



 Interbank Financial Services

# COVID-19

## Update

April 2020



# Key messages



Early and fast response to an unprecedented situation has guaranteed continuity of our operations



Our people and customers are our top priorities



We have reinforced our liquidity and capital position to face uncertain times to come



We see an opportunity to accelerate digital in the new normal, supported by our digital platform

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# Agenda

1. Main government measures
2. COVID-19 management approach

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# Main government measures

## General measures



State of national emergency on March 15, initially for a period of 15 days and then extended two times, affecting economic activity until April 26



Central Bank

Ref. rate at 0.25% (two 100 bps cuts)  
Liquidity injection  
Lower reserve requirements in S/ and US\$ (release of S/ 2 billion)  
Repo auctions, FX swaps



S/ 200 million in transfers to Local Governments supporting distribution of essential goods to families



Zero tariff for imports of medicines and medical supplies

## Households



Cash transfers to 3.8 million low income families and 700 thousand non-salaried (independent) workers



Income tax payments postponed



Withdrawal of up to S/ 2,400 from compensation for service time accounts (CTS accounts)



Withdrawal of S/ 2,000 of workers' private pension funds, under different conditions



Suspension of employee contributions to private pension funds in April 2020



Loans rescheduling for up to six months  
Rescheduling of March payments of utilities

## Companies



S/ 300 million to support SME (*Fondo de Apoyo Empresarial a la MYPE*)



S/ 900 million available for SME in *Fondo Crecer*



S/ 30 billion for *Reactiva Perú* Program



Income tax payments postponed for SME

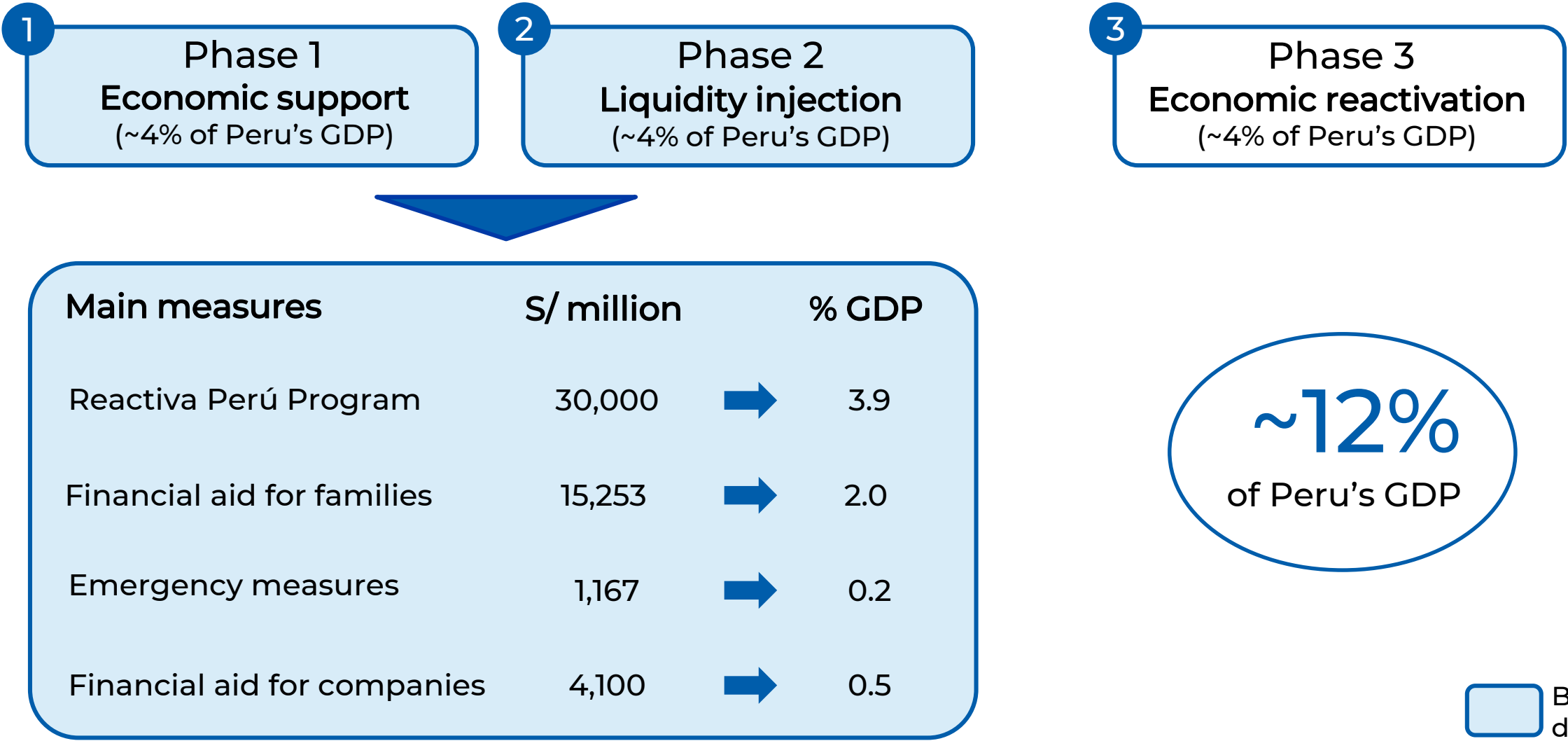


Subsidy of 35% of companies' payroll (employees with salaries up to S/ 1,500)



Loans rescheduling up to six months

# Government support to overcome the crisis in 3 phases, first 2 already being deployed



We are actively working with MEF, Asbanc, SBS & Central bank to manage the crisis

# Macroeconomic projections for 2020 and 2021



	2020	2020	2020	2021
GDP growth	4.0% → 2.0%	2.7% → -4.5%	-4.9%	5.6%
Reference rate	2.25% → 0.25%	2.00% → 1.00%	n.a.	n.a.
USD/PEN	3.33	3.35 → 3.50	3.20	3.10
Private consumption growth	3.8%	3.0% → -2.4%	-0.8%	3.4%
Private investment growth	4.8%	0.5% → -15.7%	-15.9%	6.5%

Before COVID-19
  After COVID-19

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# Agenda

1. Main government measures
2. COVID-19 management approach



# Early March we started taking actions to manage COVID-19



# Our people



## COVID-19 protocols

- Social distancing
- Travel restrictions
- Hygiene and cleaning routines
- Vulnerable or over 60 years old employees with mandatory home office



## Health surveillance

- COVID-19 suspects
- Sick leaves
- AVIVA Doctor follow-up
- One on one follow-up and guidance by HR



## Stakeholder engagement and communications plan

- Crisis management team
- Key messages: operational clarity, awareness-raising measures and employee engagement
- Leadership visibility
- FAQs and employee hotline



## Home Office implementation

- 98% of administrative staff working HO
- 50% of call center staff working HO
- Reduced branch hours and staff
- 50% reduction in employees per branch with rotation scheme
- Cells approach in call center to ensure social distance

# Operations



## Technology

- Guarantee critical IT employees the tools and capabilities needed
- Focus on tools and processes to ensure home office for all areas, deployment of VPNs
- Freeze deployment of projects that could generate instability



## Operations

- New protocols for business continuity under current circumstances
- New contingency plan for our Call Centers
- Reinforcement of operational capacity to execute loans rescheduling



## Critical suppliers

- Monitoring contingency plans of critical suppliers
- On-line and daily status with the executive teams
- Monitoring and reinforcement of cash supply in branches and ATMs



## Cybersecurity

- Messages to clients and employees alerting of new threats
- Reinforcement of IT networks' monitoring and alerting systems
- Rigorous application of security protocols for home office employees

# Distribution channels



## Financial stores

- Flexible opening hours: Mon. to Fri. 9 a.m. to 2 p.m.
- 195 financial stores opened - flexible
- 80% working on a rotating scheme and 20% on vacations or medical leave
- 50% reduction in employees and customer capacity per branch



## Contact center

- Opening hours: Mon. to Sat. 9 a.m. to 3 p.m.
- Telephone operators increased from 180 to 286 (+59%)
- 53% on premises, 47% home office
- Support in transportation for employees



## ATMs and correspondent agents

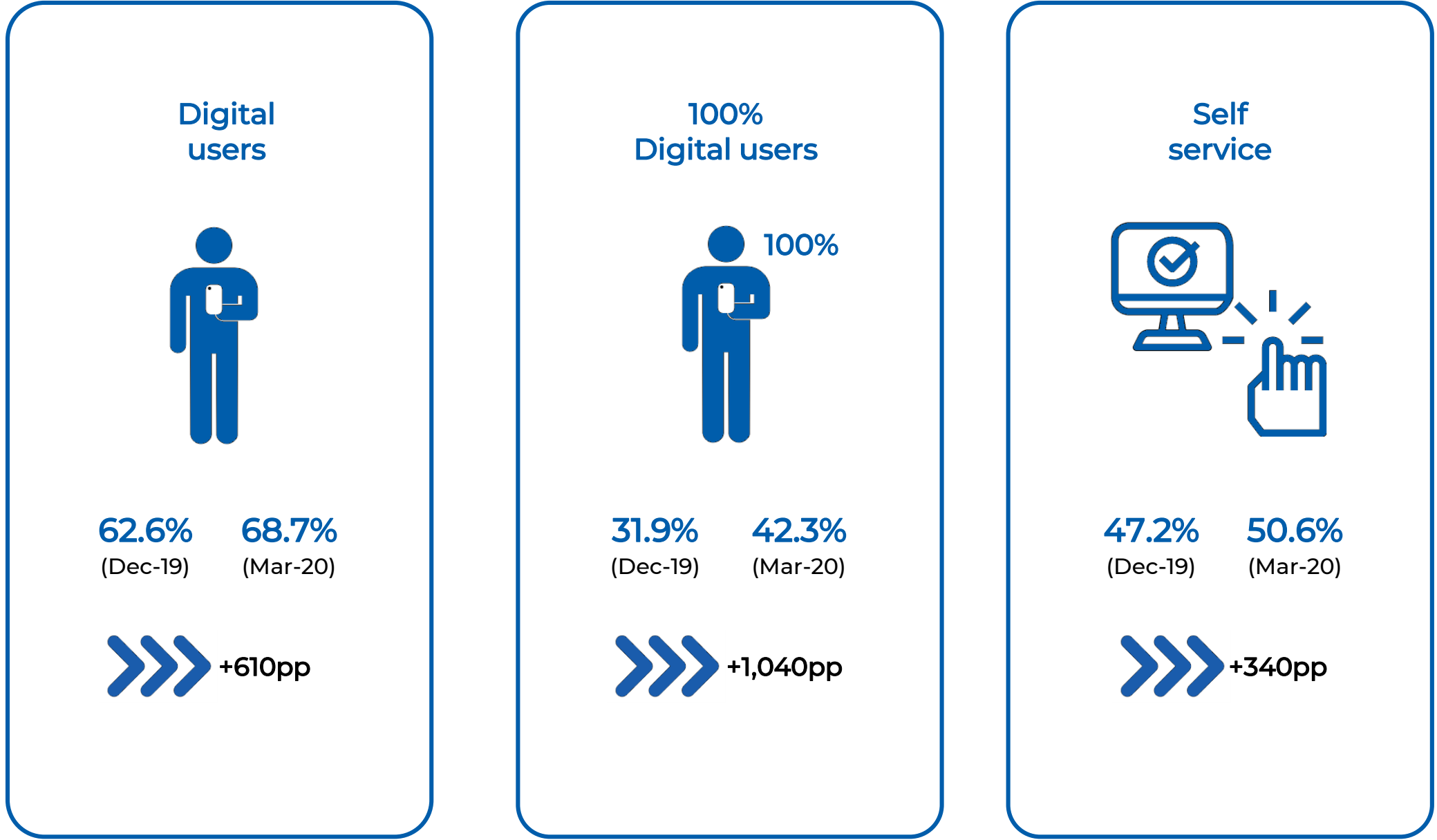
- 97% availability of ATMs
- Maintenance and cash availability at full capacity
- New cleaning protocols
- 2,097 operating Correspondent Agents
- 74% convenience stores and drugstores operating



## App and home banking

- Special protocol for troubleshooting
- Special landing, digital ads and in-app communication: how to use, how to pay, P2P, digital security
- Emergency and Key Dates Teams and Communication channels created

# Further acceleration of digital indicators



# Communication



## Internal communication

- Take care of yourself and follow the rules
- How we protect you and protect our clients
- The importance of our job in an unprecedented situation



## External communication

- Take care of yourself and follow the rules
- Interbank takes care of you
- Interbank helps you
- We are encouraging the use of digital channels

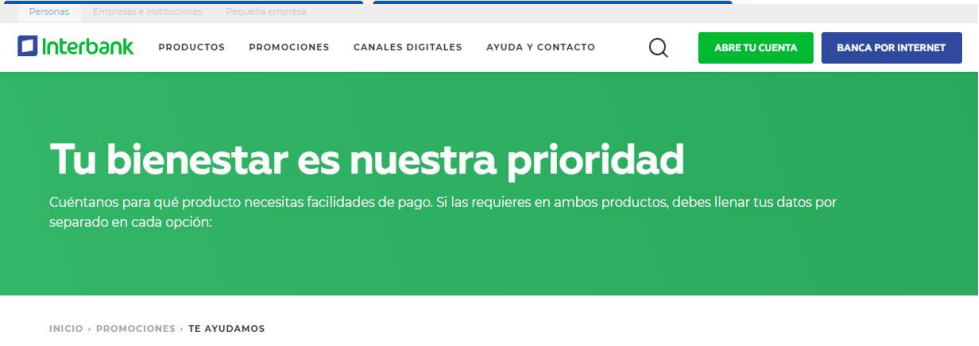


# Web landing for credit facilities and rescheduled balances

## Landing for credit facilities Interbank



INICIO > ESTIEMPODECUIDARNOS



INICIO > PROMOCIONES > TE AYUDAMOS

## Rescheduled balances as of April 8th



### Retail banking

5,880

Rescheduled  
balance  
(S/ million)

~31

Rescheduled  
balance  
(% of total balance)

~284

Thousand  
Clients



### Commercial banking

1,559

Rescheduled  
balance  
(S/ million)

~9

Rescheduled  
balance  
(% of total balance)

~5

Thousand  
Clients

## Streamlined processes



### Tarjeta de Crédito

Aplica para todas las tarjetas de crédito



### Préstamos

Incluye: Personal y Vehicular.



### Hipotecario

Te ofrecemos la facilidad de reprogramar tu préstamo.



# We look after our clients' well-being

## Action plan for retail customers

### Help clients with their liquidity in times of crisis



**Credit cards:** Deferral of minimum payments until May (12 months; 0% interest)



**Mortgages:** Deferral of 2 payments (48 months; 0% interest)



**Personal loans:** Deferral of 2 payments (24 months; 0% interest)



**Deposits** Availability of up to S/ 2,400 CTS accounts; recognition of accrued interest for time deposits cancellations

Minimize barriers for customers who want to pay their loans

Facilitate quick payment re engagement and secure overall health of our portfolio

Keep fluent communications and interaction



## Action plan for commercial customers

### Help customers with their liquidity in times of crisis



#### Corporate and Mid-sized companies

- Short term (<180 day grace period with accrued interest)
- Long term (<90 day grace period or 3 installments, mostly with accrued interest)

#### SME



- Working capital loans (<90 day grace period, adding 2 installments on original loans)
- Businesses with <S/ 300K debt (2 installments to be repaid in 24 months without interest)

### Customer Advisory and Services



- RMs from all segments operating from home at full capacity



- Upgrade of internet banking platform for a 3 month free trial period and incentivized usage
- Created 100% digital processes for all lending and cash management products and services
- Landing for Small Businesses to reschedule current loans

Reactiva Perú



# Liquidity and solvency

## Summary of measures

### Liquidity

- After the lockdown we have obtained extra soles and dollars liquidity from the Central Bank and international banks
- Retail deposits have continued to increase since the end of February

### Solvency

- Increased capitalization of 2019 earnings to strengthen CET1 and TCR, and capitalized 1Q20 earnings
- Called the USD 200 million hybrid Tier 1 bond
- Run stress scenarios to test solvency, overall solid solvency
- Daily monitoring of the balance sheet and RWAs

## Key ratios

### Liquidity Feb-20

Loans/Deposits	104.1%
Liquidity Coverage Ratio (LCR)	151.0%
Net Stable Funding Ratio (NSFR)	116.0%

### Capital Feb-20

CET1	11.7%
Total Capital (TRC)	14.9%
Min. TCR	11.6%

# Measures taken at Interseguro and Inteligo

COVID-19 emergency committees since early March

## Interseguro



Home office for administrative staff



Continuous follow-up and supervision of investment portfolio's performance



Strong reduction in annuity sales; recovery in the last 2 weeks but still below pre-crisis level



Close monitoring of life premiums collections and rescheduling of payments



Piloting non-presential sale of individual life products



Current market risk offset by long-term investment horizon

## INTELIGO



Home office for staff at Inteligo Bank and Inteligo SAB



Frequent communication with clients



All services available: trading, transfers, withdrawals (through local banks) and loan renewals

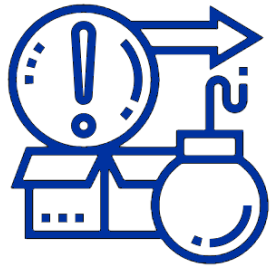


Higher liquidity when compared with pre COVID-19 levels and strong capital adequacy ratios



Increased adoption of digital channels, new openings of 100% digital account

## Key messages



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