

Intercorp Financial Services Inc. Third Quarter 2024 Earnings

Lima, Peru, November 12, 2024. Intercorp Financial Services Inc. (Lima Stock Exchange/NYSE: IFS) announced today its unaudited results for the third quarter 2024. These results are reported on a consolidated basis under IFRS in nominal Peruvian soles.

Intercorp Financial Services: Improving banking results drive earnings recovery

- 3Q24 earnings of S/ 390 million earnings (2x vs 3Q23) and ROE of 15.1%
- Customer base growth continues across businesses
- Positive developments in digital and ESG indicators

Banking: Lower CoR translates into better results for IBK

- S/ 298.7 million earnings and ROE of 14.4%
- CoR at 3.1%, reduction of 90pbs from previous quarter
- Better cost of funds amid lower market rates and better funding mix

Insurance: Double digit growth in insurance premiums

- 13% YoY growth in insurance premiums (local gaap)
- Market leader in annuities with 31.5% share in 3Q24

Wealth Management: strong increase in AuM, gaining MS in Interfondos

- Continued growth in AUM: 4.6% QoQ and 19.0% YoY
- Sequential recovery of fee income continues
- Profits in other income, due to positive mark-to-market valuation

Intercorp Financial Services

SUMMARY

3Q24 Performance

Intercorp Financial Services' net profit was S/ 390.0 million in 3Q24, increases of S/ 103.9 million QoQ and S/ 194.8 million YoY. IFS's annualized ROE was 15.1% in 3Q24, higher than the 11.2% reported in 2Q24 and the 8.2% registered in 3Q23.

Intercorp Financial Services' P&L statement					
S/ million	3Q23	2Q24	3Q24	%chg QoQ	%chg YoY
Interest and similar income	1,849.0	1,737.1	1,765.6	1.6%	-4.5%
Interest and similar expenses	-681.2	-623.3	-614.5	-1.4%	-9.8%
Net interest and similar income	1,167.8	1,113.8	1,151.1	3.3%	-1.4%
Impairment loss on loans, net of recoveries	-581.2	-474.3	-377.2	-20.5%	-35.1%
Recovery (loss) due to impairment of financial investments	3.8	4.8	-9.0	n.m.	n.m.
Net interest and similar income after impairment loss	590.4	644.3	764.9	18.7%	29.6%
Fee income from financial services, net	290.5	279.7	295.1	5.5%	1.6%
Other income	105.3	176.2	184.4	4.6%	75.1%
Insurance results	-28.7	-18.1	-38.0	n.m.	32.3%
Other expenses	-688.5	-719.0	-743.7	3.4%	8.0%
Income before translation result and income tax	268.8	363.1	462.5	27.4%	72.0%
Translation result	-42.7	-25.7	21.8	n.m.	n.m.
Income tax	-31.0	-51.3	-94.3	84.0%	n.m.
Profit for the period	195.2	286.2	390.0	36.3%	99.8%
EPS	1.69	2.48	3.38		
ROE	8.2%	11.2%	15.1%		
ROA	0.9%	1.2%	1.6%		
Efficiency ratio	36.6%	38.6%	38.1%		

Quarter-on-quarter performance

Profits increased S/ 103.9 million QoQ, mainly due to decreases of S/ 97.1 million in loan loss provisions and increases of S/ 37.2 million in net interest and similar income, of S/ 15.4 million in fee income from financial services and of S/ 8.1 million in other income. These effects were partially offset by an increase of S/ 43.0 million in income tax and of S/ 24.7 million in other expenses, as well as a decrease in insurance results of S/ 19.9 million.

Cost of risk decreased 90 basis points from 4.0% to 3.1%. Loan loss provision decreased S/90.7 million QoQ, mainly explained by lower provision requirements in both commercial and retail portfolios of our banking business, related to a different loan portfolio composition, in which commercial loans are 47% and the retail portfolio is 53%, 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. Finally, pension funds withdrawals during the quarter accelerated the pace at which the asset quality ratios improved.

The increase in net interest and similar income was mostly the impact of our banking business, in which interest and similar income grew by S/ 21.1 million and interest

expense decreased by S/ 9.7 million. Interest and similar income was positively impacted by increases in profitability in interest earning assets, which in turn was mostly driven by investments. The decrease in interest and similar expenses is explained by two factors: the continuing reduction in rates from the central bank and the efficient funding of the bank, which translated in a decrease in cost of funds of 10 basis points. As a result, net interest margin increased 10 basis points, from 5.2% to 5.3%.

The increase in fee income from financial services was also driven by the banking business and was explained by higher commissions from credit card services and commissions from banking services, as well as higher maintenance and mailing of accounts, transfer fees and commissions on debit card services. It is important to mention that AuMs in our wealth management business, which is the main source of fees, is at its highest historical level.

The increase of S/ 28.5 million QoQ in other income was mainly explained by an increase of S/ 34.9 million in the wealth management business, due to increases in the mark-to-market valuation of investments. These effects were partially offset by a reduction of S/ 21.3 million in our insurance business and of S/ 1.3 million in our banking business.

The increase in income tax of S/ 43 million was mostly driven by the higher income before taxes from our banking business, in turn explained by the factors mentioned above.

The increase in other expenses was mostly driven by an increase in salaries and personnel expenses in our banking business of S/ 16.4 million and other provisions registered in our wealth management business.

Finally, the decrease of S/ 19.9 million in insurance result was explained by higher expenses of S/ 11.7 million in annuities, in turn related to an increase in loss component due to higher inflation rates and a S/ 21.6 million increase in individual life, mainly explained by adjustment of technical reserves of VFA insurance contracts. These factors were partially offset by a decrease of S/ 5.3 million in retail insurance.

Year-on-year performance

Profits increased S/ 194.8 million YoY, mainly due to a decrease of S/ 204.0 million in provision on loans and decreases, as well as an increase of S/ 79.1 million in other income, and of S/ 4.6 million in fee income from financial services, net. These effects were partially offset by increases of S/ 55.2 million in other expenses and of S/ 63.3 million in income tax, as well as a reduction of S/ 16.7 million in net interest and similar income.

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; however it is important to complement with the improvement of macro conditions in the country.

The increase of S/ 79.1 million in other income was mostly related to increases of S/ 58.5 million in our wealth management business, S/ 13.3 million in our insurance business and S/ 7.0 million in our banking business. In our wealth management business, the improvement was mostly related to higher mark-to-market valuations in our proprietary portfolio.

The increase in income from financial services, net, was mostly related to higher fees from our wealth management business of S/ 7.8 million, in turn related to a double-digit growth in AuMs. Also, our banking business showed an increase of S/ 7.0 million, which was mostly explained by higher fees from credit cards. These effects were partially offset by a decrease of S/ 8.5 million in our payments business.

The increase in other expenses of S/ 70.2 million was due to increases in expenses among all our subsidiaries. In our banking business, the total increase was S/ 35.4 million and was mostly related to an increase of S/ 22.8 million in salaries and employee benefits and of S/ 9.2 million in administrative expenses. In our insurance business, expenses increased S/ 11.5 million and in our wealth management business increased S/ 12.1 million.

The increase in income tax of S/ 63.3 million was mostly driven by the higher income before taxes from our banking business, in turn mostly explained by a lower cost of risk.

Finally, the decrease of S/ 16.7 million in net interest and similar income was explained by lower results among all our businesses. In our banking business, the reduction of S/ 7.4 million was due to lower interest income, partially compensated by lower interest expenses. The lower interest income was related to a change in the portfolio composition, which as a result impacted the average yield; on the other hand, the lower interest expense was related to a reduction in market rates as well as efficient funding management, resulting in a reduction of the cost of funds. The reduction in our insurance business was S/ 8.3 million, in turn mostly related to higher interest expenses.

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	3Q23	2Q24	3Q24	%chg QoQ	%chg YoY
Banking	196.2	220.6	298.7	35.4%	52.2%
Insurance	35.5	78.5	67.4	-14.2%	89.9%
Wealth Management	-17.7	6.3	33.5	n.m.	n.m.
Corporate, eliminations and other subsidiaries	-18.8	-19.2	-9.5	-50.4%	-49.3%
IFS profit for the period	195.2	286.2	390.0	36.3%	99.8%

Interbank

SUMMARY

Interbank's profits were S/ 298.7 million in 3Q24, an increase of S/ 78.1 million, or 35.4% QoQ, and of S/ 102.5 million YoY, or 52.2%.

The quarterly performance was mainly attributed to lower impairment loss on loans, net of recoveries, of S/ 96.6 million, followed by increases of S/ 31.1 million in net interest and similar income and of S/ 15.2 million in fee income from financial services, net. These effects were partially offset by increases of S/ 40.7 million in income tax and of S/ 11.2 million in other expenses.

The annual performance in net profit was explained by S/ 203.9 million lower impairment loss on loans, net of recoveries, as well as an increase of S/ 11.6 million in fee income from financial services, net and S/ 7.0 million in other income. These effects were partially offset by increases of S/ 61.1 million in income tax, of S/ 35.4 million in other expenses, as well as a reduction of S/ 7.4 million in net interest income.

Consequently, Interbank's ROE was 14.4% in 3Q24, higher than the 11.1% registered in 2Q24 and the 10.2% reported in 3Q23.

Banking Segment's P&L Statement					
S/ million	3Q23	2Q24	3Q24	%chg QoQ	%chg YoY
Interest and similar income	1,590.9	1,484.4	1,505.8	1.4%	-5.3%
Interest and similar expense	-627.3	-559.4	-549.7	-1.7%	-12.4%
Net interest and similar income	963.5	925.0	956.1	3.4%	-0.8%
Impairment loss on loans, net of recoveries	-581.2	-474.0	-377.4	-20.4%	-35.1%
Recovery (loss) due to impairment of financial investments	-0.0	-1.0	0.1	n.m.	n.m.
Net interest and similar income after impairment loss	382.3	449.9	578.8	28.6%	51.4%
Fee income from financial services, net	198.7	195.1	210.3	7.8%	5.9%
Other income	120.2	128.5	127.2	-1.0%	5.8%
Other expenses	-490.5	-514.7	-525.9	2.2%	7.2%
Income before translation result and income tax	210.6	258.8	390.4	50.8%	85.4%
Translation result	6.8	3.3	-9.5	n.m.	n.m.
Income tax	-21.2	-41.6	-82.3	97.9%	n.m.
Profit for the period	196.2	220.6	298.7	35.4%	52.2%
ROE	10.2%	11.1%	14.4%		
Efficiency ratio	36.5%	39.7%	39.0%		
NIM	5.6%	5.2%	5.3%		
NIM on loans	8.5%	7.9%	7.8%		

INTEREST-EARNING ASSETS

Interbank's interest-earning assets reached S/ 71,133.9 million as of September 30, 2024, representing an increase of 4.2% QoQ and an increase of 6.9% YoY.

The quarterly increase in interest-earning assets was mainly explained by an increase of 42.4% in cash and due from banks and inter-bank funds, and a slight increase of 0.5% in loans, partially offset by a decrease of 10.7% in financial investments.

The YoY growth in interest-earning assets was attributed to increases of 39.3% in cash and due from banks and of 2.8% in loans, partially offset by a decrease of 4.0% in financial investments.

Interest-earning assets					
S/ million	09.30.23	06.30.24	09.30.24	%chg 09.30.24 06.30.24	%chg 09.30.24 09.30.23
Cash and due from banks and inter-bank funds	9,579.5	9,374.2	13,345.5	42.4%	39.3%
Financial investments	11,508.2	12,379.1	11,048.6	-10.7%	-4.0%
Loans	45,482.2	46,517.1	46,739.8	0.5%	2.8%
Total interest-earning assets	66,569.9	68,270.4	71,133.9	4.2%	6.9%

Loan portfolio					
S/ million	09.30.23	06.30.24	09.30.24	%chg 09.30.24 06.30.24	%chg 09.30.24 09.30.23
Performing loans					
Retail	25,186.0	24,437.4	24,364.7	-0.3%	-3.3%
Commercial	20,028.9	21,447.2	21,806.9	1.7%	8.9%
Total performing loans	45,214.9	45,884.6	46,171.6	0.6%	2.1%
Restructured and refinanced loans	403.8	468.9	415.3	-11.4%	2.9%
Past due loans	1,571.4	1,611.5	1,467.2	-9.0%	-6.6%
Total gross loans	47,190.1	47,965.0	48,054.1	0.2%	1.8%
Add (less)					
Accrued and deferred interest	593.9	555.1	510.6	-8.0%	-14.0%
Impairment allowance for loans	-2,301.7	-2,003.0	-1,825.0	-8.9%	-20.7%
Total direct loans, net	45,482.2	46,517.1	46,739.8	0.5%	2.8%

The evolution of performing loans in a year over year basis continues to be affected by loans under the Reactiva Peru Program. As of September 30, 2024, these performing loans amounted S/ 244.1 million, compared to balances of S/ 354.8 million as of June 30, 2024 and S/ 773.2 million as of September 30, 2023.

Additionally, the evolution of commercial loans continued to be benefited by the Impulso MyPeru program, with focused on disbursing loans to SMEs and mid-sized segments. As of September 30, 2024, Interbank has disbursed S/ 2,400 million. It is important to mention that these loans are guaranteed by the government with coverage levels between 50% to 98%.

Performing loans increased 0.6% QoQ, as commercial loans increased 1.7% and retail loans decreased 0.3%. Excluding the effect of the Reactiva Peru Program in the comparing periods, total performing loans and commercial loans would have increased 0.7% and 2.2% QoQ, respectively.

Retail loans decreased 0.3% due to a reduction in cash loans and credit cards, partially compensated by 1.9% increase in mortgages and by 2.2% growth in payroll deduction loans.

The 1.7% increase in commercial loans was due to increases of 1.3% in working capital loans, partially offset by decreases of 6.3% and 2.6% in leasing operations and trade finance loans respectively.

Performing loans increased 2.1% YoY explained by an 8.9% increase in commercial loans, partially offset by a 3.3% decrease in retail loans. Excluding the effect of the

Reactiva Peru Program in the comparing periods, performing loans and commercial loans would have increased 2.0% and 12.0% YoY, respectively.

The annual increase in commercial loans was mainly explained by an increase of 8.8% in working capital loans and of 0.7% in leasing operations. These effects were partially offset by a decrease of 16.2% in trade finance loans.

The 3.3% lower retail loans were due to decreases of 21.8% in consumer loans and 16.2% in credit cards, partially offset by increases of 6.9% in mortgages and of 13.5% in payroll deduction loans.

As of 3Q23, 2Q24 and 3Q24, Interbank's rescheduled portfolio of Reactiva Peru loans amounted to S/ 896.0 million, S/ 434.0 million and S/ 315.1 million, respectively, representing 94.7% of total balances of Reactiva Peru loans in 3Q23, 93.4% in 2Q24 and 91.9% in 3Q24.

It is worth mentioning that these loans are guaranteed in large part by the Peruvian government. As of September 30, 2024, Interbank activated the guaranteed coverage for an amount of S/ 825.2 million. In the case of Impulso Myperu programme loans, they also come with guarantees from the government.

Breakdown of retail loans					
S/ million	09.30.23	06.30.24	09.30.24	%chg 09.30.24 06.30.24	%chg 09.30.24 09.30.23
Consumer loans:					
Credit cards & other loans	10,599.6	8,864.1	8,462.1	-4.5%	-20.2%
Payroll deduction loans ⁽¹⁾	5,172.5	5,759.3	5,868.2	1.9%	13.5%
Total consumer loans	15,772.1	14,623.4	14,330.4	-2.0%	-9.1%
Mortgages	9,413.9	9,814.0	10,034.4	2.2%	6.6%
Total retail loans	25,186.0	24,437.4	24,364.7	-0.3%	-3.3%

(1) Payroll deduction loans to public sector employees.

FUNDING STRUCTURE

Funding structure					
S/ million	09.30.23	06.30.24	09.30.24	%chg 09.30.24 06.30.24	%chg 09.30.24 09.30.23
Deposits and obligations	45,652.6	48,472.9	51,354.6	5.9%	12.5%
Due to banks and correspondents and inter-bank funds	9,522.5	8,645.9	7,897.8	-8.7%	-17.1%
Bonds, notes and other obligations	4,508.6	4,392.7	4,493.8	2.3%	-0.3%
Total	59,683.8	61,511.4	63,746.3	3.6%	6.8%
% of funding					
Deposits and obligations	76.5%	78.8%	80.6%		
Due to banks and correspondents and inter-bank funds	16.0%	14.1%	12.4%		
Bonds, notes and other obligations	7.6%	7.0%	7.0%		

Interbank's funding base was still influenced by the funds provided by the Central Bank, associated with the bank's involvement in the Reactiva Peru Program. As of September 30, 2024, the balance of such special funding was S/ 197.4 million, compared to S/ 294.0 million as of June 30, 2024, and S/ 690.2 million as of September 30, 2023.

The bank's total funding base increased 3.6% in the QoQ analysis, in line with the increase of 4.2% in interest-earnings assets. This was explained by increases of 5.9% in deposits and obligations and 2.3% in bonds, partially offset by an 8.7% decrease in due to banks and correspondents and inter-bank funds.

The quarterly growth in deposits and obligations was mainly due to an increase of 5.1% in retail deposits, of 6.4% in commercial deposits, and of 8.5% in institutional deposits. Also, current and saving accounts showed an increase of 10.8% and 6.0% respectively, as well as a 6.4% increase in time deposits.

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

The bank's total funding increased by 6.8% YoY, in line with the 4.2% growth in interest-earning assets. This was explained by a 12.5% increase in deposits, partially offset by a 17.1% reduction in amounts due to banks and interbank funds.

The annual increase in deposits was mainly due to increases of 10.4% in retail deposits, 11.5% in commercial deposits, and 25.5% 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. This factor was partially offset by an increase in interbank funds, COFIDE, and correspondent banks abroad.

As of September 30, 2024, the proportion of deposits and obligations to total funding was 80.6%, higher than the 78.8% reported as of June 30, 2024, and the 76.5% reported as of September 30, 2023.

Breakdown of deposits					
S/ million	09.30.23	06.30.24	09.30.24	%chg 09.30.24 06.30.24	%chg 09.30.24 09.30.23
By customer service:					
Retail	24,079.9	25,304.0	26,594.3	5.1%	10.4%
Commercial	14,420.9	15,117.5	16,119.6	6.6%	11.8%
Institutional	6,553.5	7,580.6	8,225.5	8.5%	25.5%
Other	598.3	266.8	273.0	2.3%	-54.4%
Total	45,652.6	48,268.9	51,212.3	6.1%	12.2%
By type:					
Demand	12,458.8	12,257.2	13,308.3	8.6%	6.8%
Savings	16,854.2	18,796.0	19,938.5	6.1%	18.3%
Time	16,324.7	17,414.1	18,092.3	3.9%	10.8%
Other	14.9	5.6	15.5	n.m.	4.2%
Total	45,652.6	48,472.9	51,354.6	5.9%	12.5%

NET INTEREST AND SIMILAR INCOME

Net interest and similar income					
S/ million	3Q23	2Q24	3Q24	%chg QoQ	%chg YoY
Interest and similar income	1,590.9	1,484.4	1,505.8	1.4%	-5.3%
Interest and similar expense	-627.3	-559.4	-549.7	-1.7%	-12.4%
Net interest and similar income	963.5	925.0	956.1	3.4%	-0.8%
NIM	5.6%	5.2%	5.3%	10 bps	-30 bps

Interest and similar income					
S/ million	3Q23	2Q24	3Q24	%chg QoQ	%chg YoY
Interest and similar income					
Due from banks and inter-bank funds	80.1	80.3	92.1	14.8%	15.1%
Financial investments	136.4	142.9	144.3	1.0%	5.8%
Loans	1,374.4	1,261.2	1,269.4	0.6%	-7.6%
Total Interest and similar income	1,590.9	1,484.4	1,505.8	1.4%	-5.3%

Interest and similar expense					
S/ million	3Q23	2Q24	3Q24	%chg QoQ	%chg YoY
Interest and similar expense					
Deposits and obligations	-435.9	-381.6	-371.6	-2.6%	-14.7%
Due to banks and correspondents and inter-bank funds	-129.0	-114.4	-112.8	-1.4%	-12.5%
Bonds, notes and other obligations	-62.5	-63.4	-65.3	2.9%	4.5%
Total Interest and similar expense	-627.3	-559.4	-549.7	-1.7%	-12.4%

QoQ Performance

Net interest and similar income increased 3.4% QoQ due to a 1.4% increase in interest and similar income, as well as a 1.7% decrease in interest and similar expense.

The higher interest and similar income was attributed to increases of 14.8% in interest on due from banks and inter-bank funds, 1.0% in interest on financial investments and 0.6% in interest on loans.

Interest on due from banks and inter-bank funds increased S/ 11.8 million QoQ, or 14.8%, explained by a 20 basis point increase in the average yield and a 5.3% higher average volume.

Interest on financial investments grew S/ 1.4 million QoQ, or 1.0% explained by a 20 basis point increase in the average yield, partially compensated by a 3.5% decrease in the average volume.

Interest on loans increased S/ 8.2 million QoQ, or 0.6% explained by a 2.0% growth in the average volume, partially compensated by a 10 basis point decrease in the average yield. The lower average rate on loans, from 10.6% in 2Q24 to 10.5% in 3Q24, was the result of a loan mix shifts towards low-risk products.

The higher average volume of loans was attributed to a 5.7% increase in commercial loans, compensated by a 0.7% reduction in retail loans. In the commercial portfolio, average loans increased 5.6% in working capital loans and 1.7% in trade finance loans, partially offset by a 1.1% decrease in leasing operations. In the retail portfolio, average volumes decreased 2.2% in consumer loans but increased 1.8% in mortgages.

The nominal average yield on interest-earning assets remained stable QoQ, at 8.4% in 2Q24 and 3Q24 as well, in line with lower yield on loans.

The lower interest and similar expense were due to decreases of 2.6% in interest on deposits and obligations and 1.4% in interest on due to banks and correspondents, partially offset by a 2.9% 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/ 10.0 million, or 2.6% QoQ, explained by a 20 basis point decrease in the average cost, from 3.2% in 2Q24 to 3.0% in 3Q24, partially offset by a 3.4% increase in the average volume. By currency, average balances of soles-denominated deposits grew 2.8% while average dollar-denominated deposits lowered 0.4%.

Interest on due to banks and correspondents decreased S/ 1.6 million, or 1.4% QoQ, explained by a 6.9% reduction in the average volume, partially offset by a 30 basis point increase in the average cost.

The average cost of funding decreased 10 basis points, from 3.6% in 2Q24 to 3.5% in 3Q24, as a consequence of a lower cost of deposits and obligations, partially offset by a higher cost of banks and correspondents.

As a result of the above, net interest margin was 5.3% in 3Q24, 10 basis points higher than the 5.2% reported in 2Q24.

YoY Performance

Net interest and similar income decreased 0.8% YoY due to a 5.3% reduction in interest and similar income, partially offset by 12.4% lower interest and similar expense.

The reduction in interest and similar income was due to a decrease of 7.6% in interest on loans, partially offset by increases of 15.1% in interest on due from banks and inter-bank funds and 5.8% in interest on financial investments.

Interest on loans decreased S/ 105.0 million YoY, or 7.6%, explained by 110 basis point reduction in the average yield, partially offset by a 2.6% increase in the average volume.

The reduction in the average yield on loans, from 11.6% in 3Q23 to 10.5% in 3Q24, 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 12.6% in commercial loans, partially offset by decrease of 2.0% in retail loans. In the commercial portfolio, average volumes grew due increases of 10.1% in leasing operations and 7.0% in working capital loans. In the retail portfolio, average volumes lowered due to a decrease of 6.8% in consumer loans (mainly explained by a 17.3% decrease in credit cards, compensated by a 13.9% increase in payroll deductible loans), partially offset by a 6.5% increase in mortgages.

Interest on due from banks and inter-bank funds increase S/ 12.0 million YoY, or 15.1%, explained by a 17.0% increase in the average volume, partially offset by a 10 basis point reduction in the average yield.

Interest on financial investments increased S/ 7.9 million YoY, or 5.8% explained by a 10 basis point increase in the average yield, as well as a 2.2% growth in the average volume.

The nominal average yield on interest-earning assets decreased 90 basis points, from 9.3% in 3Q23 to 8.4% in 3Q24, in line with the lower yield on loans and due from banks.

The lower interest and similar expense were due to decreases 14.7% in interest on deposits and obligations, 12.5% in interest on due to banks and correspondents and inter-bank funds, partially offset by a 4.5% increase in interest on bonds, notes and other obligations.

Interest on deposits and obligations decreased S/ 64.3 million YoY, or 14.7% explained by a 80 basis point reduction in the average cost, from 3.8% in 3Q23 to 3.0% in 3Q24. In addition, average volume increased 9.4%. By currency, average balances of soles-denominated deposits grew 10.7% while average dollar-denominated deposits grew 7.0%.

Interest on due to banks and correspondents decreased S/ 16.2 million YoY, or 12.5% as a result of a 11.2% reduction in the average volume, as well as a stable performance in the average cost at 5.5% in 3Q24.

Interest on bonds, notes and other obligations increased S/ 2.8 million YoY, or 4.5% mainly explained by a 30 basis point increase in the average cost. Impact was associated to the issuance of US\$ 300 million subordinated bond in January 2024, that substituted the subordinated bond BINTPE29.

The average cost of funding decreased 70 basis points, from 4.2% in 3Q23 to 3.5% in 3Q24.

As a result of the above, net interest margin was 5.3% in 3Q24, 30 basis points lower than the 5.6% reported in 3Q23.

IMPAIRMENT LOSS ON LOANS, NET OF RECOVERIES

Impairment loss on loans, net of recoveries, decreased 20.4% QoQ, and 35.5% 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 3.1% in 3Q24, lower than the 4.0% reported in the 2Q24, and than the 5.0% reported in the 3Q23.

Impairment loss on loans, net of recoveries					
S/ million	3Q23	2Q24	3Q24	%chg QoQ	%chg YoY
Impairment loss on loans, net of recoveries	-581.2	-474.0	-377.4	-20.4%	-35.1%
Impairment loss on loans/average gross loans	5.0%	4.0%	3.1%	-90 bps	-190 bps
S3 NPL ratio (at end of period)	3.1%	3.2%	2.9%	-30 bps	-20 bps
S3 NPL coverage ratio (at end of period)	160.6%	132.6%	131.3%	-130 bps	-2930 bps
Impairment allowance for loans	2,301.7	2,003.0	1,825.0	-8.9%	-20.7%

The Stage 3 NPL ratio decreased 30 basis points QoQ, and 20 basis points YoY, to 2.9% in 3Q24. The quarterly decrease was due to a 40 basis point reduction in the retail loans' NPL and of 20 basis points in commercial loans. Furthermore, the S3 NPL coverage ratio was 131.3% as of September 30, 2024, lower than the 132.6% reported as of June 31, 2024, and the 160.6% registered as of September 30, 2023.

FEE INCOME FROM FINANCIAL SERVICES, NET

Net fee income from financial services increased S/ 15.2 million QoQ, or 7.8%, mainly explained by higher commissions from credit card services and commissions from banking services, as well as higher maintenance and mailing of accounts, transfer fees and commissions on debit card services. These effects were partially offset by an increase of S/ 5.5 million in total expenses.

Net fee income from financial services increased S/ 11.6 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 lower commissions from credit card services as well as an increase of S/ 6.5 million YoY.

Fee income from financial services, net					
S/ million	3Q23	2Q24	3Q24	%chg QoQ	%chg YoY
Income					
Commissions from credit card services	114.4	105.3	113.8	8.1%	-0.6%
Commissions from banking services	77.9	84.4	89.9	6.5%	15.5%
Maintenance and mailing of accounts, transfer fees and commissions on debit card services	76.1	80.7	85.5	5.9%	12.4%
Fees from indirect loans	17.3	16.3	16.8	3.4%	-2.4%
Collection services	14.2	13.9	15.2	9.6%	6.9%
Other	10.6	7.3	7.4	1.1%	-30.8%
Total income	310.4	307.9	328.6	6.7%	5.8%
Expenses					
Insurance	-17.2	-17.4	-16.3	-6.2%	-5.4%
Fees paid to foreign banks	-6.9	-6.7	-7.2	6.1%	4.4%
Other	-87.7	-88.6	-94.8	7.0%	8.1%
Total expenses	-111.8	-112.8	-118.3	4.9%	5.8%
Fee income from financial services, net	198.7	195.1	210.3	7.8%	5.9%

OTHER INCOME

Other income decreased S/ 1.3 million QoQ, mainly explained by a lower contribution in extraordinary concepts, a lower net gain on foreign exchange transactions and on financial assets at fair value through profit or loss.

Other income increased S/ 7.0 million YoY mainly explained by a 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, partially offset by lower contribution of extraordinary concepts.

Other income					
S/ million	3Q23	2Q24	3Q24	%chg QoQ	%chg YoY
Net gain on foreign exchange transactions and on financial assets at fair value through profit or loss	95.1	111.0	110.7	-0.3%	16.4%
Net gain on sale of financial investments	1.0	2.4	3.8	55.9%	n.m.
Other	24.0	15.1	12.7	-15.8%	-47.1%
Total other income	120.2	128.5	127.2	-1.0%	5.8%

OTHER EXPENSES

Other expenses increased S/ 11.2 million QoQ, or 2.2%, and S/ 35.4 million YoY, or 7.2%.

The quarterly increase in other expenses was mainly explained by higher salaries and employee benefits, partially offset by lower administrative expenses.

The annual increase was the result of higher salaries and employee benefits, as well as higher administrative expenses and depreciation and amortization.

The efficiency ratio was 39.0% in 3Q24, lower compared to the 39.7% reported in 2Q24, but higher than the 36.5% registered in 3Q23.

Other expenses					
S/ million	3Q23	2Q24	3Q24	%chg QoQ	%chg YoY
Salaries and employee benefits	-149.4	-155.8	-172.2	10.5%	15.2%
Administrative expenses	-250.1	-264.3	-259.3	-1.9%	3.7%
Depreciation and amortization	-69.0	-75.2	-73.0	-3.0%	5.8%
Other	-22.0	-19.4	-21.5	10.6%	-2.3%
Total other expenses	-490.5	-514.7	-525.9	2.2%	7.2%
Efficiency ratio	36.5%	39.7%	39.0%	-70 bps	250 bps

REGULATORY CAPITAL

The ratio of regulatory capital to risk weighted assets (RWA) was 15.9% as of September 30, 2024, above the 15.0% reported as of June 30, 2023 and the 15.0% registered as of September 30, 2023.

As of 3Q24, risk-weighted assets (RWA) showed a decrease of -2.1% QoQ, mainly due to lower capital requirements for credit risk. The lower risk weighted assets (RWA) for credit risk was attributed to lower risk weighted assets (RWA) for loans and other assets.

In terms of regulatory capital, it increased by 3.6% 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 4.0% growth in regulatory capital and a -1.4% drop in risk weighted assets (RWA). The decrease in risk weighted assets (RWA) was the result of lower capital requirements for credit risk, mainly explained

by lower loans and other assets, as well as lower risk weighted assets (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 up to 3Q24, 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 September 30, 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 9.0% as of December 31, 2023. Additionally, Core Equity Tier 1 (CET1) was 12.2% under the new methodology required by the SBS, compared to the 11.2% registered as of June 30, 2024, and the 11.2% reported as of September 30, 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	%chg
	09.30.23	06.30.24	09.30.24	09.30.24 06.30.24	09.30.24 09.30.23
Tier I capital	7,195.9	7,282.9	7,711.9	5.9%	7.2%
Tier II capital	2,460.5	2,412.3	2,330.3	-3.4%	-5.3%
Total regulatory capital	9,656.4	9,695.2	10,042.2	3.6%	4.0%
Risk-weighted assets (RWA)	64,277.5	64,741.7	63,356.3	-2.1%	-1.4%
Total capital ratio	15.0%	15.0%	15.9%	90 bps	90 bps
Tier I capital / RWA	11.2%	11.2%	12.2%	100 bps	100 bps
CET1	11.2%	11.2%	12.2%	100 bps	100 bps

Interseguro

Interseguro's profits reached S/ 67.4 million in 3Q24, a reduction of S/ 11.1 million compared to the previous quarter, but an increase of S/ 31.9 million compared to the same quarter of the previous year.

The quarterly decrease was mainly explained by decreases of S/ 19.9 million in insurance results, S/ 21.3 million in other income and S/ 15.2 million in loss due to impairment of financial investments. These effects were partially offset by a S/ 44.1 million increase in translation result.

The annual performance in net profit was mainly explained by increases of S/ 60.2 million in translation results and S/ 13.3 million in other income. However, these factors were partially offset by a S/ 12.4 million decrease in recovery due to impairment of financial investments, an increase of S/11.5 in other expenses, and reductions of S/ 9.3 in insurance results and S/ 8.3 million in net interest and similar income.

Interseguro's ROE registered 64.1% for 3Q24 higher when compared to the 58.5% and 48.1% registered in 2Q24 and 3Q23 respectively.

Insurance Segment's P&L Statement					
S/ million	3Q23	2Q24	3Q24	%chg QoQ	%chg YoY
Interest and similar income	212.5	205.9	213.7	3.8%	0.6%
Interest and similar expenses	-28.7	-36.4	-38.2	4.8%	32.9%
Net Interest and similar income	183.8	169.5	175.5	3.6%	-4.5%
Recovery (loss) due to impairment of financial investments	3.3	6.1	-9.1	n.m.	n.m.
Net Interest and similar income after impairment loss	187.1	175.6	166.5	-5.2%	-11.0%
Fee income from financial services, net	-2.5	-2.5	-2.8	9.7%	10.7%
Insurance results	-28.7	-18.1	-38.0	n.m.	32.3%
Other income	10.4	45.0	23.7	-47.3%	n.m.
Other expenses	-93.4	-100.2	-104.9	4.7%	12.3%
Income before translation result and income tax	72.8	99.7	44.5	-55.4%	-38.9%
Translation result	-37.3	-21.2	22.9	n.m.	n.m.
Profit for the period	35.5	78.5	67.4	-14.2%	89.9%
ROE	48.1%	58.5%	64.1%		
Efficiency ratio	12.9%	15.3%	14.6%		

RESULTS FROM INVESTMENTS

Results from Investments ⁽¹⁾					
S/ million	3Q23	2Q24	3Q24	%chg QoQ	%chg YoY
Interest and similar income	212.6	205.9	213.7	3.8%	0.5%
Interest and similar expenses	-24.9	-22.9	-21.3	-6.9%	-14.4%
Net interest and similar income	187.8	183.0	192.4	5.1%	2.5%
Recovery (loss) due to impairment of financial investments	3.3	6.1	-9.1	n.m.	n.m.
Net Interest and similar income after impairment loss	191.0	189.1	183.4	-3.1%	-4.0%
Net gain (loss) on sale of financial investments	4.7	5.9	15.9	n.m.	n.m.
Net gain (loss) on financial assets at fair value through profit or loss	-47.6	-12.2	8.9	n.m.	n.m.
Rental income	16.5	17.7	18.0	1.5%	8.6%
Gain on sale of investment property		-3.2	-5.5	74.3%	n.m.
Valuation gain (loss) from investment property	34.9	33.9	-22.8	n.m.	n.m.
Other ⁽¹⁾	0.5	-4.9	-0.6	-88.4%	n.m.
Other income	9.0	37.2	13.9	-62.5%	55.2%
Results from investments	200.0	226.3	197.3	-12.8%	-1.4%

(1) Only includes transactions related to investments.

NET INTEREST AND SIMILAR INCOME

Net interest and similar income related to investments was S/ 213.7 million in 3Q24, an increase of S/ 9.4 million QoQ, or 5.1%, and an increase of S/ 4.6 million YoY, or 2.5%.

The quarterly performance was mainly explained by an increase of S/ 7.8 million in interest and similar income due to higher inflation rates, and a reduction of S/ 1.6 million in interest and similar expenses.

The improvement in the yearly performance was caused by an increase of S/ 1.1 million in interest and similar income due to higher dividends received, and a decrease in interest and similar expenses of S/ 3.6 million.

RECOVERY (LOSS) DUE TO IMPAIRMENT OF FINANCIAL INVESTMENTS

Loss due to impairment of financial investments was S/ 9.1 million in 3Q24 due to a rating downgrade of a fixed income investment compared to a recovery's of S/ 6.1 million in 2Q24 and of S/ 3.3 million in 3Q23.

OTHER INCOME

Other income related to investment was S/ 13.9 million in 3Q24, a decrease of S/ 23.3 million QoQ and an increase of S/ 4.9 million YoY.

The quarterly decrease was explained by a valuation loss from investment property of S/ 56.7 million resulting from exchange rate fluctuations. This effect was partially offset by a net gain on financial assets at fair value of S/ 21.1 million and a net gain of S/15.9 due to the sale of fixed income investments.

The annual performance in other income was mainly due to a net profit on sale of financial investments of S/ 11.2 million and a net gain on financial assets at a fair value of S/ 56.5 million. These factors were partially offset by a valuation loss from investment property of S/ 57.7 million due to exchange rate fluctuations and a net loss on sale of investment property of S/ 5.5 million.

INSURANCE RESULTS

Insurance Results					
S/ million	3Q23	2Q24	3Q24	%chg QoQ	%chg YoY
Insurance Income	181.3	184.8	193.1	4.4%	6.5%
Insurance Expenses	-210.1	-203.0	-231.1	13.9%	10.0%
Insurance Results	-28.7	-18.1	-38.0	n.m.	32.3%

INSURANCE INCOME

Insurance Income					
S/ million	3Q23	2Q24	3Q24	%chg QoQ	%chg YoY
Annuities	68.8	70.7	75.9	7.4%	10.2%
Individual Life	24.5	25.0	28.0	12.3%	14.6%
Retail Insurance	88.0	89.2	89.1	-0.1%	1.3%
Total Insurance Income	181.3	184.8	193.1	4.4%	6.5%

Insurance income was S/ 193.1 million in 3Q24, an increase of S/ 8.3 million QoQ, or 4.4%, and a growth of S/ 11.8 million YoY, or 6.5%.

The quarterly performance was mainly explained by increases of S/ 5.2 million in annuities due to the higher Risk Adjustment, resulting from an update of the fulfillment cash flows estimates and S/ 3.0 million in individual life explained by higher BEL release due to the growth of the life insurance portfolio. These factors were partially offset by a decrease of S/ 0.1 million in retail insurance.

The yearly increase was mainly explained by a growth in annuities of S/ 7.1 million due to the higher Risk Adjustment, resulting from an update of the fulfillment cash flows estimates. In addition, in individual life and retail insurance experienced increases of S/3.5 million and S/ 1.1 million respectively.

INSURANCE EXPENSES

Insurance Expenses					
S/ million	3Q23	2Q24	3Q24	%chg QoQ	%chg YoY
Annuities	-220.0	-194.1	-205.8	6.0%	-6.4%
Individual Life	27.9	11.6	-10.0	n.m.	n.m.
Retail Insurance	-18.0	-20.5	-15.2	-25.8%	-15.4%
Total Insurance Expenses	-210.1	-203.0	-231.1	13.9%	10.0%

Insurance expenses were S/ 231.1 million in 3Q24, an increase of S/ 28.1 million QoQ, or 13.9%, and S/ 21.0 million YoY, or 10.0%.

The quarterly performance was mainly explained by higher expenses of S/ 11.7 million in annuities, explained by an increase in loss component due to higher inflation rates, a S/ 21.6 million increase in individual life, mainly explained by adjustment of technical reserves of VFA insurance contracts. These factors were partially offset by a decrease of S/5.3 million in retail insurance.

The yearly increase was mainly explained by an increment of S/ 37.9 million in individual life, explained by an update in fulfillment cash flow estimates and adjustments of technical reserves of VFA insurance contracts. This result was partially offset by lower expenses of S/ 14.2 million in annuities due to lower inflation rates and S/ 2.8 million in retail insurance.

OTHER EXPENSES

Other Expenses					
S/ million	3Q23	2Q24	3Q24	%chg QoQ	%chg YoY
Salaries and employee benefits	-26.0	-37.9	-31.5	-16.8%	21.3%
Administrative expenses	-17.3	-17.5	-20.0	14.2%	15.1%
Depreciation and amortization	-4.8	-5.4	-5.4	-0.8%	13.1%
Expenses related to rental income	-1.2	-3.6	-3.6	1.8%	n.m.
Other	-44.2	-35.9	-44.4	23.8%	0.5%
Other expenses	-93.4	-100.2	-104.9	4.7%	12.3%

Other expenses increased by S/ 4.7 million QoQ, or 4.7%, and by S/ 11.5 million YoY, or 12.3%.

Inteligo

Inteligo's net profit was S/ 33.5 million in 3Q24, a S/ 27.2 million increase QoQ and a S/ 51.2 million decrease YoY.

The quarterly performance was mainly attributable to mark-to-market profits on proprietary portfolio investments increasing in S/ 33.4 million QoQ. This effect was partially offset by a decrease of S/ 0.6 million in net interest and similar income and an increase of S/ 8.8 million in other expenses.

The annual performance was also mainly attributable to mark-to-market profits on proprietary portfolio investments increasing in S/ 58.8 million YoY, as well as a S/ 7.8 million increase in fee income. Other effects that explained the YoY results were a decrease of S/ 2.2 million in net interest and similar income and an increase of S/ 12.1 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 1.2% QoQ and 16.5% YoY as of September 30, 2024.

Inteligo's ROE was 13.9% in 3Q24, higher than the 2.7% reported in 2Q24.

Wealth Management Segment's P&L Statement					
S/ million	3Q23	2Q24	3Q24	%chg QoQ	%chg YoY
Interest and similar income	43.6	44.3	43.6	-1.5%	0.1%
Interest and similar expenses	-24.8	-27.2	-27.1	-0.4%	9.2%
Net interest and similar income	18.7	17.1	16.5	-3.3%	-11.9%
Impairment loss on loans, net of recoveries	0.0	-0.3	0.2	n.m.	n.m.
Recovery (loss) due to impairment of financial investments	0.6	-0.3	0.0	n.m.	-97.9%
Net interest and similar income after impairment loss	19.3	16.5	16.7	1.1%	-13.7%
Fee income from financial services, net	35.4	42.4	43.2	2.1%	22.0%
Other income	-35.7	-12.1	22.8	n.m.	n.m.
Other expenses	-35.1	-38.4	-47.2	23.0%	34.5%
Income before translation result and income tax	-16.1	8.4	35.5	n.m.	n.m.
Translation result	-0.6	0.8	0.3	-56.9%	n.m.
Income tax	-1.0	-2.9	-2.4	-16.9%	n.m.
Profit for the period	-17.7	6.3	33.5	n.m.	n.m.
ROE	n.m.	2.7%	13.9%		
Efficiency ratio	n.m.	79.4%	46.1%		

ASSETS UNDER MANAGEMENT & DEPOSITS

AUM reached S/ 26,439.6 million in 3Q24, a S/ 324.3 million or 1.2% increase QoQ and a S/ 3,719.0 million or 16.4% increase YoY, mostly explained by inflows in mutual funds and Private Wealth Management.

Client deposits were S/ 3,088.0 million in 3Q24, a S/ 233.5 million or 7.0% decrease QoQ and a S/ 546.1 million or 15.0% decrease YoY, mostly affected by a lower exchange rate.

NET INTEREST AND SIMILAR INCOME

Net interest and similar income					
S/ million	3Q23	2Q24	3Q24	%chg QoQ	%chg YoY
Interest and similar income					
Due from banks and inter-bank funds	7.3	7.3	6.2	-14.8%	-14.9%
Financial Investments	12.5	13.5	13.7	0.8%	9.3%
Loans	23.8	23.4	23.7	1.2%	-0.1%
Total interest and similar income	43.6	44.3	43.6	-1.5%	0.1%
Interest and similar expenses					
Deposits and obligations	-23.1	-25.5	-25.5	0.0%	10.7%
Due to banks and correspondents	-1.7	-1.7	-1.6	-7.8%	-10.5%
Total interest and similar expenses	-24.8	-27.2	-27.1	-0.4%	9.2%
Net interest and similar income	18.7	17.1	16.5	-3.3%	-11.9%

Inteligo's net interest and similar income was S/ 16.5 million in 3Q24, a S/ 0.6 million, or 3.3% decrease when compared with 2Q24, mainly explained by lower interests in due from banks and inter-bank funds.

Net interest and similar income decreased S/ 2.2 million YoY, or 11.9%, because of a higher interest expense on deposits and obligations. This increase reflects higher rates on time deposits, aligning with the Federal Reserve's reference rate hikes throughout 2023.

FEE INCOME FROM FINANCIAL SERVICES

Fee income from financial services, net					
S/ million	3Q23	2Q24	3Q24	%chg QoQ	%chg YoY
Income					
Brokerage and custody services	2.8	3.7	3.3	-10.3%	19.5%
Funds management	33.0	39.0	40.3	3.3%	22.2%
Total income	35.8	42.7	43.7	2.1%	22.0%
Expenses					
Brokerage and custody services	-0.2	-0.2	-0.2	5.3%	18.2%
Others	-0.2	-0.2	-0.2	18.8%	26.3%
Total expenses	-0.3	-0.4	-0.4	11.9%	22.2%
Fee income from financial services, net	35.4	42.4	43.2	2.1%	22.0%

Net fee income from financial services was S/ 43.2 million in 3Q24, an increase of S/ 0.8 million or 2.1% 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/ 7.8 million, or 22.0%, 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	3Q23	2Q24	3Q24	%chg QoQ	%chg YoY
Net gain on sale of financial investments	0.2	-2.1	-0.8	-60.8%	n.m.
Net trading gain (loss)	-34.4	-9.0	24.4	n.m.	n.m.
Other	-1.5	-1.1	-0.8	-28.1%	-50.3%
Total other income	-35.7	-12.1	22.8	n.m.	n.m.

Inteligo's other income reached S/ 22.8 million in 3Q24, compared to losses of S/ -12.1 million in 2Q24, due to positive mark-to-market valuations on proprietary portfolio investments.

OTHER EXPENSES

Other expenses					
S/ million	3Q23	2Q24	3Q24	%chg QoQ	%chg YoY
Salaries and employee benefits	-20.7	-23.8	-21.4	-10.0%	3.2%
Administrative expenses	-10.0	-11.9	-12.8	7.5%	28.3%
Depreciation and amortization	-3.7	-2.2	-2.1	-4.1%	-42.6%
Other	-0.7	-0.4	-10.9	n.m.	n.m.
Total other expenses	-35.1	-38.4	-47.2	23.0%	34.5%
Efficiency ratio	n.m.	79.4%	46.1%		

Other expenses reached S/ 47.2 million in 3Q24, an increase of S/ 8.8 million or 23.0% QoQ and of S/ 12.1 million or 34.5% YoY, mainly due to other provisions.