

Intercorp Financial Services Inc. Fourth Quarter 2024 Earnings

Lima, Peru, February 5, 2025. Intercorp Financial Services Inc. (Lima Stock Exchange/NYSE: IFS) announced today its unaudited results for the fourth quarter 2024. These results are reported on a consolidated basis under IFRS in nominal Peruvian soles.

Intercorp Financial Services: Strong recovery of earnings and profitability

- +71% YoY earnings drive ROE above 12%
- Efficiency remains a top priority
- Continuous improvement in customer experience

Banking: Low CoR, with better cost of funds

- CoR below 3.0% at 2.6% in 4Q24
- -100bps YoY cost of funds on better funding mix and fast repricing
- Gaining market relevance in mortgage and commercial banking
- Our payments ecosystem continues to strengthen

Insurance: 4Q24 profit of S/ 75.8 million.

- Market leader in annuities with a 30.2% share in 4Q24
- ROIP of 6.1% in 4Q24 compared to 5.4% in 3Q24 and 7.2% in 4Q23
- Positive non-recurring impacts in 4Q23

Wealth Management: Growth in AuM and fees continue

- Continued growth in AUM: 3.9% QoQ and 18.5% YoY
- Sequential recovery of fee income continues
- Profits in other income, due to positive mark-to-market valuation

Intercorp Financial Services

SUMMARY

2024 Performance

Intercorp Financial Services' profits were S/ 1,307.5 million in 2024, a 21.1% increase compared to 2023. The higher net profit was mainly a result of a decrease of S/ 261.6 million in impairment loss on loans, a S/ 233.8 million increase in other income as well as a S/ 112.1 million decrease in interest and similar expenses. These effects were partially offset by a S/ 150.0 million increase in other expenses, as well as a S/ 38.8 million increase in income tax and a reduction S/ 35.6 million in fee income from financial services.

IFS's ROE was 12.6% in 2024, higher than the 11.3% registered in 2023.

Intercorp Financial Services' P&L Statement			
S/ million	2023	2024	%chg 24/23
Interest and similar income	7,120.4	7,029.4	-1.3%
Interest and similar expenses	-2,592.4	-2,480.3	-4.3%
Net interest and similar income	4,528.0	4,549.1	0.5%
Impairment loss on loans, net of recoveries	-1,981.8	-1,720.2	-13.2%
Recovery (loss) due to impairment of financial investments	-7.5	-47.5	n.m.
Net interest and similar income after impairment loss	2,538.7	2,781.4	9.6%
Fee income from financial services, net	1,178.5	1,142.9	-3.0%
Other income	557.8	791.6	41.9%
Insurance results	-178.3	-169.8	-4.8%
Other expenses	-2,750.2	-2,900.2	5.5%
Income before translation result and income tax	1,346.4	1,646.0	22.2%
Translation result	8.4	-24.1	n.m.
Income tax	-275.6	-314.4	14.1%
Profit for the period	1,079.3	1,307.5	21.1%
Attributable to IFS' shareholders	1,072.7	1,300.1	21.2%
EPS	9.33	11.38	
ROE	11.3%	12.6%	
ROA	1.2%	1.4%	
Efficiency ratio	36.8%	37.4%	

Net interest and similar income grew S/ 21.1 million, or 0.5%, mainly due to a decrease of S/ 112.1 million in interest and similar expenses, mostly related to the downward trend in interest rates in the market, as well as the efficient funding strategy in our banking business. These effects were partially offset by a S/ 91.0 million decrease in interest and similar income, which was in turn due to a change in the loan portfolio in our banking business.

Impairment loss on loans, net of recoveries decreased S/ 261.6 million, explained by lower provision requirements in both retail and commercial loan books, associated with the improvement of the macroeconomic outlook in Peru; as well as the change in the loan mix, as lower risk segments such as mortgages, payroll deductible loans and commercial loans, have gained relevance. Also, 2024 shows an impairment of financial investments of S/ -47.5 million, which is mostly due to a one-off event in the first quarter in our insurance business.

Other income showed an increase of S/ 233.8 million, due to a reversion in the results in our Wealth Management business, from a S/ -40.2 million to a S/ 80.5 million, which in turn is explained by an increase in the mark-to-market valuation on the proprietary investments, as well as positive performance in our Insurance and Banking businesses.

Fee income from financial services showed a decrease of S/ 35.6 million, or 3.0%. This effect was mostly explained by a reduction of S/ 34.3 million in our Payments business, which in turn was related to higher competition and tightening margins, and a S/ 21.5 million reduction in our banking business. These effects were partially offset by a S/ 24.7 million increase in our Wealth Management business, due to the important increase in AuMs.

Insurance results, despite being negative, improved from S/ -178.3 million in 2023 to S/ -169.8 million in 2024.

The moderate increase in other expenses was mostly attributed to higher expenses in our three businesses. The efficiency ratio was 37.4% in 2024, compared to the 36.8% registered in 2023.

Intercorp Financial Services' Statement of financial position					
S/ million	12.31.23	09.30.24	12.31.24	%chg 12.31.24 09.30.24	%chg 12.31.24 12.31.23
Assets					
Cash and due from banks and inter-bank funds	10,343.6	14,663.7	12,709.0	-13.3%	22.9%
Financial investments	26,722.0	26,686.4	26,857.9	0.6%	0.5%
Loans, net of unearned interest	48,869.8	50,110.6	50,959.6	1.7%	4.3%
Impairment allowance for loans	-2,349.4	-1,825.2	-1,730.2	-5.2%	-26.4%
Property, furniture and equipment, net	804.8	818.8	814.4	-0.5%	1.2%
Other assets	5,233.9	5,102.9	5,766.7	13.0%	10.2%
Total assets	89,624.8	95,557.2	95,377.5	-0.2%	6.4%
Liabilities and equity					
Deposits and obligations	49,188.2	54,131.4	53,768.0	-0.7%	9.3%
Due to banks and correspondents and inter-bank funds	9,145.6	8,322.0	7,562.1	-9.1%	-17.3%
Bonds, notes and other obligations	5,551.6	5,859.0	6,075.4	3.7%	9.4%
Insurance contract liabilities	12,207.5	12,872.7	12,524.3	-2.7%	2.6%
Other liabilities	3,523.6	3,855.9	4,469.1	15.9%	26.8%
Total liabilities	79,616.7	85,041.0	84,398.9	-0.8%	6.0%
Equity, net					
Equity attributable to IFS' shareholders	9,950.2	10,455.6	10,915.2	4.4%	9.7%
Non-controlling interest	57.9	60.6	63.4	4.5%	9.5%
Total equity, net	10,008.1	10,516.2	10,978.6	4.4%	9.7%
Total liabilities and equity net	89,624.8	95,557.2	95,377.5	-0.2%	6.4%

SUMMARY

4Q24 Performance

InterCorp Financial Services' net profit was S/ 490.1 million in 4Q24, increases of S/ 100.1 million QoQ and S/ 204.0 million YoY. IFS's annualized ROE was 18.2% in 4Q24, higher than the 15.1% reported in 3Q24 and the 11.6% registered in 3Q23.

InterCorp Financial Services' P&L statement					
S/ million	4Q23	3Q24	4Q24	%chg QoQ	%chg YoY
Interest and similar income	1,805.0	1,765.6	1,726.5	-2.2%	-4.4%
Interest and similar expenses	-681.5	-614.5	-575.4	-6.4%	-15.6%
Net interest and similar income	1,123.5	1,151.1	1,151.1	0.0%	2.5%
Impairment loss on loans, net of recoveries	-616.2	-377.2	-319.7	-15.2%	-48.1%
Recovery (loss) due to impairment of financial investments	0.8	-9.0	-4.6	-49.2%	n.m.
Net interest and similar income after impairment loss	508.1	764.9	826.8	8.1%	62.7%
Fee income from financial services, net	287.8	295.1	299.9	1.6%	4.2%
Other income	224.4	184.4	283.3	53.6%	26.2%
Insurance results	-28.7	-18.1	-38.0	n.m.	32.3%
Other expenses	-691.2	-743.7	-747.2	0.5%	8.1%
Income before translation result and income tax	304.9	462.5	632.5	36.8%	n.m.
Translation result	18.4	21.8	-15.3	n.m.	n.m.
Income tax	-37.2	-94.3	-127.1	34.8%	n.m.
Profit for the period	286.1	390.0	490.1	25.7%	71.3%
EPS	2.48	3.38	4.25		
ROE	11.6%	15.1%	18.2%		
ROA	1.3%	1.6%	2.1%		
Efficiency ratio	36.2%	38.1%	35.8%		

Quarter-on-quarter performance

Profits increased S/ 48.9 million QoQ, mainly due to an increase of S/ 98.9 million soles in other income, related to higher mark-to-market valuations on investments, a decrease of S/ 57.7 million in loan loss provisions and an increase of S/ 4.8 million in fee income from financial services. These effects were partially offset by increases of S/ 37.1 million in translation results, S/ 32.8 million in income tax, as well as a S/ 19.9 million reduction in insurance results.

The increase in other income was mainly explained by higher results among all the subsidiaries. In the Wealth Management business, it showed an increase of S/ 43.6 million, in our insurance business of S/ 21.7 million, and in our Banking business of S/ 12.0 million, all cases related to higher mar-to-market valuations.

Cost of risk decreased 50 basis points from 3.1% to 2.6%. Loan loss provision decreased S/57.5 million QoQ, mainly explained by lower provision requirements in both commercial and retail portfolios of our banking business, related to a change in the loan portfolio composition, in which commercial loans are 48% and the retail portfolio is 52%, and a better payment behavior of clients. Also, proactive internal management and decision making in the bank, translated into changes and improvements in models and the focus of growing in healthier credits.

The increase in fee income from financial services was mostly related to our Wealth Management business, which showed a S/ 3.7 million increase in line with the 2% increase in AuMs. Other subsidiaries showed a stable result compared to the previous quarter.

Translation results went from S/ 21.8 million in 3Q24 to S/ -15.3 million in 4Q24, explained by an increase in exchange rate, which in turn impacted negatively due to our higher exposure in liabilities in foreign currency.

The increase in income tax was explained by the increase of income before translation result and income tax of S/ 68.0 million, or 17.4% in our banking business. As a result, the implicit tax rate increased from 21.1% to 24.4%.

Insurance results went from S/ -18.1 million in 3Q24 to S/ -38.0 million in 4Q24, mainly explained by higher insurance expenses and lower insurance income.

Year-on-year performance

Profits increased S/ 204.0 million YoY, mainly due to a decrease of S/ 296.5 million in provision on loans and decreases, as well as an increase of S/ 58.8 million in other income, of S/27.5 million in net interest and similar income and of S/ 12.2 million in fee income from financial services, net. These effects were partially offset by a S/ 89.9 million increase in income tax, a S/ 55.9 million increase in other expenses and a S/ 33.7 million in translation result.

The decrease of S/ 204.0 million in provision on loans was mainly due to lower provision requirements in both commercial and retail portfolios of our banking business. Part of the explanation is described in the quarterly analysis. To complement it, the cost of risk showed a decrease of 260 basis points, from 5.2% to 2.6%.

The increase of S/ 58.8 million in other income was mostly explained by a S/ 52.3 million increase in our Wealth Management business and a S/ 17.8 million increase in our banking business, both cases related to higher mark-to-market valuations. These effects were partially offset by a S/ 30.3 million decrease in our insurance segment, which has mixed effects: decrease in the valuation of investments, partially offset by an increase in valuation of properties.

Net interest and similar income showed an increase of S/ 27.5 million, which is explained by a decrease of S/ 106.1 million in interest and similar expenses, partially offset by a decrease of S/ 78.6 million in interest and similar income, mostly related to the downward trend in interest rates in the market, as well as the efficient funding strategy in our banking business. These effects were partially offset by S/ 78.6 million decrease in interest and similar income, which was due to a change in the composition of the loan portfolio in our banking business.

Net fee income from financial services showed an increase of S/ 12.2 million, or 4.2% YoY, mostly related to higher fees from our banking, wealth management and insurance businesses. This was mainly related to a double-digit growth in AuMs in our wealth management business.

The increase in income tax of S/ 88.9 million was mostly driven by the higher income before taxes from our banking business, in turn mostly explained by a lower cost of risk.

The increase in other expenses of \$/ 55.9 million was mostly explained by \$/ 53.6 million increase in our Banking business. Insurance business showed a \$/ 5.0 million increase and Wealth Management, a \$/ 6.2 million increase. These effects were partially offset by a decrease of \$/ 13.4 million decrease in our Payments business. The increase in total expenses, however, was offset by higher revenues, and the efficiency ratio was 35.8% in 4Q24, lower than the 36.2% of 4Q23.

Translation result went from \$/ 18.4 million in 4Q23 to \$/ -15.3 million in 4Q24, explained by an increase in exchange rate, which in turn impacted negatively due to our higher exposure in liabilities in foreign currency.

CONTRIBUTION BY SEGMENTS

The following table shows the contribution of Banking, Insurance and Wealth Management businesses to Intercorp Financial Services' net profit. The performance of each of the three segments is discussed in detail in the following sections.

Intercorp Financial Services' Profit by business					
S/ million	4Q23	3Q24	4Q24	%chg QoQ	%chg YoY
Banking	135.3	298.7	347.6	16.4%	n.m.
Insurance	137.4	67.4	75.8	12.4%	-44.9%
Wealth Management	24.5	33.5	71.6	n.m.	n.m.
Corporate, eliminations and other subsidiaries	-11.2	-9.5	-4.8	-49.2%	-56.7%
IFS profit for the period	286.1	390.0	490.1	25.7%	71.3%

Interbank

2024 Performance

Interbank's profits were S/ 1,007.4 million in 2024, which represented an increase of S/ 151.2 million YoY, or 17.7%.

The yearly performance was mainly attributed to a decrease of S/ 262.1 million in impairment loss on loans, net of recoveries, and increases of S/ 40.2 million in net interest and similar income and of S/ 18.7 million in other income. These effects were partially offset by an increase of S/ 107.1 million in other expenses, of S/ 48.7 million in income tax and a decrease of S/ 21.5 million in fee income from financial services, net.

Interbank's ROE was 12.2% in 2024, representing a lower profitability compared to the 11.2% reported in 2023.

Intercorp Financial Services' P&L Statement			
S/ million	2023	2024	%chg 24/23
Interest and similar income	7,120.4	7,029.4	-1.3%
Interest and similar expenses	-2,592.4	-2,480.3	-4.3%
Net interest and similar income	4,528.0	4,549.1	0.5%
Impairment loss on loans, net of recoveries	-1,981.8	-1,720.2	-13.2%
Recovery (loss) due to impairment of financial investments	-7.5	-47.5	n.m.
Net interest and similar income after impairment loss	2,538.7	2,781.4	9.6%
Fee income from financial services, net	1,178.5	1,142.9	-3.0%
Other income	557.8	791.6	41.9%
Insurance results	-178.3	-169.8	-4.8%
Other expenses	-2,750.2	-2,900.2	5.5%
Income before translation result and income tax	1,346.4	1,646.0	22.2%
Translation result	8.4	-24.1	n.m.
Income tax	-275.6	-314.4	14.1%
Profit for the period	1,079.3	1,307.5	21.1%
Attributable to IFS' shareholders	1,072.7	1,300.1	21.2%
EPS	9.33	11.38	
ROE	11.3%	12.6%	
ROA	1.2%	1.4%	
Efficiency ratio	36.8%	37.4%	

The S/ 40.2 million increase in net interest and similar income was explained by a reduction of S/ 146.6 millions in interest and similar expense, partially offset by a decrease of S/ 106.4 million in interest and similar income. The decrease in net interest and similar expenses was mostly related to the downward trend in market rates as well as an efficient funding policy in the bank. In terms of the interest and similar income, the reduction was due to a shift in the portfolio composition, which

increased its position in lower risk segments such as: commercial loans, mortgages and payroll deductible loans.

The reduction in impairment loss on loans, net of recoveries was due to a lower provision requirements in both retail and commercial loan books, associated with the improvement of the macroeconomic outlook in Peru; as well as the change in the loan mix mentioned in the previous paragraph.

Fee income from financial services, net showed a decrease of S/ 21.5 million, which in turn was related to lower commissions from saving accounts and transfers, as well as insurance income and other fees. These effects were partially offset by an increase in credit card fees. It is important to mention, that despite the yearly reduction, fee income is been increasing constantly in every quarter throughout the year.

Other income increase was mostly explained by higher net gain on foreign exchange transactions, partially offset by lower net gain on financial assets at fair value through profit or loss.

Other expenses due to higher salaries and employee benefits, administrative expenses and depreciation and amortization.

Finally, and in line with higher revenues before taxes which were explained by a lower cost of risk and cost of funds, income taxes increased in 22.5% or S/ 48.7 million YoY.

4Q24 Performance

Interbank's profits were S/ 347.6 million in 4Q24, an increase of S/ 48.9 million, or 16.4% QoQ, and of S/ 212.5 million YoY.

The quarterly performance was mainly attributed to lower impairment loss on loans, net of recoveries, of S/ 57.5 million, followed by increases of S/ 12.0 million in other income, a S/ 10.7 million in translation results. These effects were partially offset by a S/ 29.7 million increase in income tax and of S/ 2.9 million in other expenses.

The annual performance in net profit was explained by S/ 296.5 million lower impairment loss on loans, net of recoveries, as well as an increase of S/ 20.1 million in net interest and similar income, of S/ 17.8 million in other income and of S/ 11.0 million in fee income from financial services, net. These effects were partially offset by increases of S/ 86.9 million in income tax and of S/ 53.6 million in other expenses.

Consequently, Interbank's ROE was 16.0% in 4Q24, higher than the 14.4% registered in 3Q24 and the 6.8% reported in 4Q23.

Banking Segment's P&L Statement					
S/ million	4Q23	3Q24	4Q24	%chg QoQ	%chg YoY
Interest and similar income	1,556.0	1,505.8	1,469.0	-2.4%	-5.6%
Interest and similar expense	-619.0	-549.7	-511.9	-6.9%	-17.3%
Net interest and similar income	937.0	956.1	957.1	0.1%	2.1%
Impairment loss on loans, net of recoveries	-616.2	-377.4	-319.7	-15.3%	-48.1%
Recovery (loss) due to impairment of financial investments	-0.2	0.1	0.0	-65.8%	n.m.
Net interest and similar income after impairment loss	320.6	578.8	637.4	10.1%	98.8%
Fee income from financial services, net	199.6	210.3	210.6	0.1%	5.5%
Other income	121.4	127.2	139.2	9.5%	14.7%
Other expenses	-475.2	-525.9	-528.8	0.6%	11.3%
Income before translation result and income tax	166.3	390.4	458.4	17.4%	n.m.
Translation result	-5.9	-9.5	1.2	n.m.	n.m.
Income tax	-25.1	-82.3	-112.0	36.1%	n.m.
Profit for the period	135.3	298.7	347.6	16.4%	n.m.
ROE	6.8%	14.4%	16.0%		
Efficiency ratio	36.2%	39.0%	38.2%		
NIM	5.5%	5.3%	5.3%		
NIM on loans	8.2%	7.8%	7.9%		

INTEREST-EARNING ASSETS

Interbank's interest-earning assets reached S/ 70,555.7 million as of December 31, 2024, representing a decrease of 0.8% QoQ and an increase of 6.8% YoY.

The quarterly decrease in interest-earning assets was mainly explained by a decrease of 11.9% in cash and due from banks and inter-bank funds, partially offset by increases of 1.9% in loans and 1.3% in financial investments.

The YoY growth in interest-earning assets was attributed to increases of 28.9% in cash and due from banks and of 5.8% in loans, partially offset by a decrease of 6.5% in financial investments.

Interest-earning assets					
S/ million	12.31.23	09.30.24	12.31.24	%chg 12.31.24 09.30.24	%chg 12.31.24 12.31.23
Cash and due from banks and inter-bank funds	9,123.4	13,345.5	11,760.3	-11.9%	28.9%
Financial investments	11,964.2	11,048.6	11,187.5	1.3%	-6.5%
Loans	45,004.8	46,739.8	47,607.9	1.9%	5.8%
Total interest-earning assets	66,092.5	71,133.9	70,555.7	-0.8%	6.8%

Loan portfolio					
S/ million	12.31.23	09.30.24	12.31.24	%chg 12.31.24 09.30.24	%chg 12.31.24 12.31.23
Performing loans					
Retail	24,785.9	24,364.7	24,408.0	0.2%	-1.5%
Commercial	19,869.8	21,806.9	22,654.3	3.9%	14.0%
Total performing loans	44,655.8	46,171.6	47,062.3	1.9%	5.4%
Restructured and refinanced loans	462.0	415.3	449.4	8.2%	-2.7%
Past due loans	1,652.2	1,467.2	1,318.8	-10.1%	-20.2%
Total gross loans	46,769.9	48,054.1	48,830.5	1.6%	4.4%
Add (less)					
Accrued and deferred interest	584.2	510.6	507.4	-0.6%	-13.1%
Impairment allowance for loans	-2,349.3	-1,825.0	-1,730.0	-5.2%	-26.4%
Total direct loans, net	45,004.8	46,739.8	47,607.9	1.9%	5.8%

The evolution of performing loans in a year over year basis continues to be affected by loans under the Reactiva Peru Program. As of December 31, 2024, these performing loans amounted to S/ 157.9 million, compared to balances of S/ 244.1 million as of September 30, 2024 and S/ 625.8 million as of December 31, 2023.

Additionally, the evolution of commercial loans continued to be benefited by the Impulso MyPeru program, focused on disbursing loans to SMEs and mid-sized segments. As of December 31, 2024, Interbank has around S/ 3,000 million. It is important to mention that these loans are guaranteed by the government with coverage levels between 50% to 98%.

Performing loans increased 1.9% QoQ, as commercial loans increased 3.9% and retail loans increased 0.2%. Excluding the effect of the Reactiva Peru Program in the comparing periods, total performing loans and commercial loans would have increased 2.1% and 4.3% QoQ, respectively.

Retail loans increased 0.2% due to increases of 1.9% in mortgages and 4.9% in credit cards, partially offset by decreases of 3.0% in payroll deduction loans and 1.6% in personal loans.

The 3.9% increase in commercial loans was due to increases of 7.9% in leasing operations and 0.9% in trade finance loans, partially offset by a decrease of 2.7% in working capital loans.

Performing loans increased 5.4% YoY explained by an 14.0% increase in commercial loans, partially offset by a 1.5% decrease in retail loans. Excluding the effect of the Reactiva Peru Program in the comparing periods, performing loans and commercial loans would have increased 6.5% and 16.9% YoY, respectively.

The annual increase in commercial loans was mainly explained by an increase of 10.5% in working capital loans and of 6.0% in leasing operations. These effects were partially offset by a decrease of 5.4% in trade finance loans.

The 1.5% lower retail loans were due to decreases of 18.4% in consumer loans and 5.4% in credit cards, partially offset by increases of 7.2% in mortgages and of 7.4% in payroll deduction loans.

As of 4Q23, 3Q24 and 4Q24, Interbank's rescheduled portfolio of Reactiva Peru loans amounted to S/ 730.5 million, S/ 315.1 million and S/ 193.4 million, respectively, representing 94.8% of total balances of Reactiva Peru loans in 4Q23, 91.9% in 3Q24 and 85.4% in 4Q24.

It is worth mentioning that these loans are guaranteed in large part by the Peruvian government. As of December 31, 2024, Interbank activated the guaranteed coverage for an amount of S/ 839.1 million. In the case of Impulso Myperu program loans, they also come with guarantees from the government.

Breakdown of retail loans					
S/ million	12.31.23	09.30.24	12.31.24	%chg 12.31.24 09.30.24	%chg 12.31.24 12.31.23
Consumer loans:					
Credit cards & other loans	9,951.0	8,462.1	8,494.0	0.4%	-14.6%
Payroll deduction loans ⁽¹⁾	5,301.7	5,868.2	5,693.5	-3.0%	7.4%
Total consumer loans	15,252.7	14,330.4	14,187.5	-1.0%	-7.0%
Mortgages	9,533.2	10,034.4	10,220.4	1.9%	7.2%
Total retail loans	24,785.9	24,364.7	24,408.0	0.2%	-1.5%

(1) Payroll deduction loans to public sector employees.

FUNDING STRUCTURE

Funding structure					
S/ million	12.31.23	09.30.24	12.31.24	%chg 12.31.24 09.30.24	%chg 12.31.24 12.31.23
Deposits and obligations	46,053.6	51,354.6	51,144.4	-0.4%	11.1%
Due to banks and correspondents and inter-bank funds	8,789.0	7,897.8	6,963.7	-11.8%	-20.8%
Bonds, notes and other obligations	4,253.2	4,493.8	4,669.1	3.9%	9.8%
Total	59,095.8	63,746.3	62,777.2	-1.5%	6.2%
% of funding					
Deposits and obligations	77.9%	80.6%	81.5%		
Due to banks and correspondents and inter-bank funds	14.9%	12.4%	11.1%		
Bonds, notes and other obligations	7.2%	7.0%	7.4%		

As of December 31, 2024, the balance of such special funding was S/ 123.8 million, compared to S/ 197.4 million as of September 30, 2024, and S/ 540.2 million as of December 31, 2023.

The bank's total funding base decreased 1.5% in the QoQ analysis. This was explained by a decrease of 11.8% in due to banks and correspondents and inter-bank funds and of 0.4% in deposits. These effects were partially offset by a 3.9% increase in bonds, in line with issuance of CDNs in the local market.

The quarterly reduction in due to banks and correspondents and inter-bank funds was mainly due to a reduction in interbank funds, as well as lower funding from corresponding banks abroad. These effects were partially offset by an increase in funding from COFIDE and the Central Bank funds.

The quarterly reduction in deposits was primarily explained by decreases of 1.7% in retail deposits, as well as increases of 2.0% in commercial deposits, partially offset by an increase of 6.2% in institutional deposits. Likewise, current and savings accounts showed reductions of 1.5% and 2.6% respectively, while time deposits showed an increase of 2.6%.

The bank's total funding increased by 6.2% YoY, in line with the 6.5% growth in interest-earning assets. This was explained by an 11.0% increase in deposits, partially offset by a 20.8% reduction in amounts due to banks and interbank funds.

The annual increase in deposits was mainly due to increases of 6.0% in retail deposits, 5.0% in commercial deposits, and 49.5% in institutional deposits.

The YoY reduction in amounts due to banks and interbank funds was mainly the result of lower funding provided by the Central Bank and interbank funds. This factor was partially offset by an increase in COFIDE, and correspondent banks abroad.

As of December 31, 2024, the proportion of deposits and obligations to total funding was 81.5%, higher than 80.6% reported as of September 30, 2024, and the 77.9% reported as of December 31, 2023.

Breakdown of deposits					
S/ million	12.31.23	09.30.24	12.31.24	%chg 12.31.24 09.30.24	%chg 12.31.24 12.31.23
By customer service:					
Retail	24,683.7	26,594.3	26,154.2	-1.7%	6.0%
Commercial	15,002.6	16,119.6	15,792.8	-2.0%	5.3%
Institutional	5,844.8	8,225.5	8,738.1	6.2%	49.5%
Other	522.5	273.0	319.8	17.2%	-38.8%
Total	46,053.6	51,212.3	51,004.9	-0.4%	10.8%
By type:					
Demand	12,474.3	13,308.3	13,177.0	-1.0%	5.6%
Savings	17,756.3	19,938.5	19,412.1	-2.6%	9.3%
Time	15,816.4	18,092.3	18,548.5	2.5%	17.3%
Other	6.6	15.5	6.7	-56.9%	1.6%
Total	46,053.6	51,354.6	51,144.4	-0.4%	11.1%

NET INTEREST AND SIMILAR INCOME

Net interest and similar income					
S/ million	4Q23	3Q24	4Q24	%chg QoQ	%chg YoY
Interest and similar income	1,556.0	1,505.8	1,469.0	-2.4%	-5.6%
Interest and similar expense	-619.0	-549.7	-511.9	-6.9%	-17.3%
Net interest and similar income	937.0	956.1	957.1	0.1%	2.1%
NIM	5.5%	5.3%	5.3%	0 bps	-20 bps

Interest and similar income					
S/ million	4Q23	3Q24	4Q24	%chg QoQ	%chg YoY
Interest and similar income					
Due from banks and inter-bank funds	74.2	92.1	78.6	-14.6%	6.0%
Financial investments	143.1	144.3	132.0	-8.5%	-7.8%
Loans	1,338.7	1,269.4	1,258.4	-0.9%	-6.0%
Total Interest and similar income	1,556.0	1,505.8	1,469.0	-2.4%	-5.6%

Interest and similar expense					
S/ million	4Q23	3Q24	4Q24	%chg QoQ	%chg YoY
Interest and similar expense					
Deposits and obligations	-431.4	-371.6	-334.9	-9.9%	-22.4%
Due to banks and correspondents and inter-bank funds	-126.8	-112.8	-110.9	-1.7%	-12.6%
Bonds, notes and other obligations	-60.8	-65.3	-66.1	1.3%	8.8%
Total Interest and similar expense	-619.0	-549.7	-511.9	-6.9%	-17.3%

QoQ Performance

Net interest and similar income increased 0.1% QoQ due to a 2.4% reduction in interest and similar income, partially offset by a 6.9% decrease in interest and similar expenses.

The lower interest and similar income were attributed to decreases of 14.6% in due from banks and inter-bank funds, 8.5% in interest on financial investments and 0.9% in interest on loans.

Interest on due from banks and inter-bank funds decreased S/ 13.5 million QoQ, or 14.6%, explained by a 70 basis point decrease in the average yield, partially offset by a 10.5% increase in the average volume.

Interest on financial investments decreased S/ 12.3 million QoQ, or 8.5%, explained by a 5.1% decrease in the average volume, as well as a reduction in the average yield, in line with lower market rates.

Interest on loans decreased S/ 11.0 million QoQ, or 0.9%, explained by a 100 basis point decrease in the average yield, from 11.3% in 4Q23 to 10.3% in 4Q24, associated with a loan mix shift towards low-risk products. This was partially offset by a 0.8% increase in the average volume.

The higher average volume of loans was attributed to a 2.4% increase in commercial loans, compensated with a 0.5% decrease in retail loans. In the commercial portfolio, average loans increased mainly in leasing operations, partially offset by a slight

decrease in working capital loans. In the retail portfolio, average loans decreased due to a 2.1% reduction in consumer loans, partially compensated by 2.0% in mortgages.

The nominal average yield on interest-earning assets lowered 30 basis points QoQ, at 8.1% in 4Q24, from 8.4% in 3Q24, in line with lower yields.

The lower interest and similar expense were due to decreases of 9.9% in interest on deposits and obligations and 1.7% in interest on due to banks and correspondents, partially offset by a 1.3% increase in bonds, notes and other obligations, as a result of the issuance of CDNs in the local market.

Interest on deposits and obligations decreased S/ 36.7 million QoQ, or 9.9% explained by a 40 basis point reduction in the average cost, from 3.0% in 3Q24 to 2.6% in 4Q24, partially offset by a 2.7% increase in the average volume. By currency, the average balance of soles-denominated deposits grew 2.4% while average dollar-denominated deposits grew 3.2%.

Interest on due to banks and correspondents decreased S/ 1.9 million QoQ, or 1.7%, explained by a 10.2% reduction in the average volume.

The average cost of funding decreased 30 basis points, from 3.5% in 3Q24 to 3.2% in 4Q24, as a consequence of lower cost of deposits and obligations, as well as higher cost of banks and correspondents.

As a result of the above, net interest margin was 5.3% in 4Q24, in line with the net interest margin reported in 3Q24.

YoY Performance

Net interest and similar income increased 2.1% YoY due to a 5.6% reduction in interest and similar income, partially offset by 17.3% lower interest and similar expense.

The reduction in interest and similar income was due to decreases of 7.8% in interest on financial investments and 6.0% in interest on loans, partially offset by a 6.0% increase in interest on due from banks and inter-bank funds.

Interest on financial investments decreased S/ 11.1 million YoY, or 7.8% explained by a 5.3% reduction in the average volume, a 20 basis point decrease in the average yield.

Interest on loans decreased S/ 80.3 million YoY, or 6.0%, explained by 100 basis point reduction in the average yield, partially offset by a 2.9% increase in the average volume.

The reduction in the average yield on loans, from 11.3% in 4Q23 to 10.3% in 4Q24, was mainly due to lower yields on consumer and commercial loans, associated with higher volumes from Impulso MyPeru.

The higher average volume of loans was attributed to growth of 10.0% in commercial loans, partially offset by decrease of 2.7% in retail loans. In the commercial portfolio, average volumes grew due to increases of 9.4% in working capital loans, as well as 3.1% in leasing operations, partially offset by a 11.3% decrease in trade finance loans. In the retail portfolio, average volumes lowered due to an 8.4% decrease in total consumer loans (mainly explained by a 13.4% in credit cards, compensated by a 10.3%

increase in payroll deductible loans), partially compensated by a 7.1% increase in mortgages.

Interest on due from banks and inter-bank funds increase \$/ 4.4 million YoY, or 6.0%, explained by a 32.4% increase in the average volume, partially offset by a 70 basis point reduction in the average yield.

The nominal average yield on interest-earning assets decreased 90 basis points, from 9.1% in 4Q23 to 8.1% in 4Q24, in line with the lower yield on loans and due from banks.

The lower interest and similar expense were due to decreases 22.4% in interest on deposits and obligations, 12.6% in interest on due to banks and correspondents and inter-bank funds, partially offset by an 8.8% increase in interest on bonds, notes and other obligations.

Interest on deposits and obligations decreased \$/ 96.5 million YoY, or 22.4%, explained by a 120 basis point decrease in the average cost, from 3.8% in 4Q23 to 2.6% in 4Q24. These effects were partially compensated by a 11.8% increase in the average volume. By currency, average balances of dollar-denominated deposits grew 12.6% while soles-denominated deposits grew 11.3%.

Interest on due to banks and correspondents decreased \$/ 15.9 million YoY, or 12.6% as a result of 18.8% reduction in the average volume, as well as a 50 basis point reduction in the average cost.

Interest on bonds, notes and other obligations increased \$/ 5.3 million YoY, or 8.8%, mainly explained by a 4.6% increase in the average volume, as well as a 20 basis point increase in the average cost. Impact was associated to the issuance of \$ 300 million subordinated bond in January 2024, that substituted bond BINTPE29.

The average cost of funding decreased 100 basis points, from 4.2% in 4Q23 to 3.2% in 4Q24.

As a result of the above, net interest margin was 5.3% in 4Q24, 20 basis points lower than the 5.5% reported in 4Q23.

IMPAIRMENT LOSS ON LOANS, NET OF RECOVERIES

Impairment loss on loans, net of recoveries, decreased 5.2% QoQ, and 26.4% YoY.

The quarterly and yearly performance were explained by lower provision requirements in the retail and commercial loan book. In the retail portfolio, the decrease in provisions was primarily driven by improved payment behavior, which resulted in lower requirements for consumer loans and credit cards. In the commercial portfolio, the decrease in provisions was driven by lower requirements across all segments, especially in the SME segment, due to the impact of Impulso MyPeru.

As a result of the above, the annualized ratio of impairment loss on loans to average loans was 2.6% in 4Q24, both lower than the 3.1% in 3Q24 and the 5.2% reported in 4Q23.

Impairment loss on loans, net of recoveries					
S/ million	4Q23	3Q24	4Q24	%chg QoQ	%chg YoY
Impairment loss on loans, net of recoveries	-616.2	-377.4	-319.7	-15.3%	-48.1%
Impairment loss on loans/average gross loans	5.2%	3.1%	2.6%	-50 bps	-260 bps
S3 NPL ratio (at end of period)	3.2%	2.9%	2.5%	-40 bps	-70 bps
S3 NPL coverage ratio (at end of period)	156.8%	131.3%	140.2%	890 bps	n.m.
Impairment allowance for loans	2,349.3	1,825.0	1,730.0	-5.2%	-26.4%

The Stage 3 NPL ratio lowered 50 basis points QoQ, to 2.6% in 4Q24 and 260 basis points YoY. The quarterly performance was associated to a 50 basis point reduction in commercial loans' NPL, as well as a 20 basis point reduction in the retail loans' NPL. Furthermore, the S3 NPL coverage ratio was 140.2% as of December 31, 2024, higher than the 131.3% reported as of September 30, 2024, and lower than the 156.8% registered as of December 31, 2023.

FEE INCOME FROM FINANCIAL SERVICES, NET

Net fee income from financial services showed a slight increase of S/ 0.3 million QoQ, or 0.1%, mainly explained by lower commissions from banking services and maintenance and mailing of accounts, transfer fees and commissions on debit card services. These effects were partially offset by a decrease of S/ 9.7 million in total expenses.

Net fee income from financial services increased S/ 11.0 million YoY, or 5.9%, mainly due to higher commissions from banking services and fees from maintenance and mailing of accounts, transfer fees and commissions on debit card services. These effects were partially offset by an increase of S/ 2.4 million in total expenses YoY.

Fee income from financial services, net					
S/ million	4Q23	3Q24	4Q24	%chg QoQ	%chg YoY
Income					
Commissions from credit card services	112.8	113.8	115.1	1.2%	2.0%
Commissions from banking services	80.3	89.9	84.2	-6.4%	4.8%
Maintenance and mailing of accounts, transfer fees and commissions on debit card services	78.8	85.5	83.0	-2.9%	5.3%
Fees from indirect loans	17.8	16.8	16.5	-2.0%	-7.3%
Collection services	13.8	15.2	13.5	-11.1%	-2.2%
Other	7.0	7.4	6.9	-6.2%	-1.9%
Total income	310.6	328.6	319.2	-2.9%	2.8%
Expenses					
Insurance	-16.8	-16.3	-18.9	15.7%	12.7%
Fees paid to foreign banks	-6.8	-7.2	-6.2	-13.1%	-8.2%
Other	-87.5	-94.8	-83.5	-11.9%	-4.6%
Total expenses	-111.0	-118.3	-108.6	-8.2%	-2.2%
Fee income from financial services, net	199.6	210.3	210.6	0.1%	5.5%

OTHER INCOME

Other income increased S/ 12.0 million QoQ, mainly explained by a higher contribution in extraordinary concepts due to the sale of property, partially offset by a lower net gain on foreign exchange transactions, and net gain on sale of financial investments.

Other income increased S/ 17.8 million YoY, mainly explained by a higher contribution in extraordinary concepts due to the sale of property, higher net gain on foreign

exchange transactions and on financial assets at fair value through profit or loss and a higher net gain on sale of financial investments.

Other income					
S/ million	4Q23	3Q24	4Q24	%chg QoQ	%chg YoY
Net gain on foreign exchange transactions and on financial assets at fair value through profit or loss	102.5	110.7	106.2	-4.1%	3.5%
Net gain on sale of financial investments	-1.8	3.8	1.0	-74.8%	n.m.
Other	20.6	12.7	32.1	n.m.	55.8%
Total other income	121.4	127.2	139.2	9.5%	14.7%

OTHER EXPENSES

Other expenses increased S/2.9 million QoQ, or 0.6%, and S/ 53.6 million YoY, or 11.3%.

The efficiency ratio was 38.2% in 4Q24, lower compared to the 39.0% reported in 3Q24, but higher than the 36.2% registered in 4Q23.

Other expenses					
S/ million	4Q23	3Q24	4Q24	%chg QoQ	%chg YoY
Salaries and employee benefits	-138.7	-172.2	-174.7	1.5%	26.0%
Administrative expenses	-247.2	-259.3	-253.1	-2.4%	2.4%
Depreciation and amortization	-69.5	-73.0	-70.9	-2.8%	2.0%
Other	-19.9	-21.5	-30.1	40.0%	51.4%
Total other expenses	-475.2	-525.9	-528.8	0.6%	11.3%
Efficiency ratio	36.2%	39.0%	38.2%	-80 bps	200 bps

REGULATORY CAPITAL

The ratio of regulatory capital to risk weighted assets (RWA) was 15.9% reported as of December 31, 2024, as well as registered as of September 30, 2024 and higher than 15.5% registered as of December 31, 2023.

As of 4Q24, risk-weighted assets (RWA) showed an increase of 1.5% QoQ, mainly due to higher capital requirements for credit risk. Higher risk weighted assets (RWA) for credit risk were attributed to higher RWA of loans and other assets.

In terms of regulatory capital, it increased 2.0% QOQ, mainly attributed to the increase in accumulated profit and an improvement in unrealized results.

The annual increase in the capital ratio was due to a 4.4% growth in the total regulatory capital, which compensates for the increase in RWA in 1.3%. The RWA growth was the result of higher capital requirements for credit risk, mainly explained by higher other assets and loans, partially offset by lower RWA for investments.

The YoY changes in regulatory capital was largely the result of the application of profits on the result of the 2023 financial year, the profit for the current year 2024, as well as the improvement in the unrealized result of the investment portfolio available for sale. These effects were partially offset by higher adjustments for investments in companies that are part of the financial consolidated group to which Interbank belongs, as a consequence of regulatory changes published at the end of March 2024.

Also, it is worth mentioning that in December 2022, the SBS issued the Official Document No. 03952-2022, by which it established that, from March 1, 2023, the minimum regulatory capital ratio requirement would remain at 8.5% and would follow an adequation schedule until March 2024, date in which the minimum regulatory capital ratio requirement will reach 10.0%. This date was modified with later resolutions, being the Resolution N° 274-2024, published in January 2024, the last current update, which establishes the new date for the implementation of the global limit in March 2025.

As of December 31, 2024, Interbank's total capital ratio of 15.9% was significantly higher than the global requirements plus buffers and capital assigned to cover additional risks, by disposition of the SBS. The minimum regulatory requirement was 9.5% as of December 31, 2024. Additionally, Core Equity Tier 1 (CET1) was 12.3% under the new methodology required by the SBS, compared to the 12.2% registered as of September 30, 2024, and 11.8% reported as of December 31, 2023. It is important to mention that under the new SBS regulation CET1 is the main component of the Tier I capital ratio.

S/ million	Regulatory capital			%chg	
	12.31.23	09.30.24	12.31.24	12.31.24 09.30.24	12.31.24 12.31.23
Tier I capital	7,461.7	7,711.9	7,892.4	2.3%	5.8%
Tier II capital	2,349.8	2,330.3	2,346.9	0.7%	-0.1%
Total regulatory capital	9,811.5	10,042.2	10,239.3	2.0%	4.4%
Risk-weighted assets (RWA)	63,494.9	63,356.3	64,308.3	1.5%	1.3%
Total capital ratio	15.5%	15.9%	15.9%	0 bps	40 bps
Tier I capital / RWA	11.8%	12.2%	12.3%	10 bps	50 bps
CET1	11.8%	12.2%	12.3%	10 bps	50 bps

Interseguro

SUMMARY

2024 Performance

Interseguro adopted IFRS17 requirements starting January 1st, 2023. As permitted by this regulation, for periods prior to 2023, we hereby present a reconstruction of results appropriate to the first adoption of IFRS17 for comparative purposes.

Interseguro's profits reached S/ 201.9 million in 2024, a S/ 90.2 million or 30.9% decrease compared to the previous year.

The full-year performance was mainly due to an S/ 38.0 million increase in losses due to impairment of financial investments, mostly explained by the rating downgrade of a fixed income investment. In addition, yearly results were negatively impacted by an S/ 26.6 million increase in other expenses, as well as a S/ 27.8 million decrease in translation results. These factors were partially offset by a positive development of S/ 8.6 million in insurance results.

Insurance Segment's P&L Statement			
S/ million	2023	2024	%chg 24/23
Interest and similar income	851.6	871.0	2.3%
Interest and similar expenses	-126.7	-153.5	21.1%
Net Interest and similar income	724.9	717.5	-1.0%
Recovery (loss) due to impairment of financial investments	-7.9	-45.9	n.m.
Net Interest and similar income after impairment loss	717.1	671.6	-6.3%
Fee income from financial services, net	-13.4	-10.6	-20.9%
Insurance results	-178.4	-169.8	-4.8%
Other income	122.9	121.2	-1.4%
Other expenses	-374.6	-401.2	7.1%
Income before translation result and income tax	273.6	211.3	-22.8%
Translation result	18.4	-9.4	n.m.
Income tax	-	-	n.m.
Profit for the period	292.1	201.9	-30.9%
ROE	86.2%	41.6%	
Efficiency ratio	13.0%	13.8%	

Net interest and similar income was S/ 717.5 million in 2024, a decrease of S/ 7.4 million compared to 2023, mainly explained by a S/ 26.8 million increase in interest and similar expenses due to the growth of the private annuities portfolio.

Loss due to impairment of financial investments was S/ -45.9 million, compared to a S/ 7.9 million impairment in the previous year.

Other income was S/ 121.2 million, a S/ 1.7 million decrease compared to 2023, mainly due to an extraordinary growth in financial assets at fair value.

Insurance results were S/ -169.8 million in 2023, a S/ 8.6 million improvement against 2023, mainly attributed to the effect of a downward trend in inflation rates over annuities.

Other expenses were S/ 401.2 million in 2024, a S/ 26.6 million increase when compared to the previous year, mainly explained by higher salaries and employee's benefits, as well as increased expenses related to rental income

4Q24 Performance

Interseguro's profits reached S/ 75.8 million in 4Q24, a positive performance compared to 3Q24.

The quarterly decrease was mainly explained by increases of S/ 21.8 and S/ 7.8 million in other income and insurance results, a S/ 7.8 million decrease in other expenses as well as a S/ 5.1 million reduction in losses due to impairment of financial investments. These effects were partially offset by a S/ 32.8 million decrease in translation result.

The annual performance in net profit was mainly explained by decreases of S/ 27.8, S/ 30.3 and S/ 6.1 million in translation results, other income and insurance results respectively. However, these factors were partially offset by an S/ 11.7 million increase in net interest and similar income

Interseguro's ROE registered 66.5% for 4Q24 compared to the 64.1% and 138.9% registered in 3Q24 and 4Q23 respectively.

Insurance Segment's P&L Statement					
S/ million	4Q23	3Q24	4Q24	%chg QoQ	%chg YoY
Interest and similar income	196.9	213.7	212.6	-0.5%	8.0%
Interest and similar expenses	-32.6	-38.2	-36.5	-4.4%	12.1%
Net Interest and similar income	164.4	175.5	176.1	0.3%	7.1%
Recovery (loss) due to impairment of financial investments	0.9	-9.1	-4.0	-55.9%	n.m.
Net Interest and similar income after impairment loss	165.3	166.5	172.1	3.4%	4.1%
Fee income from financial services, net	-3.5	-2.8	-2.7	-1.7%	-22.1%
Insurance results	-24.1	-38.0	-30.2	-20.5%	25.3%
Other income	75.8	23.7	45.5	91.6%	-40.0%
Other expenses	-93.9	-104.9	-98.9	-5.8%	5.3%
Income before translation result and income tax	119.5	44.5	85.7	92.7%	-28.3%
Translation result	17.9	22.9	-9.9	n.m.	n.m.
Income tax	-	-	-	n.m.	n.m.
Profit for the period	137.4	67.4	75.8	12.4%	-44.9%
ROE	138.9%	64.1%	66.5%		
Efficiency ratio	15.0%	14.6%	12.7%		

RESULTS FROM INVESTMENTS

Results from Investments ⁽¹⁾					
S/ million	4Q23	3Q24	4Q24	%chg QoQ	%chg YoY
Interest and similar income	197.9	213.7	212.6	-0.5%	7.4%
Interest and similar expenses	-18.8	-21.3	-20.7	-2.9%	10.0%
Net interest and similar income	179.1	192.4	191.9	-0.3%	7.2%
Recovery (loss) due to impairment of financial investments	0.9	-9.1	-4.0	-55.9%	n.m.
Net interest and similar income after impairment loss	180.0	183.4	187.9	2.5%	4.4%
Net gain (loss) on sale of financial investments	17.4	15.9	8.3	-48.1%	-52.4%
Net gain (loss) on financial assets at fair value through profit or loss	24.2	8.9	-12.7	n.m.	n.m.
Rental income	16.3	18.0	17.8	-0.8%	9.5%
Valuation gain (loss) from investment property	14.0	-22.8	30.8	n.m.	n.m.
Other ⁽¹⁾	-5.5	-0.6	-5.1	n.m.	-7.9%
Other income	66.3	13.9	39.2	n.m.	-40.9%
Results from investments	246.3	197.3	227.1	15.1%	-7.8%

(1) Only includes transactions related to investments.

NET INTEREST AND SIMILAR INCOME

Net interest and similar income related to investments was S/ 191.9 million in 4Q24, a decrease of S/ 0.5 million QoQ, or 0.3%, and an increase of S/ 12.8 million YoY, or 7.2%.

The quarterly performance was mainly explained by a reduction of S/ 1.1 million in interest and similar income due to lower inflation rates, partially offset by a decrease of S/ 0.6 million in interest and similar expenses.

The improvement in the yearly performance was caused by an increase of S/ 14.7 million in interest and similar income due to higher dividends received and inflation rates, partially offset by an increase in interest and similar expenses of S/ 1.9 million.

RECOVERY (LOSS) DUE TO IMPAIRMENT OF FINANCIAL INVESTMENTS

Loss due to impairment of financial investments was S/ 4.0 million in 4Q24 compared to a loss of S/ 9.1 million in 3Q24 and a recovery of S/ 0.9 million in 4Q23. This was mainly explained by the rating downgrade of a fixed income investment in 3Q24.

OTHER INCOME

Other income related to investment was S/ 39.2 million in 4Q24, a decrease of S/ 25.3 million QoQ and a decrease of S/ 27.1 million YoY.

The quarterly decrease was explained by a higher valuation gain from investment property of S/ 53.2 million resulting from a reduction in discount rates. This effect was partially offset by a net loss on financial assets at fair value of S/ 21.6 million and a decrease in net gain on sale of financial investments of S/7.9.

The annual performance in other income was mainly explained by a reduction of S/ 36.9 in net gain on financial assets at fair value resulting from an extraordinary asset revaluation of an equity investment in 4Q23. This effect was partially offset by a S/

16.8 million increase in valuation gain from investment property due to the reduction in discount rates.

INSURANCE RESULTS

Insurance Results					
S/ million	4Q23	3Q24	4Q24	%chg QoQ	%chg YoY
Insurance Income	181.7	193.1	192.1	-0.5%	5.7%
Insurance Expenses	-205.9	-231.1	-222.4	-3.8%	8.0%
Insurance Results	-24.1	-38.0	-30.2	n.m.	25.3%

INSURANCE INCOME

Insurance Income					
S/ million	4Q23	3Q24	4Q24	%chg QoQ	%chg YoY
Annuities	71.0	75.9	76.5	0.9%	7.8%
Individual Life	23.2	28.0	29.2	4.3%	25.9%
Retail Insurance	87.5	89.1	86.3	-3.2%	-1.4%
Total Insurance Income	181.7	193.1	192.1	-0.5%	5.7%

Insurance income was S/ 192.1 million in 3Q24, a decrease of S/ 1.0 million QoQ, or 0.5%, and a growth of S/ 10.4 million YoY, or 5.7%.

The quarterly performance was mainly explained by a decrease of S/ 2.8 million in retail insurance due to a reduction in CSM release resulting from higher lapsed policies. This was partially offset by increases of S/ 0.6 and S/ 1.2 in annuities and individual life due to the growth of the insurance portfolio.

The yearly increase was mainly explained by increases of S/5.5 and S/ 6.0 million in annuities and individual life due to the higher Risk Adjustment and BEL release, resulting from an update of the fulfillment cash flows estimates. These factors were partially offset by a decrease of S/ 1.2 in retail insurance, mainly explained by a reduction in short term insurance premiums.

INSURANCE EXPENSES

Insurance Expenses					
S/ million	4Q23	3Q24	4Q24	%chg QoQ	%chg YoY
Annuities	-203.0	-205.8	-200.4	-2.6%	-1.3%
Individual Life	-5.5	-10.0	7.3	n.m.	n.m.
Retail Insurance	2.7	-15.2	-29.2	91.8%	n.m.
Total Insurance Expenses	-205.9	-231.1	-222.4	-3.8%	8.0%

Insurance expenses were S/ 222.4 million in 4Q24, a decrease of S/ 8.7 million QoQ, or 3.8%, and an increase of S/ 16.5 million YoY, or 8.0%.

The quarterly performance was mainly explained by lower expenses of S/ 5.4 million in annuities, explained by a decrease in loss component due to higher inflation rates and a S/ 17.3 million decrease in individual life, mainly explained by adjustments of

technical reserves of VFA insurance contracts. These factors were partially offset by an increase of \$/5.3 million in retail insurance acquisition costs.

The yearly increase was mainly explained by an increment of \$/ 31.9 million in retail insurance due to an extraordinary Loss Component reversal in 4Q23. This result was partially offset by lower expenses of \$/ 2.6 million in annuities and \$/ 12.8 million in individual life due to adjustments of technical reserves of VFA insurance contracts.

OTHER EXPENSES

Other Expenses					
S/ million	4Q23	3Q24	4Q24	%chg QoQ	%chg YoY
Salaries and employee benefits	-31.9	-31.5	-29.4	-6.7%	-7.8%
Administrative expenses	-23.9	-20.0	-16.9	-15.3%	-29.2%
Depreciation and amortization	-6.9	-5.4	-5.8	7.3%	-16.4%
Expenses related to rental income	-1.8	-3.6	-3.9	7.5%	n.m.
Other	-29.4	-44.4	-42.9	-3.5%	46.0%
Other expenses	-93.9	-104.9	-98.9	-5.8%	5.3%

Other expenses decreased by \$/ 6.0 million QoQ, or 5.8%, and increased by \$/ 5.0 million YoY, or 5.3%.

Inteligo

SUMMARY

2024 Performance

Inteligo's profits were \$/ 137.3 million in 2024, representing an increase of \$/ 101.1 million compared to 2023. This was mainly attributable to the recovery of the investment portfolio, from reported losses of \$/ -40.2 million in 2023 to a positive \$/ 85.2 million in 2024, due to a mark-to-market profit on proprietary portfolio investments.

Partially offsetting the annual improvement in other income, the company registered a 18.5% decrease in net interest and similar income, mainly as a result of higher interest expenses, and a 14.3% increase in other expenses.

From a business development perspective, Inteligo's prospection process continued to show positive results in terms of new account openings and assets under management growth in Private Wealth Management and mutual funds. Consequently, Inteligo's AUM grew 18.5% on a yearly basis.

Inteligo's ROE was 14.1% in 2024, an increase of 9.9% compared to 2023.

Wealth Management Segment's P&L Statement			
\$/ million	2023	2024	%chg 24/23
Interest and similar income	183.9	178.2	-3.1%
Interest and similar expenses	-98.4	-108.5	10.3%
Net interest and similar income	85.6	69.7	-18.5%
Impairment loss on loans, net of recoveries	0.2	-0.3	n.m.
Recovery (loss) due to impairment of financial investments	0.3	-0.6	n.m.
Net interest and similar income after impairment loss	86.1	68.8	-20.0%
Fee income from financial services, net	146.2	171.0	16.9%
Other income	-40.2	85.2	n.m.
Other expenses	-153.6	-175.5	14.3%
Income before translation result and income tax	38.5	149.5	n.m.
Translation result	0.8	-2.1	n.m.
Income tax	-3.1	-10.1	n.m.
Profit for the period	36.2	137.3	n.m.
ROE	4.0%	14.1%	
Efficiency ratio	142.6%	60.4%	

When compared to the previous year, Inteligo's net interest and similar income decreased 18.5% or \$/ 15.9 million, while net fee income from financial services increased \$/ 24.8 million or 16.9%.

Other income represented a profit of \$/ 85.2 million, a \$/ 125.4 million improvement when compared to the loss reported in 2023, mainly attributable to better mark-to-market valuations on investments.

Other expenses increased by S/ 21.9 million, or 14.3% in 2023, when compared with 2023.

4Q24 Performance

Inteligo's net profit was S/ 71.6 million in 4Q24, a S/ 38.1 million increase QoQ and S/ 47.1 million YoY.

The quarterly performance was mainly attributable to mark-to-market profits on proprietary portfolio investments, which increased by S/ 43.9 million QoQ. This effect was partially offset by a decrease of S/ 0.8 million in net interest and similar income and an increase of S/ 4.9 million in other expenses.

The annual performance was mainly attributable to mark-to-market profits on proprietary portfolio investments, which increased by S/ 50.0 million YoY, as well as fee income from financial services, which increased by S/ 10.4 million. Some effects that mitigated the YoY results were a decrease of S/ 4.3 million in net interest and similar income and an increase of S/ 6.2 million in other expenses.

From a business development perspective, Inteligo's prospection process continued to show positive results in terms of new account openings and assets under management growth in Private Wealth Management and mutual funds. Consequently, Inteligo's AUM increased by 3.9% QoQ and 18.5% YoY as of December 31, 2024.

Inteligo's ROE was 28.3% in 4Q24, higher than the 13.9% reported in 3Q24.

Wealth Management Segment's P&L Statement					
S/ million	4Q23	3Q24	4Q24	%chg QoQ	%chg YoY
Interest and similar income	49.0	43.6	42.3	-3.1%	-13.7%
Interest and similar expenses	-29.0	-27.1	-26.6	-1.8%	-8.3%
Net interest and similar income	20.0	16.5	15.7	-5.2%	-21.5%
Impairment loss on loans, net of recoveries	0.0	0.2	0.0	-90.1%	20.2%
Recovery (loss) due to impairment of financial investments	0.1	0.0	-0.6	n.m.	n.m.
Net interest and similar income after impairment loss	20.1	16.7	15.1	-9.7%	-24.8%
Fee income from financial services, net	36.6	43.2	47.0	8.7%	28.4%
Other income	13.2	22.8	66.4	n.m.	n.m.
Other expenses	-45.9	-47.2	-52.1	10.2%	13.5%
Income before translation result and income tax	24.0	35.5	76.4	n.m.	n.m.
Translation result	1.3	0.3	-2.4	n.m.	n.m.
Income tax	-0.7	-2.4	-2.4	1.3%	n.m.
Profit for the period	24.5	33.5	71.6	n.m.	n.m.
ROE	10.9%	13.9%	28.3%		
Efficiency ratio	64.1%	43.9%	33.7%		

ASSETS UNDER MANAGEMENT & DEPOSITS

AUM reached S/ 27,461 million in 4Q24, a S/ 1,021 million or 3.9% increase QoQ and a S/ 4,279 million or 18.5% increase YoY, mostly explained by inflows in mutual funds and Private Wealth Management.

Client deposits were S/ 2,929 million in 4Q24, a S/ 159 million or 5.1% decrease QoQ and a S/ 382 million or 11.5% decrease YoY, mostly affected by a lower exchange rate.

NET INTEREST AND SIMILAR INCOME

Net interest and similar income					
S/ million	4Q23	3Q24	4Q24	%chg QoQ	%chg YoY
Interest and similar income					
Due from banks and inter-bank funds	11.3	6.2	4.3	-30.5%	-61.5%
Financial Investments	14.2	13.7	13.8	1.4%	-2.5%
Loans	23.5	23.7	24.1	1.5%	2.4%
Total interest and similar income	49.0	43.6	42.3	-3.1%	-13.7%
Interest and similar expenses					
Deposits and obligations	-27.0	-25.5	-24.2	-5.3%	-10.3%
Due to banks and correspondents	-2.1	-1.6	-2.4	55.2%	16.6%
Total interest and similar expenses	-29.0	-27.1	-26.6	-1.8%	-8.3%
Net interest and similar income	20.0	16.5	15.7	-5.2%	-21.5%

Inteligo's net interest and similar income was S/ 15.7 million in 4Q24, a S/ 0.8 million, or 5.2% decrease when compared with 3Q24, mainly explained by lower interests in due from banks and inter-bank funds.

Net interest and similar income decreased S/ 4.3 million YoY, or 21.5%, also because of a lower interest income on due from banks and inter-bank funds.

FEE INCOME FROM FINANCIAL SERVICES

Fee income from financial services, net					
S/ million	4Q23	3Q24	4Q24	%chg QoQ	%chg YoY
Income					
Brokerage and custody services	2.5	3.3	3.6	9.8%	43.7%
Funds management	34.4	40.3	43.7	8.4%	27.3%
Total income	36.9	43.7	47.4	8.5%	28.4%
Expenses					
Brokerage and custody services	-0.2	-0.2	-0.2	11.2%	35.2%
Others	-0.1	-0.2	-0.2	-23.3%	25.2%
Total expenses	-0.3	-0.4	-0.4	-6.6%	30.8%
Fee income from financial services, net	36.6	43.2	47.0	8.7%	28.4%

Net fee income from financial services was S/ 47.0 million in 4Q24, an increase of S/ 3.8 million or 8.7% when compared to the previous quarter, mainly explained by higher fees from the wealth management segment.

On a YoY basis, net fee income from financial services increased S/ 10.4 million, or 28.4%, mainly due to higher fees from funds management. This was explained by assets under management growth in Private Wealth Management and mutual funds.

OTHER INCOME

Other income					
S/ million	4Q23	3Q24	4Q24	%chg QoQ	%chg YoY
Net gain on sale of financial investments	-3.5	-0.8	-0.8	-5.8%	-78.3%
Net trading gain (loss)	18.3	24.4	68.3	n.m.	n.m.
Other	-1.6	-0.8	-1.2	53.5%	-27.3%
Total other income	13.2	22.8	66.4	n.m.	n.m.

Inteligo's other income reached S/ 66.4 million in 4Q24, which means an increase of S/ 43.6 million QoQ, due to positive mark-to-market valuations on proprietary portfolio investments.

OTHER EXPENSES

Other expenses					
S/ million	4Q23	3Q24	4Q24	%chg QoQ	%chg YoY
Salaries and employee benefits	-27.4	-21.4	-27.5	28.3%	0.0%
Administrative expenses	-13.5	-12.8	-13.7	6.6%	1.2%
Depreciation and amortization	-3.8	-2.1	-2.2	1.7%	-42.7%
Other	-1.1	-10.9	-8.8	-19.4%	n.m.
Total other expenses	-45.9	-47.2	-52.1	10.2%	13.5%
Efficiency ratio	64.1%	43.9%	33.7%		

Other expenses reached S/ 52.1 million in 4Q24, an increase of S/ 4.9 million or 10.2% QoQ and of S/ 6.2 million or 13.5% YoY, mainly due to other provisions.