



## First Quarter 2011 Earnings Presentation

 **Intergroup**  
Financial Services

# Intergroup Financial Services

# Highlights

## Intergroup:

- Intergroup reported S/. 151.3 million in net earnings for 1Q11, a 46.8% increase QoQ and a 9.0% increase YoY. Operating trends were strong, driven by solid performances in both subsidiaries
- When excluding non-recurring items, net earnings increased 25.1% QoQ and 17.3% YoY
- The QoQ increase was driven by growth in financial income, lower provision expenses and a decrease in administrative expenses
- Intergroup's recurring ROE was 28.9% in 1Q11, above the 23.9% in 4Q10 and the 27.6% in 1Q10

## Interbank:

- Net earnings increased 9.2% YoY, driven by sustained loan growth and stable provisions and administrative expenses
- Net earnings decreased 8.9% QoQ. When excluding non-recurring items, earnings rose 9.9%, driven by loan growth and lower provision and administrative expenses
- Loans grew 3.0% QoQ and 24.5% YoY
- Recurring NIM decreased 30 bps QoQ mainly due to lower yield on the loan portfolio
- Asset quality remained strong, with a past-due loan ratio of 1.5% and a reserve coverage ratio of 268.3%. The ratio of provision expense to average loans fell from 3.7% in 4Q10 to 2.5% in 1Q11

## Interseguro:

- Interseguro's net earnings reached a record level of S/. 37.0 million in 1Q11, an increase of 92.2% QoQ and 103.2% YoY
- Earnings growth was driven by a significant increase in investment income
- Annuity sales more than tripled YoY, driven by Interseguro's leading position in the expanding early retirement segment

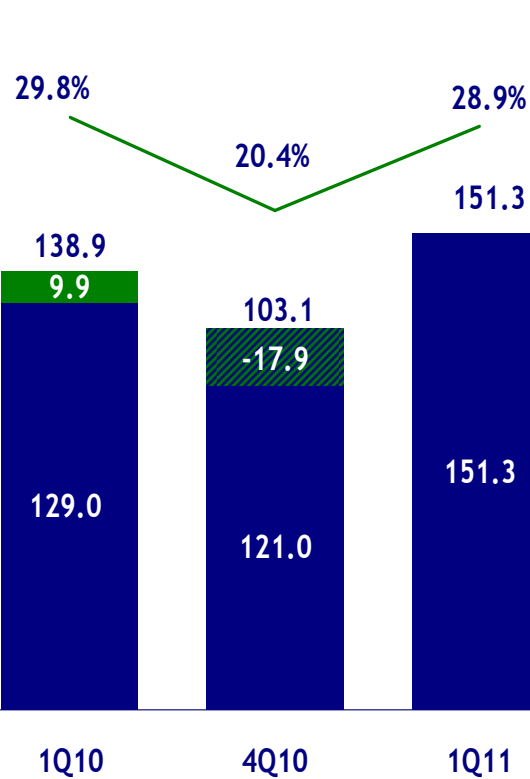
# Intergroup's earnings increased 46.8% QoQ and 9.0% YoY

## Intergroup

Net income\*

S/. million

ROE



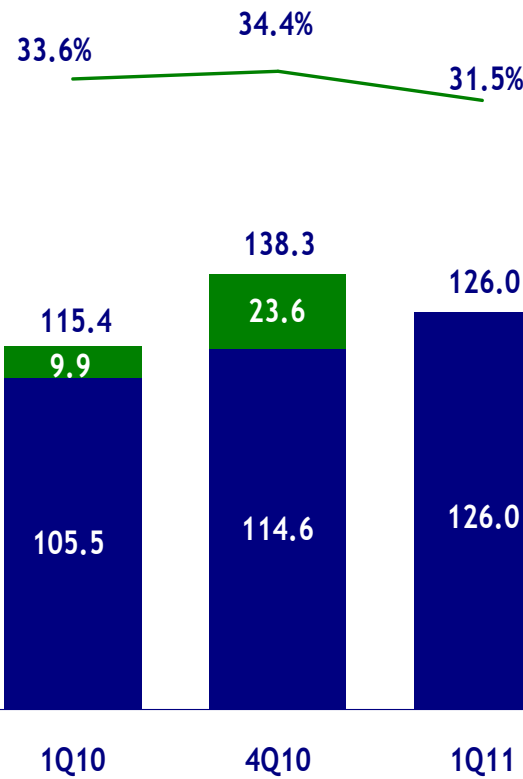
\*Attributable to IFS shareholders

## Interbank

Net income

S/. million

ROE



■ Recurring ■ Non-recurring

## Interseguro

Net income

S/. million

ROE



# Intergroup reported its second highest quarterly net earnings

## Intergroup's Profit and Loss Statement Summary

S/. million	1Q10	4Q10	1Q11	%chg QoQ	%chg YoY
Financial income	503.1	551.1	581.6	5.5%	15.6%
Financial expenses	-92.1	-132.0	-138.5	4.9%	50.3%
<b>Gross financial margin</b>	<b>410.9</b>	<b>419.0</b>	<b>443.2</b>	<b>5.8%</b>	<b>7.8%</b>
Provisions	-78.9	-111.6	-78.6	-29.6%	-0.4%
<b>Net financial margin</b>	<b>332.1</b>	<b>307.4</b>	<b>364.6</b>	<b>18.6%</b>	<b>9.8%</b>
Fee income from financial services, net	83.7	118.5	101.0	-14.8%	20.6%
Result from insurance underwriting, net	-4.9	-12.7	-15.8	23.8%	220.5%
Administrative expenses	-211.1	-252.4	-226.9	-10.1%	7.5%
<b>Net operating margin</b>	<b>199.8</b>	<b>160.8</b>	<b>222.9</b>	<b>38.6%</b>	<b>11.6%</b>
Depreciation and amortization	-25.4	-28.4	-23.0	-18.8%	-9.2%
Other income (expenses)	16.8	21.5	6.4	-70.2%	-61.8%
<b>Income before tax and profit sharing</b>	<b>191.1</b>	<b>153.9</b>	<b>206.3</b>	<b>34.0%</b>	<b>7.9%</b>
Income tax and profit sharing	-51.5	-49.9	-54.0	8.4%	4.9%
<b>Net income</b>	<b>139.6</b>	<b>104.1</b>	<b>152.2</b>	<b>46.3%</b>	<b>9.0%</b>
<b>Attributable to IFS shareholders</b>	<b>138.9</b>	<b>103.1</b>	<b>151.3</b>	<b>46.8%</b>	<b>9.0%</b>
<b>EPS</b>	<b>1.48</b>	<b>1.10</b>	<b>1.62</b>		
<b>ROE</b>	<b>29.8%</b>	<b>20.4%</b>	<b>28.9%</b>		

# Interbank

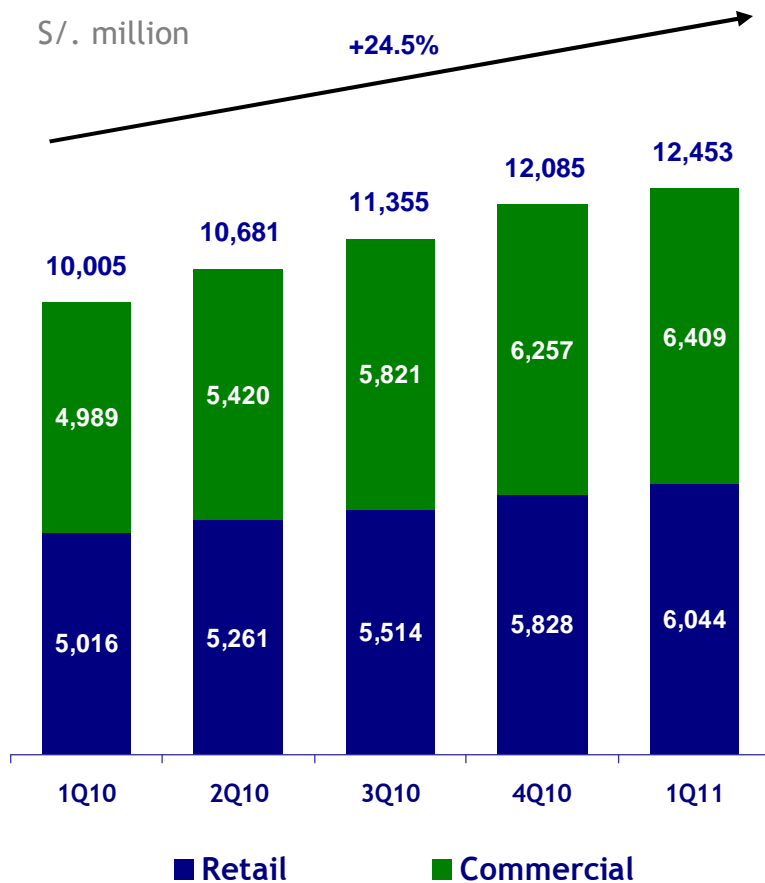
# Interbank's net income increased 9.2% YoY

## Profit and Loss Statement Summary

S/. million	1Q 10	4Q 10	1Q 11	% chg QoQ	% chg YoY
Financial income	454.2	526.7	498.4	-5.4%	9.7%
Financial expenses	-89.0	-123.1	-125.5	1.9%	40.9%
<b>Gross financial margin</b>	<b>365.1</b>	<b>403.6</b>	<b>372.9</b>	<b>-7.6%</b>	<b>2.1%</b>
Provisions	-78.9	-111.6	-78.6	-29.6%	-0.4%
<b>Net financial margin</b>	<b>286.2</b>	<b>291.9</b>	<b>294.3</b>	<b>0.8%</b>	<b>2.8%</b>
Fee income from financial services, net	98.1	134.2	117.0	-12.8%	19.2%
Administrative expenses	-202.9	-234.2	-214.2	-8.5%	5.6%
<b>Net operating margin</b>	<b>181.5</b>	<b>191.9</b>	<b>197.1</b>	<b>2.7%</b>	<b>8.6%</b>
Depreciation and amortization	-23.1	-27.7	-22.3	-19.5%	-3.6%
Other income (expenses)	6.9	21.1	3.1	-85.4%	-55.4%
<b>Income before tax and profit sharing</b>	<b>165.3</b>	<b>185.4</b>	<b>177.9</b>	<b>-4.0%</b>	<b>7.6%</b>
Income tax and profit sharing	-49.9	-47.1	-51.9	10.3%	4.1%
<b>Net income</b>	<b>115.4</b>	<b>138.3</b>	<b>126.0</b>	<b>-8.9%</b>	<b>9.2%</b>
<b>ROE</b>	<b>33.6%</b>	<b>34.4%</b>	<b>31.5%</b>		

# Loan growth remained strong at 24.5% YoY

## Performing loans



## Breakdown of loans

S/. million	1Q 10	4Q 10	1Q 11	% chg QoQ	% chg YoY
<b>Consumer loans:</b>					
Credit cards	1,495	1,740	1,809	3.9%	20.9%
Other consumer	2,132	2,296	2,308	0.5%	8.2%
<b>Total consumer loans</b>	<b>3,628</b>	<b>4,036</b>	<b>4,116</b>	<b>2.0%</b>	<b>13.5%</b>
Mortgages	1,389	1,792	1,928	7.6%	38.8%
<b>Total retail loans</b>	<b>5,016</b>	<b>5,828</b>	<b>6,044</b>	<b>3.7%</b>	<b>20.5%</b>
<b>Total commercial</b>	<b>4,989</b>	<b>6,257</b>	<b>6,409</b>	<b>2.4%</b>	<b>28.5%</b>
<b>Total loans</b>	<b>10,005</b>	<b>12,085</b>	<b>12,453</b>	<b>3.0%</b>	<b>24.5%</b>

## Market share in loans

S/. million	1Q 10	4Q 10	1Q 11	% chg QoQ	% chg YoY
<b>Consumer loans:</b>					
Credit cards	23.5%	23.5%	23.6%	0.1%	0.1%
Other consumer	22.4%	21.9%	21.1%	-0.8%	-1.3%
<b>Total consumer loans</b>	<b>22.4%</b>	<b>22.6%</b>	<b>22.2%</b>	<b>-0.5%</b>	<b>-0.4%</b>
Mortgages	10.8%	11.7%	11.8%	0.1%	1.0%
<b>Total retail loans</b>	<b>17.5%</b>	<b>17.6%</b>	<b>17.3%</b>	<b>-0.3%</b>	<b>-0.2%</b>
<b>Total commercial</b>	<b>8.0%</b>	<b>8.5%</b>	<b>8.4%</b>	<b>0.0%</b>	<b>0.4%</b>
<b>Total loans</b>	<b>11.1%</b>	<b>11.2%</b>	<b>11.2%</b>	<b>0.1%</b>	<b>0.2%</b>

Does not include Crediscotia



# Interbank funded QoQ growth with deposits

## Funding Structure

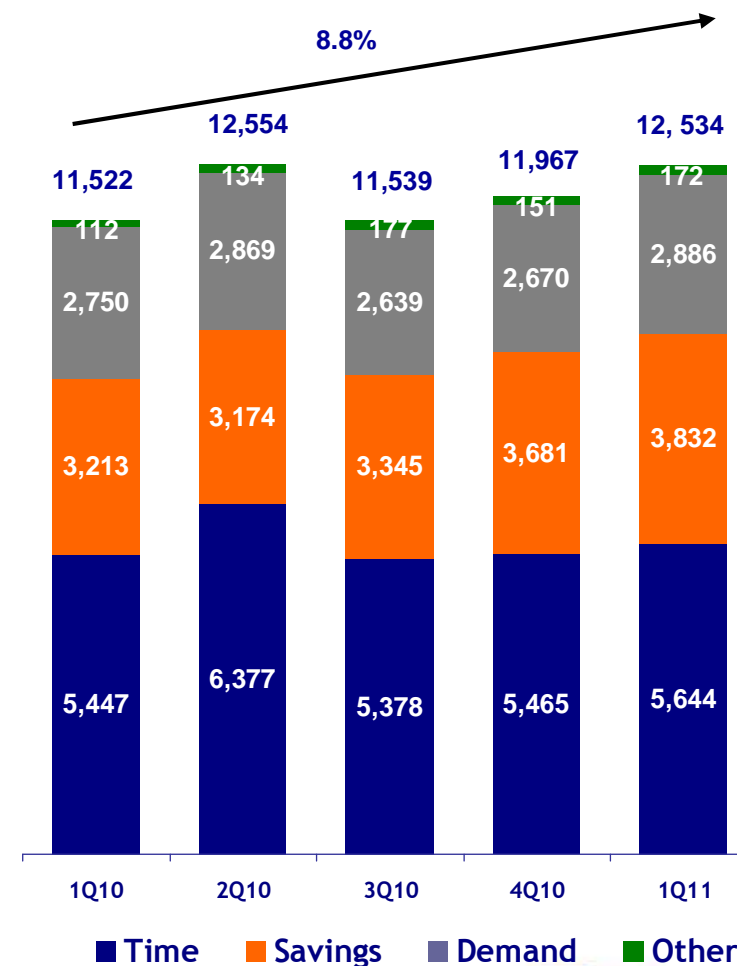
S/. million	1Q 10	4Q 10	1Q 11	% chg QoQ	% chg YoY
Deposits and obligations	11,522	11,967	12,534	4.7%	8.8%
Due to banks	2,185	2,941	2,665	-9.4%	21.9%
Bonds and obligations	500	2,182	2,205	1.1%	340.8%
Interbank funds	111	93	75	-19.1%	-32.1%
<b>Total</b>	<b>14,318</b>	<b>17,184</b>	<b>17,480</b>	<b>1.7%</b>	<b>22.1%</b>
AUM (Interfondos)	2,446	2,525	2,489	-1.4%	1.7%

## Market Share in Deposits

S/. million	1Q 10	4Q 10	1Q 11	% chg QoQ	% chg YoY
Retail Deposits	12.0%	12.2%	12.0%	-0.2%	0.0%
Commercial Deposits	10.8%	8.9%	9.6%	0.7%	-1.2%

Does not include Crediscotia

## Deposit Breakdown

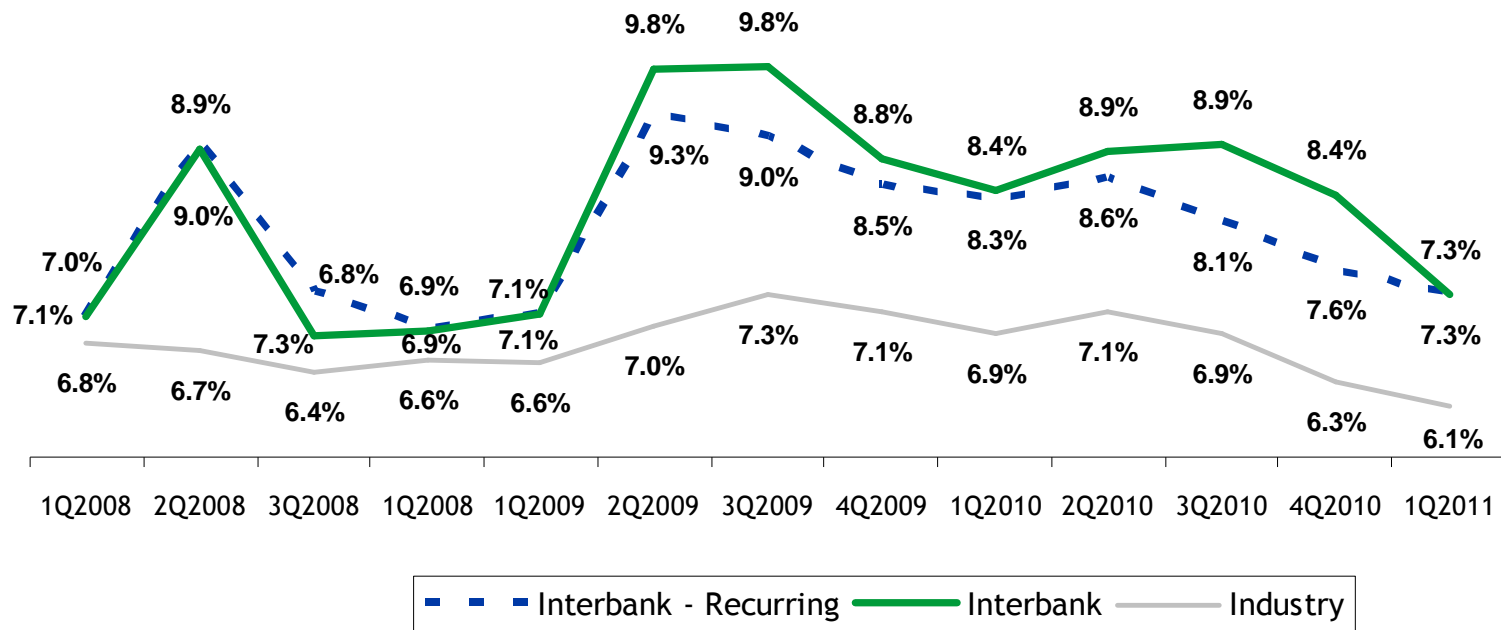


# Gross financial margin increased 2.1% YoY, but decreased 7.6% QoQ due to lower non-recurring investment gains

Interbank Net Financial Margin					
S/. million	1Q 10	4Q 10	1Q 11	% chg QoQ	% chg YoY
<b>Financial income:</b>					
Loans	374.7	416.4	425.0	2.1%	13.4%
Investments	34.5	62.6	26.6	-57.5%	-22.9%
Interest on due from banks and interbanks funds	0.8	11.1	9.5	-14.2%	1058.6%
Exchange and derivatives gains	41.1	34.3	35.7	4.2%	-13.1%
Other	3.0	2.3	1.5	-35.5%	-51.0%
<b>Total financial income</b>	<b>454.2</b>	<b>526.7</b>	<b>498.4</b>	<b>-5.4%</b>	<b>9.7%</b>
<b>Financial expenses:</b>					
Deposits	35.0	42.7	44.1	3.3%	26.3%
Others	54.1	80.4	81.3	1.1%	50.4%
<b>Total financial expenses</b>	<b>89.0</b>	<b>123.1</b>	<b>125.5</b>	<b>1.9%</b>	<b>40.9%</b>
<b>Gross Financial Margin</b>	<b>365.1</b>	<b>403.6</b>	<b>372.9</b>	<b>-7.6%</b>	<b>2.1%</b>

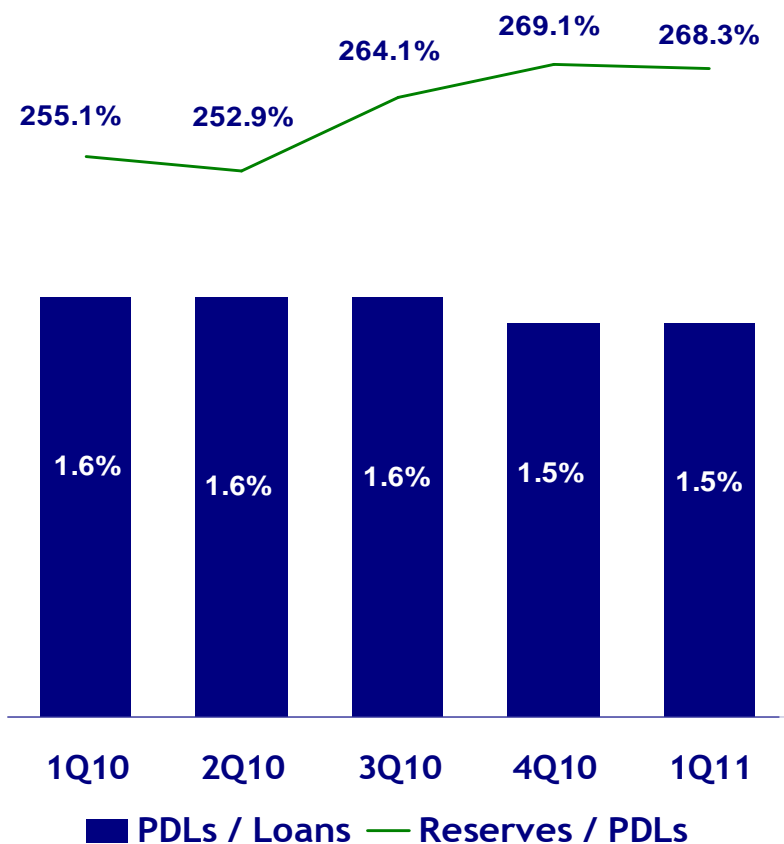
# Recurring NIM has declined due to an increasing cost of funds

## Net Interest Margin (%)

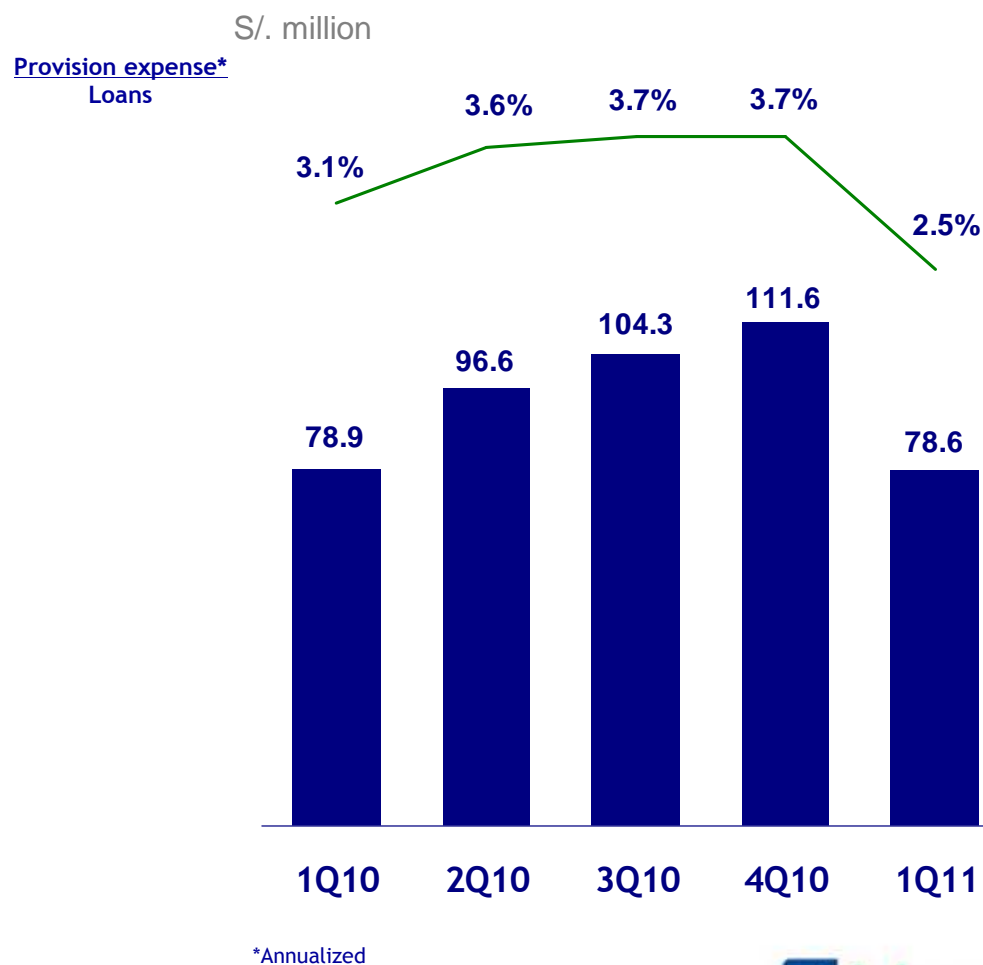


# As asset quality and coverage remained stable, provision expenses decreased 29.6% QoQ

## PDL & Coverage Ratios



## Loan Provision Expense

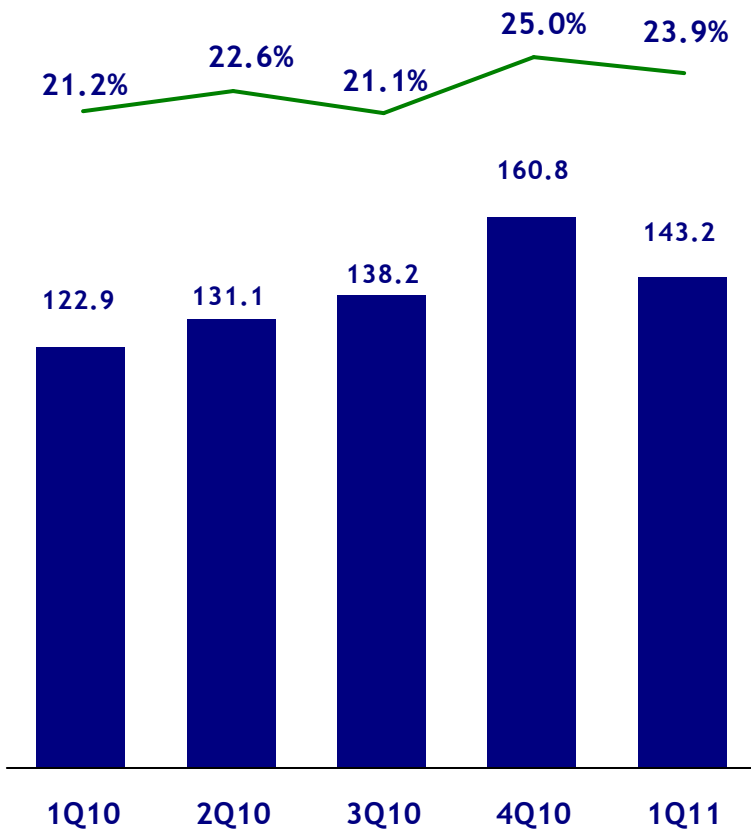


# Fee income grew 16.5% YoY, while expense growth was moderate

## Fee income

S/. million

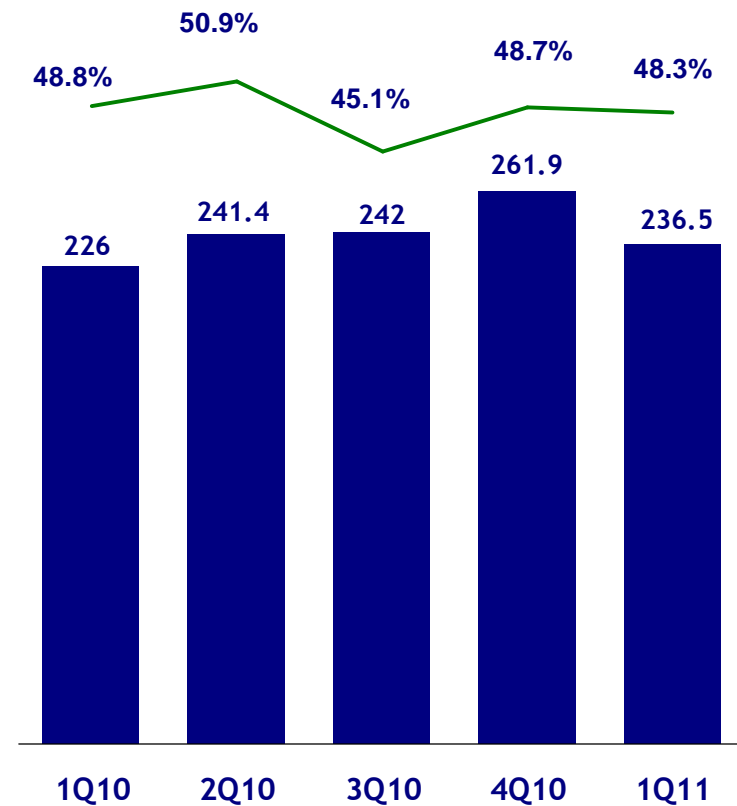
- Fee income
- Fee income / operating revenues



## Operating expenses

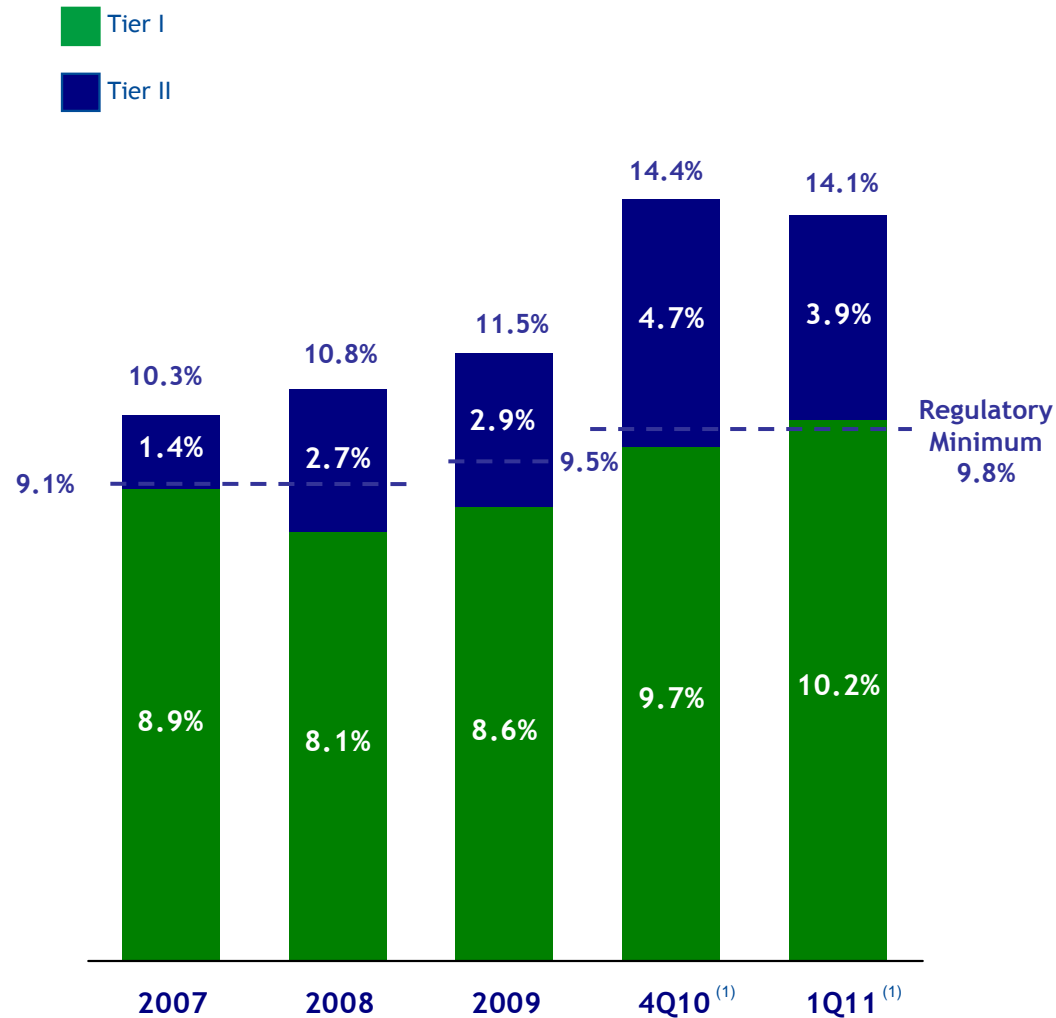
S/. million

Efficiency ratio\*



\*Cost / Income

# Interbank's capitalization remained strong



(1) On April 2010 Interbank issued US\$200 million in non-cumulative junior subordinated notes which are considered as Tier I and II capital. Under Peruvian regulation junior subordinated notes that receive Tier 1 capital treatment are capped at 17.65% of capital and reserves. As of March 31, 2010 only 45% of the notes qualified as Tier 1 and the remaining 55% qualified as Tier II.

# Interseguro

# Interseguro reported record quarterly earnings

Profit and Loss Statement Summary					
S/. million	1Q10	4Q10	1Q11	% chg QoQ	% chg YoY
Premiums	64.0	153.9	124.2	-19.3%	94.1%
Premiums ceded	-2.5	-1.6	-1.9	22.2%	-21.5%
Fees	-2.4	-3.4	-2.9	-12.5%	25.2%
Claims	-29.7	-28.5	-32.4	13.6%	9.0%
Change in reserves	-35.3	-135.4	-104.2	-23.1%	195.2%
Diverse Income, net	-0.9	-0.6	-0.8	46.1%	-12.8%
<b>Technical margin</b>	<b>-6.8</b>	<b>-15.5</b>	<b>-18.1</b>	<b>16.6%</b>	<b>164.7%</b>
Administrative expenses	-10.8	-16.0	-12.3	-23.0%	13.8%
Investment income, net*	35.9	50.8	67.4	32.7%	88.0%
<b>Net income</b>	<b>18.2</b>	<b>19.2</b>	<b>37.0</b>	<b>92.2%</b>	<b>103.2%</b>
<b>ROE</b>	<b>26.4%</b>	<b>21.4%</b>	<b>42.5%</b>		

\*Includes exchange rate difference



## Premiums increased 94.1% YoY, but decreased 19.3% QoQ due to market contraction

Premiums by Business Line					
S/. million	1Q10	4Q10	1Q11	% chg QoQ	% chg YoY
Individual Life	5.8	5.7	6.1	7.4%	5.0%
Annuities	38.5	128.8	97.1	-24.6%	152.3%
Group Life	11.8	10.4	12.5	20.7%	5.9%
Disability and survivor benefits	0.1	0.1	0.1	-6.5%	-17.6%
Mandatory traffic accident	6.0	5.6	6.0	5.9%	-0.4%
Non Life Insurance	1.7	3.3	2.4	-27.9%	39.0%
<b>TOTAL</b>	<b>64.0</b>	<b>153.9</b>	<b>124.2</b>	<b>-19.3%</b>	<b>94.1%</b>

# Investment income increased 32.7% QoQ and 88.0% YoY

Investment Portfolio					
S/. million	1Q10	4Q10	1Q11	%chg QoQ	%chg YoY
Fixed Income	1,260.4	1,482.7	1,518.6	2.4%	20.5%
Equity and Mutual Funds	154.6	238.7	352.7	47.8%	128.1%
Real estate	488.6	459.8	487.0	5.9%	-0.3%
Others	12.4	4.7	4.5	-3.1%	-63.3%
<b>TOTAL</b>	<b>1,916.0</b>	<b>2,185.9</b>	<b>2,362.8</b>	<b>8.1%</b>	<b>23.3%</b>

Investment Income, Net					
S/. million	1Q10	4Q10	1Q11	%chg QoQ	%chg YoY
<b>Income:</b>					
Fixed Income	26.6	33.4	44.1	31.8%	65.8%
Interest	19.7	22.6	26.4	16.6%	34.2%
Realized Gains	6.9	10.8	17.7	63.9%	155.6%
Equity and Mutual Funds	1.3	9.8	15.1	53.9%	1049.5%
Real estate	7.9	12.0	8.3	-30.8%	5.8%
Total Income	35.8	55.3	67.5	22.1%	88.7%
Expenses	-0.9	-1.4	-1.2	-10.5%	44.0%
Exchange difference and others	1.0	-3.1	1.2	n.m.	19.1%
<b>Net income</b>	<b>35.9</b>	<b>50.8</b>	<b>67.4</b>	<b>32.7%</b>	<b>88.0%</b>



**Intergroup**

Financial Services