INTERCORP FINANCIAL SERVICES INC.

DODDFRANK CORPORATE POLICY

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Prepared by the Compliance Department

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1. Definitions

- **ESMA:** European Securities and Markets Authority. It is an independent authority in the European Union that enables the stability and safeguard of the financial system by strengthening the security of the investors and the promotion of stable and organized financial markets in said jurisdiction. ESMA (European Securities and Markets Authority) for its initials in English.

- **Leverage:** Leverage is the relationship between credit and equity invested in a financial operation. The higher the credit, the greater the leverage and the lower the investment of own capital. Leverage is the use of debt to finance an operation.

- **BHC Act – Section 13:** Bank Holding Company Act, is a United States Act of Congress that regulates the shares of bank holding companies. Section 13 was modified to incorporate the Volcker rule.

- **CFTC:** For its initials in English, U.S. Commodity Futures Trading Commission, is an organization that has a mission to promote open, transparent, competitive and financially viable markets, to avoid systemic risk and protect users of the market and their derivative and related funds.

- **Clearing House**: is the entity responsible for the settlement of transactions between participants in the derivatives market. They guarantee the operations in case of defaultof any of the parties.

- **Clearing:** Process that consists in establishing positions, including the calculation of net obligations, and ensuring that financial instruments, cash, or both, are available to cover the exposures derived from said positions.

- **Derivatives:** Financial instrument whose value depends on the price of an asset (a bond, a stock, a product or merchandise), an interest rate, an exchange rate, an index (of stocks, prices or others); or any other quantifiable variable (to be called the underlying variable). There are four types of financial derivatives: Forwards, Futures, Swaps and Options.

- **Over-the-counter derivative**: derivative whose execution does not take place in a regulated market.

- **Dodd Frank**: Wall Street Reform and Consumer Protection Act, enacted in 2010 in the United States.

- **Central Counterparty Clearing House (CCP):** a legal entity that mediates between the counterparties of the contracts traded in one or several financial markets, acting as buyer against all sellers and as a seller against all buyers.

- **Unsecured exposure:** Amount of capital that can be lost when investing in an asset.

- **Forward:** an agreement between two parties whereby a commitment is made to exchange a financial asset in the future, at a price determined today.

- **Material event:** Any act, decision, agreement, negotiation in progress or information referring to the Issuer, its values or its businesses that have the ability to significantly influence(i) the decision of a sensible investor to buy, sell or keep a value; or, (ii) the liquidity, the price or listing of the securities issued.

- **ISDA:** For its acronym in English, International Swaps and Derivatives Association. It is a professional organization that brings together the largest players in the derivatives markets. Its main ojecive is to establish a reference framework through standards contracts that establish the definitions and general conditions that regulate any derivative contracted between two financial institutions.

- **Know Your Counterparty:** Policy on the knowledge of the counterparty, which is the entity with which it is agreed to carry out the transaction.

- **Life Cycle Event:** Significant events that, if they occur, may affect the operation of derivatives. In addition, they are considered as important events and as such, they must be reported to the Securities Market Superintendency (SMV), to the Lima Stock Exchange (BVL) and the Swap Dealer. For example, a merger, initiation of insolvency proceedings, that is, material facts that impact the conditions of derivatives reported to the regulator.

- **Major Swap Participant**: is a person or entity that maintains a substantial net position in swaps, excluding hedging of commercial risks, or whose positions create such significant exposure to others that it requires monitoring. Participants must meet ONE of the following three definitions:

    - Person who maintains a substantial position in any of the major “Major Swap”exchange categories, excluding positions held for hedging or mitigating business risks and positions held by employee benefit plans for hedging or mitigation of risk in the operation of said plans.

    - Counterparty whose current swaps create considerable exposure that could have serious adverse effects on the financial stability of the US Banking System or financial markets.

    - Any financial institution that is highly leveraged with respect to the amount of capital it owns that is not subject to the capital requirements established by a federal banking agency and that is considered a Major Swap Participant with a registration threshold of more than $ 1 trillion daily average of unsecured exposure..

- **Position Desk:** Team within each subsidiary that is responsible for managing derivative operations.

- **Counterparty credit risk**: Risk that the counterparty in a transaction may default before thefinal settlement of the cash flows of that transaction.

- **Trade Repository:** Legal entity that collects and preserves derivatives registrations in Europe.

- **Regulations of Material Events:** Regulation that establishes the communication and disclosure regime of important facts and reserved information that must be observed obligated persons in accordance withthe Securities Market Law and its regulatory standards, in order to protect investors and promote efficient and transparent markets.

- **SEC:** For its acronym in English, U.S. Securities and Exchange Commission. Responsible for protecting the American investor and maintaining the integrity of the stock markets.

- **Swap:** It is a financial contract between two parties that agree to exchange future cash flows according to a pre-established formula. These are “made-to-meassure” contracts, that is, with the objective of satisfying the specific needs of those who sign said contract. Due to the latter, they are instruments similar to the forward, in the sense that they are not traded on organized exchanges.

- **Swap Dealer:** US banks that are suppliers of derivatives.

- **Volcker Rule:** Section of Dodd Frank Act that applies restrictions to US banks on making certain type of speculative investments for their own account and that do not benefit their clients. It arises as a measure to prevent speculative activities that may cause a systemic risk, as occurred in the 2007-2010 crisis.

2. Objective

Establish the policies, processes and procedures for the application of foreign regulations that affect the operation with financial derivatives that IFS subsidiaries carry out with the US and European entities through their Position Tables.

3. Background

The global economic crisis that occured in 2008 caused severe financial losses, a high number of unemployed people, a collapse in house prices, a rescue of financial entities, among others. It was determined that one of the main causes of this crisis was that financial entities acted outside the regulatory perimeter assuming significant risks, counting on the fact that they would be rescued in order to avoid systemic risk. From then on, the doctrine *too big to fail* was imposed.

That is why, in order to prevent a crisis like the one that happened again, between 2010 and 2012, laws were enacted in the United States and Europe to promote the stability of the financial system in those jurisdictions.

In this sense, IFS and its subsidiaries are affected by these laws for carrying out financial derivatives operations with US and European counterparties (Banks suppliers of derivatives).

3.1 Dodd Frank Wall Street Reform and Consumer Protection Act, DFA (Dodd Frank)

Following the 2008 financial crisis, the Dodd Frank Wall Street Reform and Consumer Protection Act, DFA, was enacted in July 2010 in the United States.

The objective of the Dodd Frank Protocol regarding over-the-counter derivatives is for the US Swap Dealers to comply with the obligations imposed by the U.S. Commodity Futures Trading Commission (CFTC) referring to:

- “Know Your Counterparty” Policies.
- Closing of certain derivatives with the intervention of a Clearing House.
- Provide information to the regulator regarding the transactions they close with their different counterparties (information about the trade without indication of the counterparty).
- Adjustment / modification of the ISDAs to comply with Dodd Frank regulation.

3.1.1 Volcker Rule

It comprises section 619 of Dodd Frank Wall Street Reform and Consumer Protection Act (which includes section 13 of the Bank Holding Company Act of 1956, “BHC Act”) and establishes the following prohibitions for banks that operate in the United States:

- Proprietary Trading, that is, the use of Bank’s own resources to carry out operations with financial derivatives.
- Investment of the entity’s funds in Hedge Funds.
- Speculation, which is considered an unacceptable systemic risk.

Volcker Rule applies to:

(i) Any foreign entity that directly or indirectly maintains a branch in the United States.
(ii) Entities that control a US commercial loan company or that operate in the US.
(iii) Affiliates and subsidiaries of foreign banking entities that operate in the United States or are constituted in accordance with US law, with control equal to or greater than 25% directly or indirectly, or through other control signals defined in the Bank Holding Companies Act of 1956.

3.2 European Market Infrastructure Regulation on over-the-counter derivatives (EMIR)

In July 2012, the "Regulation on Over-the Counter (OTC) Derivatives, Central Counterparties and Trade Repositories" was promulgated in the European Union. The regulation was enacted in the wake of the 2008 financial crisis after it was determined that European Union's financial sector supervisory framework should be strengthened in order to reduce risk and severity of future financial crises, and a series of ambitious reforms to the sector's supervisory including the creation of the European System of Financial Supervisors, made up of three European supervisory authorities – one for the banking sector, one for the insurance and retirement pension sector and another for the securities and markets sector.

The rule considers that over-the-counter derivatives lack transparency, since they are privately negotiated contracts and only contracting parties generally have information about them.

The very characteristics of this type of contracts increase uncertainty at times of market stress and, consequently, compromise financial stability. This is precisely why the regulation establishes conditions with a view to mitigating these risks and improving the transparency of derivative contracts.

The objective of the EMIR Regulation is for financial institutions incorporated in the European Union to comply with the obligations imposed by the AEVM regarding:

- Clearing obligation for over-the-counter derivatives.
- Notify the register of operations of the data of any derivatives contract no later than the next business day from the conclusion, modification or termination of the contract.
- Keep a record of all derivative contracts entered into and of any modifications for at least five years following the termination of the contract.
- Establish requirements for the resolution of conflicts of interest or litigation between the parties.

4. Scope

The IFS subsidiaries that have operations in the territory of the United States or are counterparties to foreign banks located in the United States and the European Union for the operations they carry out with derivatives, must adhere to the Dodd Frank Protocol as well as with the Regulation of the European Parliament regarding Over-the-Counter Derivatives (EMIR).

This policy applies to operations with United States and European entities carried out through the position tables of the subsidiaries.

There are two types of swaps, currency exchange and interest rates:

- **Foreign exchange swap:** This is an agreement between the subsidiary and the client to exchange periodic changes in two different currencies, agreed for a period with respect to a principal (notional) amount. The exchange may involve changes in the interest rate; fixed or floating.

  Product aimed at institutional clients (public and private) and resident and non-resident corporate clients (including banks). These operations will also cover exchange rate risks of investment portfolio and credit placements of subsidiaries.

  The form of payment is made by compensation; that is to say, the exchange rate of the swap is compared against the reference exchange rate, and the party that made a loss with the comparison does so by compensating the other party.

- **Interest rate swap:** This is an agreement between two parties to exchange fixed rate for variable rate or vice versa of periodic flows. Normally, the exchange is made between obligations with floating interest rate for obligations with a fixed interest rate and either party may assume the position of payer or receiver of the fixed interest rate in exchange for receiving or paying a floating interest rate, respectively, established in a specific Interest Rate Swap contract.

Product aimed at institutional clients (public and private) and corporate clients, residents and non-residents (including banks). These operations will also cover interest rate risks of the subsidiary's own investment portfolio and credit placements.

The form of payment is made by compensation; that is, only the party that has to pay the highest amount of interest, pays the difference in interest to the other party.

When the subsidiary carries out Swap operations with US and European banks, it must have signed between the parties the appropriate protocols drawn up by the International SWAP and Derivatives Association (ISDA) or, failing that, negotiate the terms bilaterally with each counterparty.

5. Roles and Responsibilities

Department / Position	Responsibilities
Board of Directors of IFS	▪ Ensure that IFS and its subsidiaries contemplate the guidelines of this policy when deciding to start operations in the United States. ▪ Allocate the necessary resources for the implementation and compliance of Dodd Frank / Volcker Rule guidelines.
Chief Executive Officer (CEO) of IFS	▪ Inform the Chief Compliance Officer about the start of operations in the United States by any of the subsidiaries.
Legal Manager of IFS	▪ Inform the CCO the significant events that arise, with exception of those related to Directors and General Management and financial situation and benefits, according to the classification of Annex 1 of the Important Facts Regulation. .
Legal Manager of the subsidiary	▪ Inform the CCO of significant events that occur in the subsidiary, with exception to those related to Directors and General Management and financial situation and benefits, according to the classification of Annex 1 of the Important Facts Regulation.
Chief Compliance Officer	▪ Supervise the compliance of this policy in the subsidiaries. ▪ Inform the Regulatory Compliance Officers of the subsidiaries about the "life cycle events".
BSA Officer of the subsidiary	▪ Inform the subsidiary's Position Table in a timely manner about the "Life cycle events" that are presented and made known through the significant events issued by the subsidiary or those reported by IFS, related to processes inherent to the subsidiary, and that may affect the operation of derivatives operation, so that they in turn communication with the Swap Dealer through the means that they determine (email or phone call).
Manager of Derivatives of the Position Committee of the subsidiary	▪ Supervise the compliance of this policy in the subsidiaries. ▪ Inform the Swap Dealer in a timely manner about the "Life cycle events" that arise, inherent in the derivative, and that may affect the operation of derivatives, through the means determined (email or phone call).

	▪ Coordinate the participation of a Clearing House when the product requires it and is negotiated with swap dealers located in the United States or the European Union, prior notice to the participating areas by the Position Table. ▪ Inform the Regulatory Compliance Officer of the subsidiary about the important events reported to the SMV and the BVL.

6. Guidelines

- The consequence of not adhering to the Dodd Frank Protocol and the EMIR Regulation is the cessation or limitation of derivative operations with the subsidiary, since by not verifying the fulfillment of the obligations previously described by foreign entities, they would incur in a breach with its regulator SEC, CFTC and AEVM.

- Employees who trade in derivatives must have the competence for the position, that is, they must have sufficient training to make decisions. For this, they must have the Chartered Financial Analyst – Level 1 certification, as a minimum.

- All employees of the IFS subsidiaries undertake to comply with the Code of Ethics and Conduct, as well as filling out an affidavit of assets and liabilities at the time of hiring, and updating it every two years.

6.1 Volcker Rule

IFS and its subsidiaries are not subject to the Volcker Rule, as they do not meet the eligibility requirements described in section 3.1.1. However, should IFS or its subsidiaries become eligible to comply with the Volcker Rule, it must be ensured that the activities prohibited under this rule are not carried out.

If it was the case , the following will be developed:

- Policies and procedures that document, describe, monitor and limit all activities subject to section 13 of the BHC Act.
- An internal control system that can monitor compliance with the prohibitions and restrictions established by the Volcker Rule.
- Independent audit evaluating the effectiveness of the compliance program.
- Training for employees involved in the investment process of the subsidiaries.

7. Sanctions

- Breaches of anticorruption laws and/or the Anticorruption Program are considered very serious and are therefore subject to sanctions by IFS Group.
- The disciplinary sanction to apply will depend on each case and will always be consulted with the Compliance and Legal Departments. These can range from a severe warning call to termination of employment.