property	23,919	19,381
<b>Total</b>	<b>80,514</b>	<b>25,864</b>

- (c) The movement of investment property is as follows:

	<b>30.06.2021</b> S/(000)	<b>30.06.2020</b> S/(000)
<b>Beginning of period balances</b>	1,043,978	972,096
Additions (d)	124,557	52,661
Valuation gain	56,595	6,483
Others	1,616	-
<b>Balance as of June 30</b>	<b>1,226,746</b>	<b>1,031,240</b>
<b>Balance as of December 31, 2020</b>		<b>1,043,978</b>

- (d) During 2021, it mainly corresponds to the purchase of the "Paseo del Bosque" building, which was purchased from third parties. During 2020, it mainly corresponds to outlays related to the purchase of the "Piura" building, which was purchased from a related entity and for cash.

## Notes to the interim consolidated financial statements (continued)

### 8. Other accounts receivable and other assets, net, and other accounts payable, provisions and other liabilities

(a) These captions are comprised of the following:

	30.06.2021 S/(000)	31.12.2020 S/(000)
<b>Other accounts receivable and other assets</b>		
<b>Financial Instruments</b>		
Accounts receivable related to derivative financial instruments (b)	700,103	395,249
Other accounts receivable, net	434,975	357,783
Operations in process	174,814	93,933
Accounts receivable from sale of investments	155,223	111,237
Assets for technical reserves for claims and premiums by reinsurers	55,699	59,235
Others	32,277	35,952
	<u>1,553,091</u>	<u>1,053,389</u>
<b>Non-financial instruments</b>		
Income Tax paid to recover	252,288	149,356
Deferred charges	93,242	52,939
Investments in associates	80,504	70,344
Realizable assets, received as payment and seized through legal actions	22,910	23,224
Prepaid rights to related entity, Note 20(f)	3,400	3,400
Others	5,459	2,377
	<u>457,803</u>	<u>301,640</u>
<b>Total</b>	<u>2,010,894</u>	<u>1,355,029</u>
<b>Other accounts payable, provisions and other liabilities</b>		
<b>Financial Instruments</b>		
Contract liability with investment component	608,853	505,177
Other accounts payable	567,175	421,364
Accounts payable related to derivative financial instruments (b)	392,363	271,326
Operations in process	317,047	175,194
Accounts payable for acquisitions of investments	283,391	185,432
Lease liabilities	238,432	269,755
Workers' profit sharing and salaries payable	113,188	110,640
Allowance for indirect loan losses, Note 6(d.2)	64,209	57,723
Accounts payable to reinsurers and coinsurers	8,356	7,176
	<u>2,593,014</u>	<u>2,003,787</u>
<b>Non-financial Instruments</b>		
Provision for other contingencies	53,932	48,711
Taxes payable	48,344	38,853
Deferred income	42,751	46,976
Others	6,961	7,825
	<u>151,988</u>	<u>142,365</u>
<b>Total</b>	<u>2,745,002</u>	<u>2,146,152</u>

## Notes to the interim consolidated financial statements (continued)

(b) The following table presents, the fair value of derivative financial instruments recorded as assets or liabilities, including their notional amounts as of June 30, 2021 and December 31, 2020:

	Assets S/(000)	Liabilities S/(000)	Notional amount S/(000)	Effective part recognized in other comprehensive income during the year S/(000)	Maturity	Hedged Instruments	Caption of the consolidated statement of financial position where the hedged item has been recognized
<b>As of June 30, 2021</b>							
<b>Derivatives held for trading -</b>							
Forward exchange contracts	56,121	132,469	7,882,759	-	Between July 2021 and December 2022	-	-
Interest rate swaps	67,588	61,504	3,515,137	-	Between July 2021 and June 2036	-	-
Currency swaps	234,624	115,940	4,998,840	-	Between July 2021 and April 2028	-	-
Cross currency swaps	-	82,282	227,075	-	January 2023	-	-
Options	-	168	22,154	-	Between July 2021 and March 2022	-	-
	<u>358,333</u>	<u>392,363</u>	<u>16,645,965</u>	<u>-</u>			
<b>Derivatives held as hedges - Cash flow hedges:</b>							
Cross currency swaps (CCS)	248,805	-	1,701,378	10,973	January 2023	Corporate bonds	Bonds, notes and obligations outstanding
Cross currency swaps (CCS)	<u>92,965</u>	<u>-</u>	<u>578,700</u>	<u>22,074</u>	October 2027	Senior bonds	Bonds, notes and obligations outstanding
	<u>341,770</u>	<u>-</u>	<u>2,280,078</u>	<u>33,047</u>			
	<u>700,103</u>	<u>392,363</u>	<u>18,926,043</u>	<u>33,047</u>			

## Notes to the interim consolidated financial statements (continued)

	Assets S/(000)	Liabilities S/(000)	Notional amount S/(000)	Effective part recognized in other comprehensive income during the year S/(000)	Maturity	Hedged Instruments	Caption of the consolidated statement of financial position where the hedged item has been recognized
<b>As of December 31, 2020</b>							
<b>Derivatives held for trading -</b>							
Forward exchange contracts	23,512	13,935	3,661,038	-	Between January 2021 and December 2022	-	-
Interest rate swaps	140,906	139,531	4,382,535	-	Between May 2021 and June 2036	-	-
Currency swaps	69,007	50,192	2,520,758	-	Between April 2021 and April 2028	-	-
Cross currency swaps	-	67,523	213,125	-	January 2023	-	-
Options	-	145	22,700	-	Between January 2021 and June 2021	-	-
	<u>233,425</u>	<u>271,326</u>	<u>10,800,156</u>	<u>-</u>			
<b>Derivatives held as hedges - Cash flow hedges:</b>							
Cross currency swaps (CCS)	126,839	-	1,596,861	(10,768)	January 2023	Corporate bonds	Bonds, notes and obligations outstanding
Cross currency swaps (CCS)	34,985	-	543,150	(5,904)	October 2027	Senior bonds	Bonds, notes and obligations outstanding
Interest rate swaps (IRS) (*)	-	-	-	964	-	-	-
Interest rate swaps (IRS) (*)	-	-	-	677	-	-	-
Interest rate swaps (IRS) (*)	-	-	-	681	-	-	-
	<u>161,824</u>	<u>-</u>	<u>2,140,011</u>	<u>(14,350)</u>			
	<u>395,249</u>	<u>271,326</u>	<u>12,940,167</u>	<u>(14,350)</u>			

(\*) As of December 31, 2020, it corresponded to derivative financial instruments whose hedge items were cancelled in 2020.

(i) As of June 30, 2021 and December 31, 2020, certain derivative financial instruments required the establishment of collateral deposits; see Note 4(d).

(ii) For the designated hedging derivatives mentioned in the table above, changes in fair values of hedging instruments completely offset the changes in fair values of hedged items; therefore, there has been no hedge ineffectiveness as of June 30, 2021 and December 31, 2020.

(iii) Derivatives held for trading are traded mainly to satisfy clients' needs. The Group may also take positions with the expectation of profiting from favorable movements in prices or rates. Also, this caption includes any derivatives which do not comply with IFRS 9 hedging accounting requirements.

## Notes to the interim consolidated financial statements (continued)

### 9. Deposits and obligations

(a) This caption is made up as follows:

	30.06.2021 S/(000)	31.12.2020 S/(000)
Saving deposits	19,580,487	17,852,282
Demand deposits	16,691,969	13,832,262
Time deposits	11,852,352	13,534,993
Compensation for service time	1,361,042	1,923,698
Other obligations	5,873	6,040
<b>Total</b>	<b>49,491,723</b>	<b>47,149,275</b>

(b) Interest rates applied to deposits and obligations are determined based on the market interest rates.

(c) As of June 30, 2021 and December 31, 2020, approximately S/14,623,503,000 and S/14,020,602,000, respectively, of deposits and obligations are covered by the Peruvian Deposit Insurance Fund.

### 10. Due to banks and correspondents

(a) This caption is comprised of the following:

	30.06.2021 S/(000)	31.12.2020 S/(000)
<b>By type -</b>		
Banco Central de Reserva del Perú- BCRP (b)	6,330,153	7,736,322
Promotional credit lines (c)	1,534,225	1,453,397
Loans received from foreign entities (d)	1,026,537	427,278
Loans received from Peruvian entities	100,366	1,117
	8,991,281	9,618,114
Interest and commissions payable	36,161	42,763
	9,027,442	9,660,877
<b>By term -</b>		
Short term	1,659,944	1,769,403
Long term	7,367,498	7,891,474
<b>Total</b>	<b>9,027,442</b>	<b>9,660,877</b>

(b) As part of the exceptional measures implemented to mitigate the financial and economic impact generated by the Covid-19 pandemic, see Note 1(b), the BCRP issued a series of regulations related to the loans repurchase agreements. In this sense, during 2020, Interbank took part in the public auction of funds of the BCRP within the framework "Reactiva Peru" program, Note 1(b).

As of June 30, 2021 and December 31, 2020, it includes operations of loan reports represented by securities according to which Interbank receives a debt in local currency for approximately S/5,432,137,000 and S/5,887,938,000, respectively, and gives as guarantee, commercial and micro and small business loans; see Note 6(a).



## Notes to the interim consolidated financial statements (continued)

### 11. Bonds, notes and other obligations

(a) This caption is comprised of the following:

Issuance	Issuer	Annual interest rate	Interest payment	Maturity	Amount issued (000)	30.06.2021 S/(000)	31.12.2020 S/(000)
<b>Local issuances</b>							
<b>Subordinated bonds – first program</b>							
Third (A series)	Interbank	3.5% + VAC (*)	Semi-annually	2023	S/110,000	91,000	91,000
Eighth (A series)	Interbank	6.91%	Semi-annually	2022	S/137,900	137,900	137,900
						<u>228,900</u>	<u>228,900</u>
<b>Subordinated bonds – second program</b>							
Second (A series)	Interbank	5.81%	Semi-annually	2023	S/150,000	149,908	149,881
Third (A series)	Interbank	7.50%	Semi-annually	2023	US\$50,000	192,691	180,819
						<u>342,599</u>	<u>330,700</u>
<b>Subordinated bonds – third program</b>							
Third - single series	Interseguro	4.84%	Semi-annually	2030	US\$25,000	96,450	90,525
First - single series	Interseguro	6.00%	Semi-annually	2029	US\$20,000	77,085	72,420
Second - single series	Interseguro	4.34%	Semi-annually	2029	US\$20,000	77,160	72,420
						<u>250,695</u>	<u>235,365</u>
<b>Corporate bonds – second program</b>							
Fifth (A series)	Interbank	3.41% + VAC (*)	Semi-annually	2029	S/150,000	150,000	150,000
<b>Total local issuances</b>						<u>972,194</u>	<u>944,965</u>
<b>International issuances</b>							
Subordinated bonds	Interbank	4.000%	Semi-annually	2030	US\$300,000	1,149,520	1,078,493
Corporate bonds	Interbank	5.000%	Semi-annually	2026	S/312,000	311,356	311,282
Corporate bonds	Interbank	3.250%	Semi-annually	2026	US\$400,000	1,531,947	1,436,818
Corporate bonds	Interbank	3.375%	Semi-annually	2023	US\$484,895	1,839,529	1,714,707
Subordinated bonds	Interbank	6.625%	Semi-annually	2029	US\$300,000	1,154,296	1,082,915
Senior bonds	IFS	4.125%	Semi-annually	2027	US\$300,000	1,138,036	1,065,482
<b>Total international issuances</b>						<u>7,124,684</u>	<u>6,689,697</u>
<b>Total local and international issuances</b>						<u>8,096,878</u>	<u>7,634,662</u>
Interest payable						<u>154,029</u>	<u>144,089</u>
<b>Total</b>						<u>8,250,907</u>	<u>7,778,751</u>

(\*) The Spanish term “Valor de actualización constante” is referred to amounts in Soles indexed by inflation.

## Notes to the interim consolidated financial statements (continued)

- (b) The international issuances are listed at the Luxembourg Stock Exchange. On the other hand, the local and international issuances include standard clauses of compliance with financial ratios, the use of funds and other administrative matters.

As of June 30, 2021 and December 31, 2020, the international issuances are subject to the presentation of audited financial statements on an annual basis and unaudited financial statements on a quarterly basis. In the opinion of Group Management and its legal advisers, this clause has been met by the Group as of June 30, 2021 and December 31, 2020.

### 12. Insurance contract liabilities

- (a) This caption is comprised of the following:

	30.06.2021 S/(000)	31.12.2020 S/(000)
Technical reserves for insurance premiums (b)	11,350,374	12,298,075
Technical reserves for claims (c)	217,346	203,648
	<u>11,567,720</u>	<u>12,501,723</u>
<b>By term -</b>		
Short term	1,089,713	1,035,915
Long term	<u>10,478,007</u>	<u>11,465,808</u>
<b>Total</b>	<u>11,567,720</u>	<u>12,501,723</u>

## Notes to the interim consolidated financial statements (continued)

(b) The movement of technical reserves for insurance premiums (disclosed by type of insurance) as of June 30, 2021 and 2020, is as follows:

	30.06.2021						30.06.2020					
	Retirement, disability and survival annuities	Life Insurance	General Insurance	SCTR	Total		Retirement, disability and survival annuities	Life Insurance	General Insurance	SCTR	Total	
	Annuities S/(000)	S/(000)	S/(000)	S/(000)	S/(000)		Annuities S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	
<b>Beginning of year balances</b>	10,448,455	745,292	746,171	38,015	320,142	12,298,075	9,741,241	779,455	630,801	41,073	30,886	11,223,456
Insurance subscriptions	213,876	-	1,422	26,137	-	241,435	116,911	-	1,055	30,371	-	148,337
Acquisition of Mapfre portfolio (*)	-	-	-	-	-	-	-	-	-	-	292,499	292,499
Time passage adjustments	(1,256,202)	(142,480)	73,762	(29,931)	(70,311)	(1,425,162)	(286,026)	(20,283)	40,725	(24,640)	(4,225)	(294,449)
Maturities and recoveries	-	-	(29,206)	-	-	(29,206)	-	-	(22,131)	-	-	(22,131)
Foreign exchange	220,094	-	44,789	297	52	265,232	215,336	-	39,498	200	(416)	254,618
<b>Balance as of June 30</b>	<u>9,626,223</u>	<u>602,812</u>	<u>836,938</u>	<u>34,518</u>	<u>249,883</u>	<u>11,350,374</u>	<u>9,787,462</u>	<u>759,172</u>	<u>689,948</u>	<u>47,004</u>	<u>318,744</u>	<u>11,602,330</u>
<b>Balance as of December, 31</b>							<u>10,448,455</u>	<u>745,292</u>	<u>746,171</u>	<u>38,015</u>	<u>320,142</u>	<u>12,298,075</u>

(\*) In December 2019, SBS authorized the transfer of risk insurance contracts from Complementary Insurance for High-risk Activities ("SCTR", by its Spanish acronym), of Mapfre Perú Vida Compañía de Seguros y Reaseguros S.A. (henceforth "Mapfre", an unrelated entity), which entered into force on January 2, 2020. The assets received by said contracts were cash and financial debt instruments of a value equivalent to S/246,101,000; also recognized a liability for technical reserves of premiums for S/292,499,000, the difference amounting to S/46,398,000, was recorded in the caption "Intangibles and goodwill, net".

## Notes to the interim consolidated financial statements (continued)

(c) The main assumptions used in the estimation of retirement, disability and survival annuities and individual life reserves, are the following:

Type	Mortality table		Interest rate	
	30.06.2021	31.12.2020	30.06.2021	31.12.2020
Annuities and Lifetime RPP	SPP-S-2017, SPP-I-2017 with improvement factor for mortality		3.83% in US\$ 3.82% in S/ VAC 6.44% in adjusted S/	3.53% in US\$ 2.05% in S/ VAC 5.07% in adjusted S/
Retirement, disability and survival	SPP-S-2017, SPP-I-2017 with improvement factor for mortality		3.82% in S/ VAC	2.05% in S/ VAC
SCTR insurance	SPP-S-2017, SPP-I-2017 with improvement factor for mortality		3.82% in S/ VAC	2.05% in S/ VAC
Individual life insurance contracts (included linked insurance contracts)	CSO 80 ajustable		4.00 - 5.00%	4.00 - 5.00%

The sensitivity of the estimates used by the Group to measure its insurance risks is represented primarily by life insurance risks; the main variables as of June 30, 2021 and December 31, 2020, are the interest rates and the mortality tables. The Group has assessed the changes of the reserves related to its most significant life insurance contracts included in the reserves of annuities, retirement, disability and survival of +/- 100 basis points (bps) in the interest rates and of +/- 500 basis points (bps) of the mortality factors, being the results as follows:

Variables	30.06.2021			31.12.2020		
	Reserves S/(000)	Variation in reserves		Reserves S/(000)	Variation in reserves	
		Amount S/(000)	Percentage %		Amount S/(000)	Percentage %
<b>Annuities -</b>						
<b>Portfolio in S/ and US Dollars - basis amount</b>						
Changes in interest rate: + 100 bps	8,729,356	(896,868)	(9.32)	9,363,723	(1,084,732)	(10.38)
Changes in interest rate: - 100 bps	10,727,872	1,101,649	11.44	11,778,806	1,330,351	12.73
Changes in mortality table at 105%	9,539,037	(87,187)	(0.91)	10,333,990	(114,465)	(1.10)
Changes in mortality table at 95%	9,737,087	110,863	1.15	10,568,733	120,278	1.15
<b>Retirements, disability and survival -</b>						
<b>Portfolio in S/ - basis amount</b>						
Changes in interest rate: + 100 bps	543,506	(59,307)	(9.84)	660,001	(85,291)	(11.44)
Changes in interest rate: - 100 bps	674,785	71,972	11.94	851,384	106,092	14.23
Changes in mortality table at 105%	595,859	(6,953)	(1.15)	735,321	(9,971)	(1.34)
Changes in mortality table at 95%	610,090	7,278	1.21	755,775	10,483	1.41
<b>SCTR insurance -</b>						
<b>Portfolio in S/ - basis amount</b>						
Changes in interest rate: + 100 bps	220,056	(29,827)	(11.94)	274,323	(45,819)	(14.31)
Changes in interest rate: - 100 bps	287,864	37,982	15.20	380,684	60,542	18.91
Changes in mortality table at 105%	248,054	(1,828)	(0.73)	317,191	(2,951)	(0.92)
Changes in mortality table at 95%	251,786	1,904	0.76	323,233	3,091	0.97

## Notes to the interim consolidated financial statements (continued)

### 13. Equity

#### (a) Capital stock and distribution of dividends -

IFS's shares are listed on the Lima Stock Exchange and, since July 2019, they are also listed on the New York Stock Exchange. IFS's shares have no nominal value and their issuance value was US\$9.72 per share.

As of June 30, 2021 and December 31, 2020, IFS's capital stock is represented by 115,447,705 subscribed and paid-in common shares.

The General Shareholders' Meeting of IFS held on March 31, 2021, agreed to distribute dividends for the year 2020 for approximately US\$88,891,000 (equivalent to approximately S/332,096,000), equivalent to US\$0.77 per share, which were paid on May 6, 2021.

The General Shareholders' Meeting of IFS held on April 7, 2020, agreed to distribute dividends for the year 2019 for approximately US\$202,033,000 (equivalent to approximately S/698,228,000), equivalent to US\$1.75 per share, which were paid on May 6, 2020.

#### (b) Treasury stock -

As of June 30, 2021 and December 31, 2020, the Company and some Subsidiaries held 29,574 and 24,824 shares issued by IFS, respectively, with an acquisition cost equivalent to S/3,314,000 and S/2,769,000, respectively.

#### (c) Capital surplus -

Corresponds to the difference between the nominal value of the shares issued and their public offerings price, which were performed in 2007 and 2019. Capital surplus is presented net of the expenses incurred and related to the issuance of such shares.

#### (d) Shareholders' equity for legal purposes (regulatory capital) -

IFS is not required to establish a regulatory capital for statutory purposes. As of June 30, 2021 and December 31, 2020, the regulatory capital required for Interbank, Interseguro and Inteligo Bank (a Subsidiary of Inteligo Group Corp.), is calculated based on the separate financial statement of each Subsidiary prepared following the accounting principles and practices stated by their regulators (the SBS or the Central Bank of the Bahamas, in the case of Inteligo Bank).

In Group Management's opinion, its Subsidiaries have complied with the requirements set forth by the regulatory entities.

#### (e) Reserves -

The Board of Directors of IFS session held on April 22, 2020, agreed to constitute reserves for S/500,000,000 charged to retained earnings.

## Notes to the interim consolidated financial statements (continued)

### 14. Tax situation

- (a) IFS and its Subsidiaries incorporated and domiciled in the Republic of Panama and the Commonwealth of the Bahamas, are not subject to any Income Tax, or any other taxes on capital gains, equity or property. The Subsidiaries incorporated and domiciled in Peru, are subject to the Peruvian Tax legislation; see paragraph (c).

Peruvian life insurance companies are exempt from Income Tax regarding the income derived from assets linked to technical reserves for pension insurance and annuities from the Private Pension Fund Administration System.

In Peru, all income from Peruvian sources obtained from the direct or indirect sale of shares of stock capital representing participation of legal persons domiciled in the country are subject to income tax. For that purpose, an indirect sale shall be considered to have occurred when shares of stock or ownership interests of a legal entity are sold and this legal entity is not domiciled in the country and, in turn, is the holder — whether directly or through other legal entity or entities — of shares of stock or ownership interests of one or more legal entities domiciled in the country, provided that certain conditions established by law occur.

In this sense, the Act states that an assumption of indirect transfer of shares arises when in any of the 12 months prior to disposal, the market value of shares or participations of the legal person domiciled is equivalent to 50 percent or more of the market value of shares or participations of the legal person non-domiciled. Additionally, as a concurrent condition, it is established that in any 12 months period, shares or participations representing 10 percent or more of the capital of legal persons non-domiciled be disposed.

- (b) Legal entities or individuals not domiciled in Peru are subject to an additional tax (equivalent to 5 percent) on dividends received from entities domiciled in Peru. The corresponding tax is withheld by the entity that distributes the dividends. In this regard, since IFS controls the entities that distribute the dividends, it recognizes the amount of the additional Income Tax as expense of the financial year of the dividends.
- (c) IFS's Subsidiaries incorporated in Peru are subject to the payment of Peruvian taxes; hence, they must calculate their tax expenses on the basis of their separate financial statements. The Income Tax rate as of June 30, 2021 and December 31, 2020, was 29.5 percent, over the taxable income.
- (d) The Tax Authority (henceforth "SUNAT", by its Spanish acronym) is legally entitled to perform tax audit procedures for up to four years subsequent to the date at which the tax return regarding a taxable period must be filed.

As of June 30, 2021, the following taxable periods are subject to inspection by the Tax Authority:

- Interbank: Income Tax returns for the years 2016 to 2020, and Value-Added-Tax returns for the years 2016 to 2020.
- Interseguro: Income Tax returns for the years 2015, 2017, 2018, 2019 and 2020, and Value-Added-Tax returns for the years 2015 to 2020.
- Hipotecaria Sura: Income Tax returns for the years 2015 to 2018, and Value-Added-Tax returns for the years 2015 to 2019.
- Seguros Sura: Income Tax returns for the years 2015 to 2018, and Value-Added-Tax returns for the years 2015 to 2018.

## Notes to the interim consolidated financial statements (continued)

Given the possible interpretations that SUNAT may give to the legislation in effect, up to date it is not possible to determine whether or not any review to be conducted would result in liabilities for the Subsidiaries; any increased tax or surcharge that could arise from possible tax audits would be applied to the results of the period in which such tax increase or surcharge may be determined.

Following is the description of the main ongoing tax procedures for the Subsidiaries:

### Interbank:

In April 2004, June 2006, February 2007, June 2007, November 2007, October 2008 and December 2010, Interbank received a number of Tax Determination and Tax Penalty notices corresponding mainly to the Income Tax determination for the fiscal years 2000 to 2006. As a result, claims and appeals were filed and subsequent contentious administrative proceedings were started, with the exception of Income Tax 2006.

Regarding the tax litigations followed by Interbank related to the annual Income Tax returns for the years 2000 to 2006, the most relevant matter subject to discrepancy with SUNAT corresponds to whether the “interest in suspense” are subject to Income Tax or not. In this sense, Interbank considers that the interest in suspense do not constitute accrued income, in accordance with the SBS’s regulations and International Financial Reporting Standards, which is also supported by a ruling by the Permanent Constitutional and Social Law Chamber of the Supreme Court issued in August 2009 and a pronouncement in June 2019.

On July 6, 2020 and December 28, 2020, the Permanent Chamber of Constitutional and Social Law of the Supreme Court notified to Interbank its ruling regarding Interbank’s Income Tax 2003 and prepaid income tax for the year 2003, declaring groundless the cassation appeals filed by SUNAT, thus reaffirming the position held by Interbank regarding that interest in suspense does not constitute taxable income.

As of June 30, 2021, the tax liability requested for this concept and other minor contingencies amounts to approximately S/420,000,000, which includes the tax, fines and interest arrears, of which S/332,000,000 corresponded to interest in suspense and S/88,000,000 corresponded to other repairs (as of December 31, 2020, the tax liability requested for this concept and other minor contingencies amounts to approximately S/382,000,000, which includes the tax, fines and interest arrears, of which S/293,000,000 corresponded to interest in suspense and S/89,000,000 corresponded to other repairs). From the tax and legal analysis performed, Interbank’s Management and its external legal advisers consider that there exists sufficient technical support for the prevailing of Interbank’s position; as consequence, no provision has been recorded for this contingency as of June 30, 2021 and December 31, 2020.

On February 3, 2017, SUNAT closed the audit process corresponding to the Income Tax for the year 2010. Interbank paid the debt under protest and filed a claim procedure. Subsequently, on November 6, 2018, SUNAT closed again the audit process corresponding to the Income Tax 2010, which had been reopened due to invalidity; Interbank filed a claim procedure and afterwards a tax appeal. Currently, the appeal is pending resolution by the Tax Court.

On January 14, 2019, Interbank was notified of the Determination and Penalty Resolutions corresponding to the audit of the Income Tax for the fiscal year 2013. To such date, the tax debt requested by SUNAT amounts to approximately S/50,000,000. The main concept observed was the deduction of loan write-offs without proof by the SBS. As of June 30, 2021 and December 31, 2020, the tax debt requested for this concept and other minor contingencies amounts to approximately S/40,000,000, which comprises the tax, penalties and moratorium interest.

## Notes to the interim consolidated financial statements (continued)

On April 26, 2019, SUNAT notified about the commencement of the definitive audit process on Income Tax withholdings of non-domiciled entities corresponding to the year 2018. To date, said audit is under process.

On September 11, 2019, SUNAT notified Interbank about the beginning of the definitive audit process on Income Tax corresponding to the year 2014. To date, said audit is under process.

On December 12, 2019, SUNAT notified Interbank about the beginning of the definitive audit process on Income Tax corresponding to the year 2015. To date, said audit is under process.

On July 31, 2020, Interbank was notified of the Determination and Penalty Resolutions corresponding to the audit of the Income Tax for the fiscal year 2012. To date, the tax debt requested by SUNAT amounted to approximately S/13,000,000. On August 27, 2020, Interbank filed a complaint appeal which is pending resolution. In this regard, on April 21, 2021, Interbank was notified with the Intendancy Resolution No. 0150140015891 in which the aforementioned claim was declared founded in part; likewise, resolved to declare the nullity of the Determination Resolution and Fine. On May 10, 2021, Interbank filed the respective appeal against the aforementioned Resolution, which is pending resolution.

On February 12, 2021, Interbank was notified with a Resolution of Compliance related to the Income Tax and prepaid income tax of the year 2006 (related to litigations about interest in suspense). Through such Resolution, SUNAT increased the alleged tax debt from S/1,000,000 to S/35,000,000, because as a consequence of such Resolution of Compliance certain deductions previously recognized by SUNAT were unrecognized. Interbank's Management and its legal advisors will appeal such Resolution before the Tax Court, and in its opinion, no additional liabilities for Interbank will result as consequence of this matter.

In the opinion of Interbank's Management and its legal advisors, any eventual additional tax settlement would not be significant for the financial statements as of June 30, 2021 and December 31, 2020.

### Interseguro:

On January 4, 2019, Interseguro was notified through a Tax Determination notice about the partial audit of the Income Tax for non-domiciled entities for Sura corresponding to January 2015; see Note 2. The tax debt requested by SUNAT amounts to approximately S/19,000,000. On January 30, 2019, the Company filed an appeal against the Resolution of Determination claimed by SUNAT. Considering that this debt corresponds to a period prior to the acquisition of Sura by the Group and according to the conditions of the purchase and sale agreement of this entity, this debt, if confirmed after the legal actions that Management is to file, would be assumed by the sellers. On November 12, 2020, the Tax Court issued a favorable opinion to Interseguro, revoking the Determination Resolution issued by SUNAT. As of the date of this report, SUNAT has not appealed to this Resolution.

On May 03, 2021, SUNAT notified Interseguro about the beginning of the partial audit process of the Income Tax corresponding to the year 2017. To date, said audit is under process.

In the opinion of Management and its legal advisers, any eventual additional tax would not be significant for the financial statements as of June 30, 2021 and December 31, 2020.



## Notes to the interim consolidated financial statements (continued)

- (e) IFS's Subsidiaries recognize the period's Income Tax expense using the best estimate of the tax rate. The table below presents the amounts reported in the interim consolidated statements of income:

	For the six-month ended as of June 30,	
	2021 S/(000)	2020 S/(000)
Current – Expense	93,078	58,287
Deferred – Expense (income)	101,423	(249,394)
	<u>194,501</u>	<u>(191,107)</u>

### 15. Interest income and expenses, and similar accounts

- (a) This caption is comprised of the following:

	30.06.2021 S/(000)	30.06.2020 S/(000)
<b>Interest and similar income</b>		
Interest on loan portfolio	1,607,476	1,933,063
Impact from the modification of contractual cash flows due to the loan rescheduling schemes (*)	31,837	(136,637)
Interest on investments at fair value through other comprehensive income	426,143	373,330
Interest on investments at amortized cost	64,225	54,160
Dividends on financial instruments	53,707	41,180
Interest on due from banks and inter-bank funds	12,530	24,282
Other interest and similar income	<u>2,111</u>	<u>2,325</u>
<b>Total</b>	<u>2,198,029</u>	<u>2,291,703</u>
<b>Interest and similar expenses</b>		
Interest on bonds, notes and other obligations	(207,957)	(192,001)
Interest and fees on deposits and obligations	(159,106)	(317,393)
Interest and fees on obligations with financial institutions	(77,524)	(91,522)
Deposit insurance fund fees	(32,563)	(25,545)
Interest on lease payments	(7,167)	(8,373)
Other interest and similar expenses	<u>(12,347)</u>	<u>(11,502)</u>
<b>Total</b>	<u>(496,664)</u>	<u>(646,336)</u>

(\*) For rescheduled loans, Interbank recalculated the carrying amount of these financial assets as the present value of the modified contractual cash flows, discounted at the loan's original effective interest rate. The impact of the recalculation as of December 31, 2020 amounted approximately to S/134,376,000 and it was recorded as an income reduction.

The amount recorded as of June 30, 2021 amounted to S/31,837,000 and corresponds to the recovery of the interest recorded for rescheduling loans.

## Notes to the interim consolidated financial statements (continued)

### 16. Fee income from financial services, net

(a) This caption is comprised of the following:

	30.06.2021 S/(000)	30.06.2020 S/(000)
<b>Income</b>		
Accounts maintenance, carriage, transfers, and debit and credit card fees	250,868	230,612
Banking services fees	113,101	98,440
Funds management	93,137	75,110
Contingent loans fees	32,127	24,354
Collection services	25,199	18,304
Brokerage and custody services	4,942	3,902
Others	33,046	23,135
<b>Total</b>	<b>552,420</b>	<b>473,857</b>
<b>Expenses</b>		
Credit cards	(52,841)	(53,391)
Credit life insurance premiums	(34,715)	(28,896)
Foreign banks fees	(16,790)	(6,186)
Local banks fees	(6,888)	(2,596)
Registry expenses	(587)	(486)
Brokerage and custody services	(532)	(273)
Others	(38,194)	(19,145)
<b>Total</b>	<b>(150,547)</b>	<b>(110,973)</b>
<b>Net</b>	<b>401,873</b>	<b>362,884</b>

## Notes to the interim consolidated financial statements (continued)

### 17. Other income and (expenses)

(a) This caption is comprised of the following:

	30.06.2021 S/(000)	30.06.2020 S/(000)
<b>Other income</b>		
Income from investments in associates	14,176	999
Services rendered to third parties	4,206	1,201
Other technical income from insurance operations	3,618	4,835
Income from ATM rentals	2,304	1,915
Gain from sale of written-off-loans	1,463	107
Other income	13,462	5,761
	<hr/>	<hr/>
<b>Total other income</b>	<b>39,229</b>	<b>14,818</b>
	<hr/>	<hr/>
<b>Other expenses</b>		
Commissions from insurance activities	(20,779)	(24,046)
Sundry technical insurance expenses	(29,805)	(9,824)
Provision for sundry risk	(4,354)	(3,220)
Donations	(2,403)	(3,031)
Expenses related to rental income	(727)	(577)
Other expenses	(24,842)	(22,512)
	<hr/>	<hr/>
<b>Total other expenses</b>	<b>(82,910)</b>	<b>(63,210)</b>
	<hr/>	<hr/>

## Notes to the interim consolidated financial statements (continued)

### 18. Net premiums earned

(a) This caption is comprised of the following:

	Premiums assumed		Adjustment of technical reserves		Gross premiums (*)		Premiums ceded to reinsurers		Net premiums earned	
	30.06.2021 S/(000)	30.06.2020 S/(000)	30.06.2021 S/(000)	30.06.2020 S/(000)	30.06.2021 S/(000)	30.06.2020 S/(000)	30.06.2021 S/(000)	30.06.2020 S/(000)	30.06.2021 S/(000)	30.06.2020 S/(000)
<b>Life Insurance</b>										
Annuities (**)	241,928	116,363	(91,262)	(36,261)	150,666	80,102	-	-	150,666	80,102
Group life	66,713	73,531	(2,003)	(4)	64,710	73,527	(3,237)	(2,415)	61,473	71,112
Individual life	83,722	64,246	(44,739)	(19,140)	38,983	45,106	(2,568)	(2,198)	36,415	42,908
Retirement, disability and survival	5,023	4,492	2,809	4,006	7,832	8,498	(262)	(238)	7,570	8,260
Others	(1)	1	(3,433)	571	(3,434)	572	-	-	(3,434)	572
<b>Total life insurance</b>	<u>397,385</u>	<u>258,633</u>	<u>(138,628)</u>	<u>(50,828)</u>	<u>258,757</u>	<u>207,805</u>	<u>(6,067)</u>	<u>(4,851)</u>	<u>252,690</u>	<u>202,954</u>
<b>Total general insurance</b>	<u>45,719</u>	<u>44,113</u>	<u>3,688</u>	<u>(5,998)</u>	<u>49,407</u>	<u>38,115</u>	<u>(42)</u>	<u>(111)</u>	<u>49,365</u>	<u>38,004</u>
<b>Total general</b>	<u>443,104</u>	<u>302,746</u>	<u>(134,940)</u>	<u>(56,826)</u>	<u>308,164</u>	<u>245,920</u>	<u>(6,109)</u>	<u>(4,962)</u>	<u>302,055</u>	<u>240,958</u>

(\*) It includes the annual variation of technical reserves and unearned premiums.

(\*\*) The variation of the adjustment of technical reserves is due mainly to aging over time. During 2020, the Management performed a detail analysis on the nature of the product "Renta Particular Plus – Vitalicio", for which a majority of contracts (policies) had an important insurance component and it was determined to reclassify an amount of S/2,810,000 from "Interest and similar expenses" into the caption "Net premium earned" for S/1,693,000 and "Net claims incurred for life insurance and others" for S/4,503,000, according to IFRS 4.

(b) The composition of the net claims and benefits incurred for life insurance contracts and others for the six-month periods ended June 30, 2021 and 2020 is presented below:

	Gross claims and benefits		Ceded claims and benefits		Net insurance claims and benefits	
	30.06.2021 S/(000)	30.06.2020 S/(000)	30.06.2021 S/(000)	30.06.2020 S/(000)	30.06.2021 S/(000)	30.06.2020 S/(000)
<b>Life Insurance</b>						
Annuities	(333,385)	(308,166)	-	-	(333,385)	(308,166)
Group life	(82,590)	(22,002)	7,151	1,256	(75,439)	(20,746)
Individual life	(18,809)	(5,673)	3,141	802	(15,668)	(4,871)
Retirement (disability and survival)	(25,253)	(23,514)	3,249	4,264	(22,004)	(19,250)
Others	(7,724)	(5,416)	355	(685)	(7,369)	(6,101)
<b>General Insurance</b>	<u>(12,070)</u>	<u>(7,965)</u>	<u>9</u>	<u>5</u>	<u>(12,061)</u>	<u>(7,960)</u>
	<u>(479,831)</u>	<u>(372,736)</u>	<u>13,905</u>	<u>5,642</u>	<u>(465,926)</u>	<u>(367,094)</u>

## Notes to the interim consolidated financial statements (continued)

### 19. Earnings per share

The following table presents the calculation of the weighted average number of shares and the basic and diluted earnings per share, determined and calculated based on the earnings attributable to the Group:

	Outstanding shares (in thousands)	Shares considered in computation (in thousands)	Effective days in the year	Weighted average number of shares (in thousands)
<b>Period 2020</b>				
Balance as of January 1, 2020	115,446	115,446	180	115,446
Sale of treasury stock	4	4	82	2
Purchase of treasury stock	(3)	(3)	109	(2)
<b>Balance as of June 30, 2020</b>	<u>115,447</u>	<u>115,447</u>		<u>115,446</u>
<b>Net loss attributable to IFS S/(000)</b>				<u>(310,107)</u>
<b>Basic and diluted loss per share attributable to IFS's shareholders (Soles)</b>				<u>(2.686)</u>
<b>Period 2021</b>				
Balance as of January 1, 2021	115,423	115,423	180	115,423
Sale of treasury stock	1	1	171	0
Purchase of treasury stock	(6)	(6)	112	(4)
<b>Balance as of June 30, 2021</b>	<u>115,418</u>	<u>115,418</u>		<u>115,419</u>
<b>Net earnings attributable to IFS S/(000)</b>				<u>979,711</u>
<b>Basic and diluted earnings per share attributable to IFS's shareholders (Soles)</b>				<u>8.488</u>

## Notes to the interim consolidated financial statements (continued)

### 20. Transactions with related parties and affiliated entities

- (a) The table below presents the main transactions with related parties and affiliated companies as of June 30, 2021 and December 31, 2020 and for the six-month periods ended June 30, 2021 and 2020:

	30.06.2021 S/(000)	31.12.2020 S/(000)
<b>Assets</b>		
Instruments at fair value through profit or loss		
Participations - Royalty Pharma	113,700	107,530
Others	109	107
	<u>113,809</u>	<u>107,637</u>
Investments at fair value through other comprehensive income		
Shares - InRetail Perú Corp.	322,901	339,945
Corporate bonds - InRetail Shopping Malls S.A.	44,662	53,358
Corporate bonds - Colegios Peruanos S.A.	22,760	1,193
	<u>390,323</u>	<u>394,496</u>
Loans, net (b)	1,353,951	1,196,143
Accounts receivable from UTP (h)	80,577	79,504
Accounts receivable from Homecenters Peruanos S.A. (g)	42,206	40,128
Accounts receivable from Compañía Iberoamericana de Plásticos	-	10,962
Accounts receivable from derivative financial instruments	7,228	4,276
Accounts receivable from Colegios Peruanos S.A.	5,770	3,634
Other assets (f)	10,424	6,921
<b>Liabilities</b>		
Deposits and obligations	1,161,257	849,906
Other liabilities	680	567
<b>Off-balance sheet accounts</b>		
Indirect loans (b)	84,052	124,366
	<b>30.06.2021</b> S/(000)	<b>30.06.2020</b> S/(000)
<b>Income (expenses)</b>		
Interest and similar income	33,820	35,859
Interest and similar expenses	(1,252)	(6,296)
Valuation of financial derivative instruments	64	2,313
Rental income	13,564	9,352
Administrative expenses	(18,891)	(23,714)
Others, net	16,593	2,963

## Notes to the interim consolidated financial statements (continued)

(b) As of June 30, 2021 and December 31, 2020, the detail of loans is the following:

	30.06.2021			31.12.2020		
	Direct Loans S/(000)	Indirect Loans S/(000)	Total S/(000)	Direct Loans S/(000)	Indirect Loans S/(000)	Total S/(000)
Affiliated	1,005,202	38,521	1,043,723	931,746	46,967	978,713
Associates	348,749	45,531	394,280	264,397	77,399	341,796
	<u>1,353,951</u>	<u>84,052</u>	<u>1,438,003</u>	<u>1,196,143</u>	<u>124,366</u>	<u>1,320,509</u>

(c) As of June 30, 2021 and December 31, 2020, the directors, executives and employees of the Group have been involved in credit transactions with certain subsidiaries of the Group, as permitted by Peruvian law, which regulates and limits on certain transactions with employees, directors and executives of financial entities. As of June 30, 2021 and December 31, 2020, direct loans to employees, directors and executives amounted to S/232,295,000 and S/222,076,000, respectively; said loans are repaid monthly and bear interest at market rates. There are no loans to the Group's directors and key personnel guaranteed with shares of any Subsidiary.

## Notes to the interim consolidated financial statements (continued)

- (d) The Group's key personnel basic remuneration for the six-month periods ended June 30, 2021 and 2020, is presented below:

	<b>30.06.2021</b> S/(000)	<b>30.06.2020</b> S/(000)
Salaries	13,580	12,380
Board of Directors' compensations	<u>1,818</u>	<u>2,261</u>
<b>Total</b>	<u>15,398</u>	<u>14,641</u>

- (e) As of December 31, 2020, the Group holds participations in different mutual funds managed by Interfondos that are classified as investment at fair value through profit or loss and amount to S/342,000.
- (f) During the year 2020, the Bank signed a framework contract to cede the use of commercial spaces for the installation of Money Market stores and/or ATMs in the facilities of Supermercados Peruanos S.A. for a period of 5 years. As of June 30, 2021 and December 31, 2020, the balance corresponds to a cash guarantee granted to Supermercados Peruanos S.A. for an amount of US\$1,000,000, equivalent to approximately S/3,400,000.
- (g) Corresponds to a loan granted by Interseguro with maturity in 2046 that bears interest at market rates.
- (h) As of June 30, 2021 and December 31, 2020, corresponds to a financial lease for the construction of educational facilities in San Juan de Lurigancho and Ate Vitarte districts.
- (i) In Management's opinion, transactions with related companies have been performed under market conditions and within the limits permitted by the SBS. Taxes generated by these transactions and the taxable base used for computing them are those customarily used in the industry and they are determined according to the tax rules in force.



## Notes to the interim consolidated financial statements (continued)

### 21. Business segments

The Chief Operating Decision Maker (“CODM”) of IFS is the Chief Executive Officer (“CEO”). The Group presents three operating segments based on products and services, as follows:

#### Banking -

Mainly loans, credit facilities, deposits and current accounts.

#### Insurance -

It provides annuities and conventional life insurance products, as well as other retail insurance products.

#### Wealth management -

It provides brokerage and investment management services. Inteligo serves mainly Peruvian citizens.

The operating segments monitor the operating results of their business units separately for the purpose of making decisions on the distribution of resources and performance assessment. Segment performance is evaluated based on operating profit or loss and it is measured consistently with operating profit or loss in the consolidated financial statements.

Transfer prices between operating segments are on an arm’s length basis in a manner similar to transactions with third parties.

## Notes to the interim consolidated financial statements (continued)

The following table presents the Group's financial information by business segments for the six-month periods ended June 30, 2021 and 2020:

	30.06.2021					30.06.2020				
	Banking S/(000)	Insurance S/(000)	Wealth management S/(000)	Holding and consolidation adjustments S/(000)	Total consolidated S/(000)	Banking S/(000)	Insurance (**) S/(000)	Wealth management S/(000)	Holding and consolidation adjustments S/(000)	Total consolidated S/(000)
<b>Total income (*)</b>										
Third party	2,385,949	899,969	275,458	(3,652)	3,557,724	2,405,570	637,960	82,289	(3,630)	3,122,189
Inter-segment	(19,132)	-	(18,552)	37,684	-	(24,544)	-	1,269	23,275	-
<b>Total income</b>	<b>2,366,817</b>	<b>899,969</b>	<b>256,906</b>	<b>34,032</b>	<b>3,557,724</b>	<b>2,381,026</b>	<b>637,960</b>	<b>83,558</b>	<b>19,645</b>	<b>3,122,189</b>
<b>Consolidated statement of income data</b>										
Interest and similar income	1,746,324	366,269	77,088	8,348	2,198,029	1,890,247	318,466	74,369	8,621	2,291,703
Interest and similar expenses	(429,278)	(45,154)	(19,117)	(3,115)	(496,664)	(576,639)	(40,514)	(28,053)	(1,130)	(646,336)
<b>Net interest and similar income</b>	<b>1,317,046</b>	<b>321,115</b>	<b>57,971</b>	<b>5,233</b>	<b>1,701,365</b>	<b>1,313,608</b>	<b>277,952</b>	<b>46,316</b>	<b>7,491</b>	<b>1,645,367</b>
Impairment loss on loans, net of recoveries	(366,831)	-	(18)	-	(366,849)	(1,603,139)	-	(27)	-	(1,603,166)
(Loss) recovery due to impairment of financial investments	(405)	40,427	(554)	-	39,468	(35)	(45,229)	(7,132)	-	(52,396)
<b>Net interest and similar income after impairment loss on loans</b>	<b>949,810</b>	<b>361,542</b>	<b>57,399</b>	<b>5,233</b>	<b>1,373,984</b>	<b>(289,566)</b>	<b>232,723</b>	<b>39,157</b>	<b>7,491</b>	<b>(10,195)</b>
Fee income from financial services, net	323,146	(2,090)	98,433	(17,616)	401,873	303,375	(2,303)	83,444	(21,632)	362,884
Net gain on sale of financial investments	105,045	96,178	20,246	-	221,469	67,759	58,166	(40,490)	-	85,435
Other income	211,434	137,557	79,691	5,616	434,298	144,189	22,673	(35,034)	9,381	141,209
Total net premiums earned minus claims and benefits	-	(163,871)	-	-	(163,871)	-	(126,136)	-	-	(126,136)
Depreciation and amortization	(117,167)	(12,602)	(7,355)	2,912	(134,212)	(114,211)	(12,810)	(7,520)	2,893	(131,648)
Other expenses	(706,351)	(145,912)	(58,898)	7,545	(903,616)	(637,883)	(115,354)	(53,953)	11,722	(795,468)
<b>Income (loss) before translation result and Income Tax</b>	<b>765,917</b>	<b>270,802</b>	<b>189,516</b>	<b>3,690</b>	<b>1,229,925</b>	<b>(526,337)</b>	<b>56,959</b>	<b>(14,396)</b>	<b>9,855</b>	<b>(473,919)</b>
Translation result	1,850	(24,846)	(7,004)	(21,123)	(51,123)	(1,819)	(20,060)	(5,635)	(2,083)	(29,597)
Income Tax	(173,695)	-	(6,033)	(14,773)	(194,501)	181,908	-	(2,015)	11,214	191,107
<b>Net profit (loss) for the period</b>	<b>594,072</b>	<b>245,956</b>	<b>176,479</b>	<b>(32,206)</b>	<b>984,301</b>	<b>(346,248)</b>	<b>36,899</b>	<b>(22,046)</b>	<b>18,986</b>	<b>(312,409)</b>
<b>Attributable to:</b>										
IFS's shareholders	594,072	245,956	176,479	(36,796)	979,711	(346,248)	36,899	(22,046)	21,288	(310,107)
Non-controlling interest	-	-	-	4,590	4,590	-	-	-	(2,302)	(2,302)
	<b>594,072</b>	<b>245,956</b>	<b>176,479</b>	<b>(32,206)</b>	<b>984,301</b>	<b>(346,248)</b>	<b>36,899</b>	<b>(22,046)</b>	<b>18,986</b>	<b>(312,409)</b>

(\*) Corresponds to interest and similar income, other income and net premiums earned.

(\*\*) As of June 30, 2020, certain balances in the Insurance Segment have been modified due to the reclassifications detailed in Note 18(a).

## Notes to the interim consolidated financial statements (continued)

	<b>30.06.2021</b>				
	<b>Banking</b>	<b>Insurance</b>	<b>Wealth management</b>	<b>Holding and</b>	<b>Total consolidated</b>
	<b>S/(000)</b>	<b>S/(000)</b>	<b>S/(000)</b>	<b>consolidation adjustments</b>	<b>S/(000)</b>
<b>Capital investments (*)</b>	70,330	124,557	5,013	26	199,926
<b>Total assets</b>	69,174,666	14,701,750	6,096,880	566,413	90,539,709
<b>Total liabilities</b>	62,756,369	13,689,407	4,932,012	(156,964)	81,220,824
	<b>31.12.2020</b>				
	<b>Banking</b>	<b>Insurance</b>	<b>Wealth management</b>	<b>Holding and</b>	<b>Total consolidated</b>
	<b>S/(000)</b>	<b>S/(000)</b>	<b>S/(000)</b>	<b>Consolidation adjustments</b>	<b>S/(000)</b>
<b>Capital investments (*)</b>	193,113	109,786	6,771	-	309,670
<b>Total assets</b>	68,038,621	15,311,267	4,308,618	577,523	88,236,029
<b>Total liabilities</b>	61,814,096	14,375,950	3,233,691	(141,657)	79,282,080

(\*) It includes the purchase of property, furniture and equipment, intangible assets and investment properties.

The distribution of the Group's total income based on the location of the customer and its assets, for the six-month period ended June 30, 2021, is S/3,333,925,000 in Peru and S/223,799,000 in Panama (for the six-month period ended June 30, 2020, was S/3,066,635,000 in Peru and S/55,554,000 in Panama). The distribution of the Group's total assets based on the location of the customer and its assets as of June 30, 2021 is S/84,603,680,000 in Peru and S/5,936,029,000 in Panama (for the year ended December 31, 2020, was S/84,096,653,000 in Peru and S/4,139,376,000 in Panama).

## Notes to the interim consolidated financial statements (continued)

### 22. Financial instruments classification

The financial assets and liabilities of the consolidated statement of financial position as of June 30, 2021 and December 31, 2020, are presented below:

	30.06.2021					31.12.2020				
	At fair value through profit or loss S/(000)	Debt instruments measured at fair value through other comprehensive income S/(000)	Equity instruments measured at fair value through other comprehensive income S/(000)	Amortized cost S/(000)	Total S/(000)	At fair value through profit or loss S/(000)	Debt instruments measured at fair value through other comprehensive income S/(000)	Equity instruments measured at fair value through other comprehensive income S/(000)	Amortized cost S/(000)	Total S/(000)
<b>Financial assets</b>										
Cash and due from banks	-	-	-	19,410,364	19,410,364	-	-	-	18,765,482	18,765,482
Inter-bank funds	-	-	-	-	-	-	-	-	18,105	18,105
Financial investments	2,535,854	17,791,509	1,146,676	2,804,093	24,278,132	2,042,777	18,153,492	1,373,548	2,707,298	24,277,115
Loans, net	-	-	-	41,408,262	41,408,262	-	-	-	40,519,423	40,519,423
Due from customers on acceptances	-	-	-	137,260	137,260	-	-	-	16,320	16,320
Other accounts receivable and other assets, net	700,103	-	-	852,988	1,553,091	395,249	-	-	658,140	1,053,389
	<u>3,235,957</u>	<u>17,791,509</u>	<u>1,146,676</u>	<u>64,612,967</u>	<u>86,787,109</u>	<u>2,438,026</u>	<u>18,153,492</u>	<u>1,373,548</u>	<u>62,684,768</u>	<u>84,649,834</u>
<b>Financial liabilities</b>										
Deposits and obligations	-	-	-	49,491,723	49,491,723	-	-	-	47,149,275	47,149,275
Inter-bank funds	-	-	-	-	-	-	-	-	28,971	28,971
Due to banks and correspondents	-	-	-	9,027,442	9,027,442	-	-	-	9,660,877	9,660,877
Bonds, notes and other obligations	-	-	-	8,250,907	8,250,907	-	-	-	7,778,751	7,778,751
Due from customers on acceptances	-	-	-	137,260	137,260	-	-	-	16,320	16,320
Insurance contract liabilities	-	-	-	11,567,720	11,567,720	-	-	-	12,501,723	12,501,723
Other accounts payable, provisions and other liabilities	392,363	-	-	2,200,651	2,593,014	271,326	-	-	1,732,461	2,003,787
	<u>392,363</u>	<u>-</u>	<u>-</u>	<u>80,675,703</u>	<u>81,068,066</u>	<u>271,326</u>	<u>-</u>	<u>-</u>	<u>78,868,378</u>	<u>79,139,704</u>

### 23. Financial risk management

It comprises the management of the main risks, that due to the nature of their operations, IFS and its Subsidiaries are exposed to; and correspond to: credit risk, market risk, liquidity risk, insurance risk and real estate risk.

In order to manage the risks detailed above, every Subsidiary of the Group has a specialized structure and organization in their management, measurement systems, as well as mitigation and coverage processes, according to specific regulatory needs and requirements for the development of its business. The Group and its Subsidiaries, mainly Interbank, Interseguro and Inteligo Bank, operate independently but in coordination with the general provisions issued by the Board of Directors and Management of IFS; however, the Board of Directors and Management of IFS are ultimately responsible for identifying and controlling risks. The Company has an Audit Committee comprised of three independent directors, pursuant to Rule 10A-3 of the Securities Exchange Act of the United States; and one of them is a financial expert according to the regulations of the New York Stock Exchange. The Audit Committee is appointed by the Board of Directors and its main purpose is to monitor and supervise the preparation processes of financial and accounting information, as well as the audits over the financial statements of IFS and its Subsidiaries.

A full description of the Group's financial risk management is presented in Note 30 "Financial risk management" of the Annual Consolidated Financial Statements; following is presented the financial information related to credit risk management for the loan portfolio, offsetting of financial assets and liabilities, and foreign exchange risk.

#### (a) Credit risk management for loans

Interbank's loan portfolio is segmented into homogeneous groups that shared similar credit risk characteristics. These groups are: (i) Retail Banking (credit card, mortgage, payroll loan, consumer loan and vehicular loan), (ii) Small Business Banking (segments S1, S2 and S3), and (iii) Commercial Banking (corporate, institutional, companies and real estate). In addition, at Inteligo Bank, the internal model developed (scorecard) assigns 5 levels of credit risk classified as follows: low risk, medium low risk, medium risk, medium high risk, and high risk. These categories are described in Note 30.1(d) of the Annual Consolidated Financial Statements.

Because of the pandemic scenario as consequence of Covid-19 explained in Note 1(b), the SBS, through Official Multiple Letters No. 10997-2020, 11150-2020 and 11170-2020, authorized financial entities to grant credit facilities (rescheduling) to clients that meet certain requirements specified by the mentioned regulations. In application of said rule, Interbank determined three types of rescheduling:

- Unilateral: loans that Interbank reschedules proactively over part of the loan's balance.
- Landing: loans rescheduled at the client's request over part of the loan's balance.
- Structural: loans rescheduled proactively by the Bank or at the client's request and over the entire loan's balance.

It should be noted that the new cash flows of the rescheduled loans did not generate substantial nor significant changes in the conditions initially contracted by the client; therefore, the adjustments in the conditions did not generate any substantial modification and, thus, neither a derecognition of the financial asset, see Note 30.1 (d.5) of the audited annual consolidated financial statements. On the other hand, with the purpose of reflecting in the statistical models the effect of said rescheduled loans in the calculation of the expected loss, it evaluated a series of expert judgments that comply with the regulating requirement, see Note 30.1 (d.6) of the audited annual consolidated financial statements.

## Notes to the interim consolidated financial statements (continued)

### (b) Offsetting of financial assets and liabilities

The information contained in the tables below includes financial assets and liabilities that:

- Are offset in the statement of financial position of the Group; or
- Are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments, regardless of whether they are offset in the interim consolidated statement of financial position or not.

Similar arrangements of the Group include derivatives clearing agreements. Financial instruments such as loans and deposits are not disclosed in the following tables since they are not offset in the interim consolidated statement of financial position.

The offsetting framework agreement issued by the International Swaps and Derivatives Association Inc. ("ISDA") and similar master netting arrangements do not meet the criteria for offsetting in the statement of financial position, because of such agreements were created in order for both parties to have an enforceable offsetting right in cases of default, insolvency or bankruptcy of the Group or the counterparties or following other predetermined events. In addition, the Group and its counterparties do not intend to settle such instruments on a net basis or to realize the assets and settle the liabilities simultaneously.

The Group receives and delivers guarantees in the form of cash with respect to transactions with derivatives; see Note 4.

Notes to the interim consolidated financial statements (continued)

(b.1) Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements as of June 30, 2021 and December 31, 2020, are presented below:

	Gross amounts of recognized financial assets S/(000)	Gross amounts of recognized financial liabilities and offset in the consolidated statement of financial position S/(000)	Net amounts of financial assets presented in the consolidated statement of financial position S/(000)	Related amounts not offset in the consolidated statement of financial position		Net amount S/(000)
				Financial Instruments (including non-cash guarantees) S/(000)	Cash guarantees received S/(000)	
<b>As of June 30, 2021</b>						
Derivatives, Note 8(b)	700,103	-	700,103	(193,225)	(137,152)	369,726
<b>Total</b>	<u>700,103</u>	<u>-</u>	<u>700,103</u>	<u>(193,225)</u>	<u>(137,152)</u>	<u>369,726</u>
<b>As of December 31, 2020</b>						
Derivatives, Note 8(b)	395,249	-	395,249	(191,844)	(55,767)	147,638
<b>Total</b>	<u>395,249</u>	<u>-</u>	<u>395,249</u>	<u>(191,844)</u>	<u>(55,767)</u>	<u>147,638</u>

(b.2) Financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements as of June 30, 2021 and December 31, 2020, are presented below:

	Gross amounts of recognized financial liabilities S/(000)	Gross amounts of recognized financial assets and offset in the consolidated statement of financial position S/(000)	Net amounts of financial liabilities presented in the consolidated statement of financial position S/(000)	Related amounts not offset in the consolidated statement of financial position		Net amount S/(000)
				Financial Instruments (including non-cash guarantees) S/(000)	Cash guarantees pledged S/(000)	
<b>As of June 30, 2021</b>						
Derivatives, Note 8(b)	392,363	-	392,363	(193,225)	(139,216)	59,922
<b>Total</b>	<u>392,363</u>	<u>-</u>	<u>392,363</u>	<u>(193,225)</u>	<u>(139,216)</u>	<u>59,922</u>
<b>As of December 31, 2020</b>						
Derivatives, Note 8(b)	271,326	-	271,326	(191,844)	(70,559)	8,923
<b>Total</b>	<u>271,326</u>	<u>-</u>	<u>271,326</u>	<u>(191,844)</u>	<u>(70,559)</u>	<u>8,923</u>

## Notes to the interim consolidated financial statements (continued)

(c) Foreign exchange risk

The Group is exposed to fluctuations in the exchange rates of the foreign currency prevailing in its financial position and cash flows. Management sets limits on the levels of exposure by currency and total daily and overnight positions, which are monitored daily. Most of the assets and liabilities in foreign currency are stated in US Dollars. Transactions in foreign currency are made at the exchange rates of free market.

As of June 30, 2021, the weighted average exchange rate of free market published by the SBS for transactions in US Dollars was S/3.849 per US\$1 bid and S/3.866 per US\$1 ask (S/3.618 and S/3.624 as of December 31, 2020, respectively). As of June 30, 2021, the exchange rate for the accounting of asset and liability accounts in foreign currency set by the SBS was S/3.858 per US\$1 (S/3.621 as of December 31, 2020).

The table below presents the detail of the Group's position:

	As of June 30, 2021				As of December 31, 2020			
	US Dollars S/(000)	Soles S/(000)	Other currencies S/(000)	Total S/(000)	US Dollars S/(000)	Soles S/(000)	Other currencies S/(000)	Total S/(000)
<b>Assets</b>								
Cash and due from banks	9,578,362	9,200,272	631,730	19,410,364	7,232,836	10,959,492	573,154	18,765,482
Inter-bank funds	-	-	-	-	18,105	-	-	18,105
Financial investments	9,275,167	14,893,109	109,856	24,278,132	8,926,088	15,262,993	88,034	24,277,115
Loans, net	11,277,085	30,131,177	-	41,408,262	10,535,743	29,983,680	-	40,519,423
Due from customers on acceptances	137,260	-	-	137,260	16,320	-	-	16,320
Other accounts receivable and other assets, net	312,849	1,239,461	781	1,553,091	312,407	740,113	869	1,053,389
	<u>30,580,723</u>	<u>55,464,019</u>	<u>742,367</u>	<u>86,787,109</u>	<u>27,041,499</u>	<u>56,946,278</u>	<u>662,057</u>	<u>84,649,834</u>
<b>Liabilities</b>								
Deposits and obligations	19,195,574	29,877,365	418,784	49,491,723	16,244,869	30,519,198	385,208	47,149,275
Inter-bank funds	-	-	-	-	28,971	-	-	28,971
Due to banks and correspondents	1,640,505	7,386,937	-	9,027,442	643,977	9,016,900	-	9,660,877
Bonds, notes and other obligations	7,355,147	895,760	-	8,250,907	6,887,363	891,388	-	7,778,751
Due from customers on acceptances	137,260	-	-	137,260	16,320	-	-	16,320
Insurance contract liabilities	4,384,075	7,183,645	-	11,567,720	4,905,233	7,596,490	-	12,501,723
Other accounts payable, provisions and other liabilities	685,694	1,902,574	4,746	2,593,014	530,180	1,440,976	32,631	2,003,787
	<u>33,398,255</u>	<u>47,246,281</u>	<u>423,530</u>	<u>81,068,066</u>	<u>29,256,913</u>	<u>49,464,952</u>	<u>417,839</u>	<u>79,139,704</u>
Forwards position, net	(2,385)	222,655	(220,270)	-	1,525,029	(1,369,873)	(155,156)	-
Currency swaps position, net	2,807,102	(2,807,102)	-	-	264,160	(264,160)	-	-
Cross currency swaps position, net	2,053,003	(2,053,003)	-	-	1,926,886	(1,926,886)	-	-
Options position, net	(60)	60	-	-	48	(48)	-	-
<b>Monetary position, net</b>	<u>2,040,128</u>	<u>3,580,348</u>	<u>98,567</u>	<u>5,719,043</u>	<u>1,500,709</u>	<u>3,920,359</u>	<u>89,062</u>	<u>5,510,130</u>

As of June 30, 2021, the Group granted indirect loans (contingent operations) in foreign currency for approximately US\$685,245,000, equivalent to S/2,643,675,000 (US\$634,242,000, equivalent to S/2,296,590,000 as of December 31, 2020).



## Notes to the interim consolidated financial statements (continued)

### 24. Fair value

(a) Financial instruments measured at their fair value and fair value hierarchy

The following table presents an analysis of the financial instruments that are measured at their fair value, including the level of hierarchy of fair value. The amounts are based on the balances presented in the consolidated statement of financial position:

	As of June 30, 2021				As of December 31, 2020			
	Level 1 S/(000)	Level 2 S/(000)	Level 3 S/(000)	Total S/(000)	Level 1 S/(000)	Level 2 S/(000)	Level 3 S/(000)	Total S/(000)
<b>Financial assets</b>								
<b>Financial investments</b>								
At fair value through profit or loss (*)	962,075	716,409	857,370	2,535,854	577,438	986,627	478,712	2,042,777
Debt instruments measured at fair value through other comprehensive income	10,386,303	7,133,549	-	17,519,852	10,247,432	7,654,920	-	17,902,352
Equity instruments measured at fair value through other comprehensive income	1,099,603	8,493	38,580	1,146,676	1,329,471	7,867	36,210	1,373,548
<b>Derivatives receivable</b>	-	700,103	-	700,103	-	395,249	-	395,249
	<u>12,447,981</u>	<u>8,558,554</u>	<u>895,950</u>	<u>21,902,485</u>	<u>12,154,341</u>	<u>9,044,663</u>	<u>514,922</u>	<u>21,713,926</u>
Accrued interest				<u>271,657</u>				<u>251,140</u>
<b>Total financial assets</b>				<u>22,174,142</u>				<u>21,965,066</u>
<b>Financial liabilities</b>								
<b>Derivatives payable</b>	-	392,363	-	392,363	-	271,326	-	271,326

(\*) As of June 30, 2021 and December 31, 2020, correspond mainly to participations in mutual funds and investment funds.

Financial assets included in Level 1 are those measured on the basis of information that is available on the market, to the extent that their quoted prices reflect an active and liquid market and that are available in some centralized trading mechanism, trading agent, price supplier or regulatory entity. Financial instruments included in Level 2 are valued based on the market prices of other instruments with similar characteristics or with financial valuation models based on information of variables observable in the market (interest rate curves, price vectors, etc.). Financial assets included in Level 3 are valued by using assumptions and data that do not correspond to prices of operations traded on the market. The valuation requires Management to make certain assumptions about the model variables and data, including the forecast of cash flow, discount rate, credit risk and volatility.

During the year 2021, there were no transfers of financial instruments from level 3 to level 1 or level 2, nor from level 1 to level 2.

Starting in 2020, the Group performed changes in the determination of the estimates for the fair value of these investments considering the nature of themselves, as well as the underlying assets and the information to which it had access on the valuation date; concluding that the best valuation method for these investments is the use of the net asset value ("NAV").

The table below includes a reconciliation of fair value measurement of financial instruments classified by the Group within Level 3 of the valuation hierarchy:

	30.06.2021 S/(000)	31.12.2020 S/(000)
<b>Initial balance as of January 1</b>	514,922	487,352
Purchases	286,183	155,198
Sales	(31,709)	(272,711)
Gain recognized on the consolidated statement of income	<u>126,554</u>	<u>145,083</u>
<b>Final balance</b>	<u>895,950</u>	<u>514,922</u>

## Notes to the interim consolidated financial statements (continued)

(b) Financial instruments not measured at their fair value -

The table below presents the disclosure of the comparison between the carrying amounts and fair values of the Group's financial instruments that are not measured at their fair value, presented by level of fair value hierarchy:

	As of June 30, 2021					As of December 31, 2020				
	Level 1 S/(000)	Level 2 S/(000)	Level 3 S/(000)	Fair value S/(000)	Book value S/(000)	Level 1 S/(000)	Level 2 S/(000)	Level 3 S/(000)	Fair value S/(000)	Book value S/(000)
<b>Assets</b>										
Cash and due from banks	-	19,410,364	-	19,410,364	19,410,364	-	18,765,482	-	18,765,482	18,765,482
Inter-bank funds	-	-	-	-	-	-	18,105	-	18,105	18,105
Investments at amortized cost	2,842,284	-	-	2,842,284	2,804,093	2,988,539	-	-	2,988,539	2,707,298
Loans, net	-	41,662,422	-	41,662,422	41,408,262	-	40,809,701	-	40,809,701	40,519,423
Due from customers on acceptances	-	137,260	-	137,260	137,260	-	16,320	-	16,320	16,320
Other accounts receivable and other assets, net	-	852,988	-	852,988	852,988	-	658,140	-	658,140	658,140
<b>Total</b>	<b>2,842,284</b>	<b>62,063,034</b>	<b>-</b>	<b>64,905,318</b>	<b>64,612,967</b>	<b>2,988,539</b>	<b>60,267,748</b>	<b>-</b>	<b>63,256,287</b>	<b>62,684,768</b>
<b>Liabilities</b>										
Deposits and obligations	-	49,562,877	-	49,562,877	49,491,723	-	47,146,077	-	47,146,077	47,149,275
Inter-bank funds	-	-	-	-	-	-	28,971	-	28,971	28,971
Due to banks and correspondents	-	9,023,316	-	9,023,316	9,027,442	-	9,686,361	-	9,686,361	9,660,877
Bonds, notes and other obligations	7,087,564	1,319,861	-	8,407,425	8,250,907	6,856,829	1,405,383	-	8,262,212	7,778,751
Due from customers on acceptances	-	137,260	-	137,260	137,260	-	16,320	-	16,320	16,320
Insurance contract liabilities	-	11,567,720	-	11,567,720	11,567,720	-	12,501,723	-	12,501,723	12,501,723
Other accounts payable and other liabilities	-	2,200,651	-	2,200,651	2,200,651	-	1,732,461	-	1,732,461	1,732,461
<b>Total</b>	<b>7,087,564</b>	<b>73,811,685</b>	<b>-</b>	<b>80,899,249</b>	<b>80,675,703</b>	<b>6,856,829</b>	<b>72,517,296</b>	<b>-</b>	<b>79,374,125</b>	<b>78,868,378</b>

The methodologies and assumptions used to determine fair values depend on the terms and risk characteristics of each financial instrument and they include the following:

- (i) Long-term fixed-rate and variable-rate loans are assessed by the Group based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the estimated losses of these loans. As of June 30, 2021 and December 31, 2020, the book value of loans, net of allowances, was not significantly different from the calculated fair values.
- (ii) Instruments whose fair value approximates their book value: For financial assets and financial liabilities that are liquid or have short-term maturity (less than 3 months) it is assumed that the carrying amounts approximate to their fair values. This assumption is also applied to demand deposits, savings accounts without a specific maturity and variable-rate financial instruments.
- (iii) Fixed-rate financial instruments: The fair value of fixed-rate financial assets and financial liabilities at amortized cost is determined by comparing market interest rates when they were first recognized with current market rates related to similar financial instruments for their remaining term to maturity. The fair value of fixed interest rate deposits is based on discounted cash flows using market interest rates for financial instruments with similar credit risk and maturity. For quoted debt issued, the fair value is determined based on quoted market prices. When quotations are not available, a discounted cash flow model is used based on the yield curve of the appropriate interest rate for the remaining term to maturity.

## Notes to the interim consolidated financial statements (continued)

### 25. Fiduciary activities and management of funds

The Group provides custody, trustee, investment management and advisory services to third parties; therefore, the Group makes purchase and sale decisions in relation to a wide range of financial instruments. Assets that are held in trust are not included in the consolidated financial statements. These services give rise to the risk that the Group could eventually be held responsible of yielding of the assets under its management.

As of June 30, 2021 and December 31, 2020, the value of the managed off-balance sheet financial assets is as follows:

	<b>30.06.2021</b> S/(000)	<b>31.12.2020</b> S/(000)
Investment funds	17,414,223	15,008,109
Mutual funds	<u>5,143,452</u>	<u>5,980,724</u>
<b>Total</b>	<u>22,557,675</u>	<u>20,988,833</u>