



 Intercorp Financial Services

Annual Shareholders' Meeting Presentation

April 2020



Agenda

- 1. 2019 highlights**
2. Unique platform to benefit from growth potential
3. Consistently delivering high growth & profitability
4. COVID19 Update

2019 highlights

Banking

Strong growth and profitability in 4Q19 and FY19

- FY19 adjusted net profit⁽¹⁾ grew 21.2% YoY, with adjusted ROAE⁽¹⁾ at 21.3%
- 11.2% YoY loan growth⁽²⁾, with a 17.5% increase in retail loans, outpacing the system
- Retail deposits grew 11.5% YoY, resulting in 50 bps market share growth
- FY19 cost of risk remained stable at 2.2%, while FY19 adjusted cost of risk⁽³⁾ increased 10 bps YoY, to 2.6%
- CETI improved 100 bps YoY, to 11.6%

Insurance

Profitability continued to improve with FY19 ROAE at 14.2% and 4Q19 at 14.7%

- FY19 adjusted net profit⁽⁴⁾ grew 56.5% YoY
- 6.9% YoY growth in gross premiums plus collections⁽⁵⁾
- ROIP⁽⁶⁾ increased 30 bps to 6.1% in 2019
- 10.7% YoY growth in the investment portfolio

Wealth Management

Solid year in earnings with ROAE at 25.3%⁽⁷⁾

- FY19 adjusted net profit⁽⁷⁾ up 4.1% YoY
- 4.3% YoY AUM growth in 2019, or 6.1% excluding FX effect
- Strong growth in fees for the second consecutive quarter coupled with improved market conditions by year-end

Intercorp Financial Services

Strong earnings growth QoQ and YoY, with adjusted ROAE⁽¹⁾ at 18.6%

- FY19 adjusted net profit⁽¹⁾ grew 19.7% YoY
- 10.6% increase in total revenues⁽¹⁾; adjusted efficiency ratio⁽¹⁾ improved 60 bps YoY, to 34.0%
- Continued positive evolution of digital indicators

1) At our banking segment, excluding (i) the gain on sale of Interfondos from Interbank to Inteligo for S/ 52.6 million, or S/ 32.4 million after taxes, in 1Q19, and (ii) the one-off impact of a Liability Management transaction for S/ 42.5 million, or S/ 29.0 million after taxes, in 4Q19. At IFS, excluding the one-off impact of a Liability Management transaction in our banking segment for S/ 42.5 million, or S/ 29.0 million after taxes, in 4Q19

2) Excluding loan repo transactions for S/ 510.0 million recorded in 4Q19

3) Excluding (i) reversion of construction sector provisions for S/ 62.9 million in 2Q18; (ii) reversion of construction sector provisions for S/ 20.1 million in 4Q18; (iii) reversion of payroll deduction loan provisions for S/ 38.8 million in 2Q19 and (iv) reversion of loan loss provisions for S/ 104.1 million in 4Q19 due to fine-tuning of IFRS9 models reflecting improved risk profile on customers

4) Excluding the aggregate negative effect of new mortality tables in our insurance segment for S/ 144.8 million in 2Q18

5) Excluding gross premiums from disability and survivorship contract of S. Sura that expired in December 2018

6) ROIP excluding the impact of IFRS 9 in mark-to-market of securities and one-off impairments on financial investments was 5.7% in 2018 and 6.4% in 2019

7) Excluding asset amortization from Interfondos' acquisition for S/ 5.4 million in 2019

2019 awards and events

2019 awards



#1 in Peru
#3 in LatAm
#2 for women
#6 for millennials



Among the top 10 most admirable companies in Peru

TheBanker



Bank of the Year



1 in corporate reputation



#6 in Peru



Inteligo SAB: #2 in Peru

IPO in NYSE (July 18th, 2019)



Strategically positioned to capture significant growth opportunities

What distinguishes us



Universal franchise with strong focus on retail



Customer centricity



Ready-to-scale omnichannel platform



Strong brand recognition



Story of sustainable growth and high profitability



Part of leading Peruvian business group



Empower all Peruvians to achieve financial well-being

How we do it



Deep knowledge of Peruvians through analytics



Digital first strategy



Innovation at the core



Trust of +3 million customers



Focus on efficiency and productivity



Unique, horizontal and agile working culture

The opportunity

32.5 million POPULATION IN PERU

18.8 million

Economically active population

3.5 million

IFS customers

~ 9.8 million BUSINESSES IN PERU

~ 50 thousand

IFS customers

Agenda

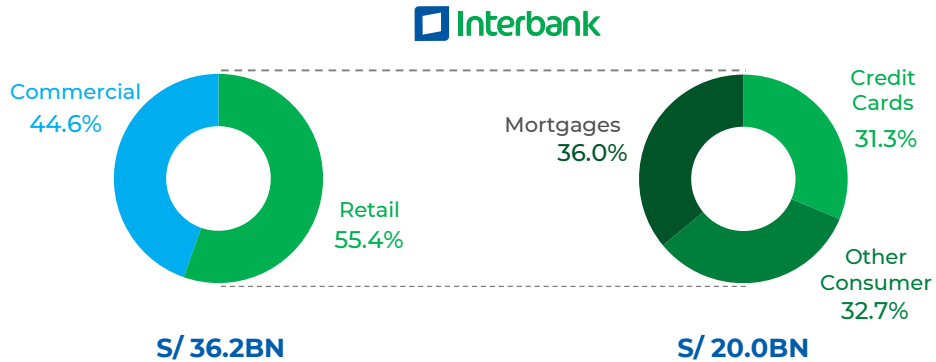
1. 2019 highlights
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Distinctive focus on retail customers and consumer loans

Interbank

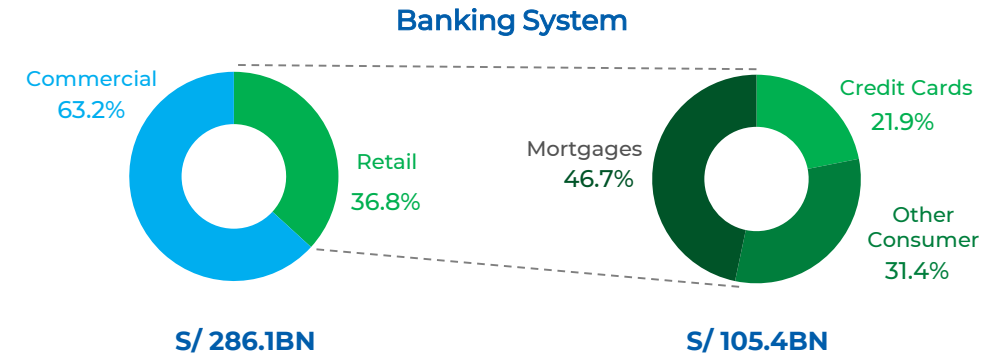
Strategic focus on retail and consumer loans...

Gross loans breakdown (as of December 2019)



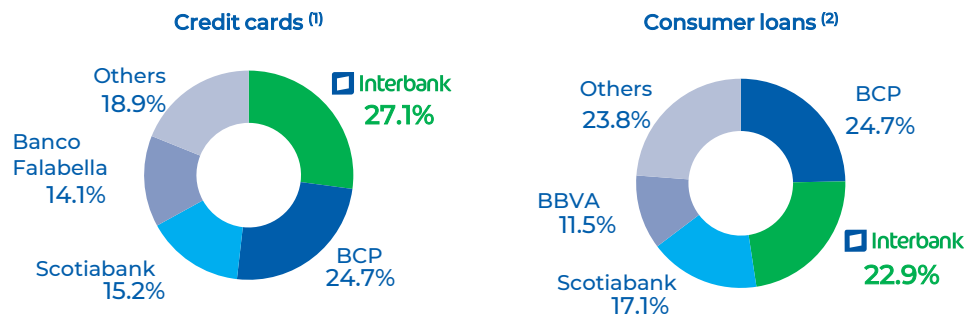
...when compared to the banking system

Gross loans breakdown (as of December 2019)



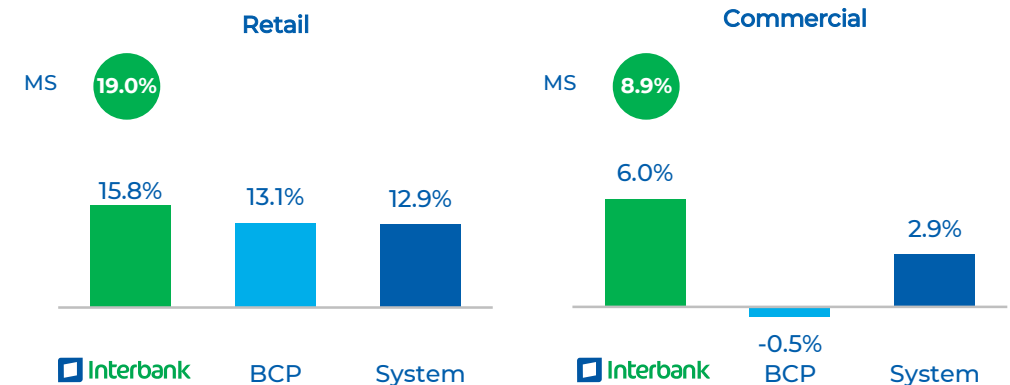
Leading position in credit cards and consumer loans

Market share (as of December 2019)



Outgrowing the overall banking system

Gross loans growth (December 2019 YoY)



Source: SBS and Company information as of December 2019.
Note: Under Peruvian SBS GAAP. Banks include international branches.

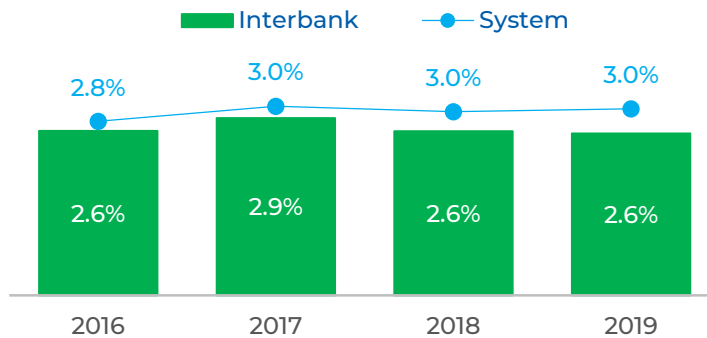
- 1) Consumer credit card loans.
- 2) Consumer loans do not include mortgage loans.

Solid risk management capabilities

Interbank

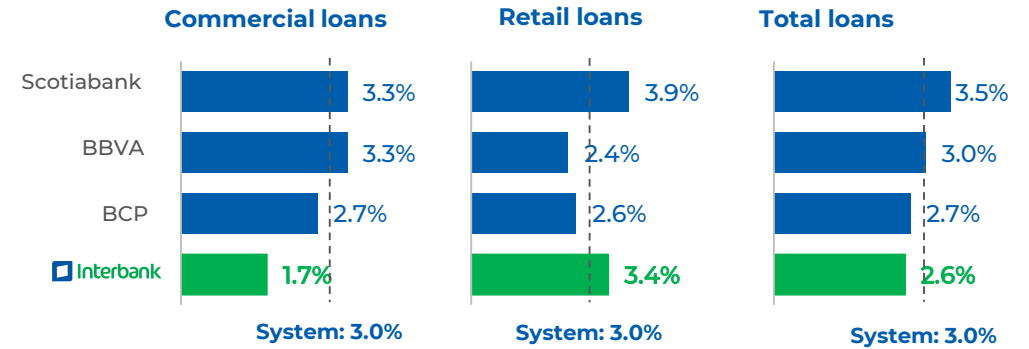
Better asset quality than the system despite focus on retail

PDL ratio evolution



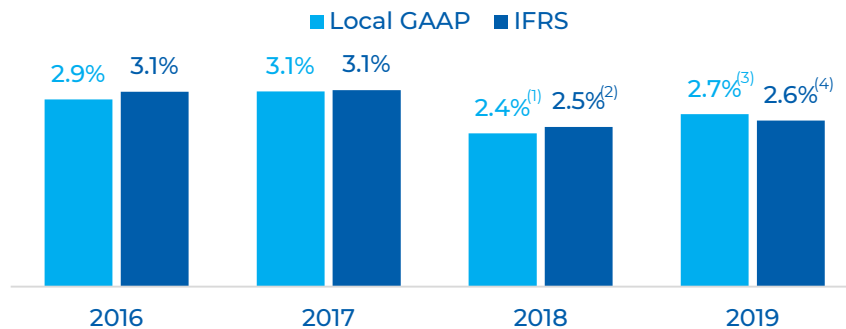
Balanced asset quality among businesses

PDL ratio as of December 2019



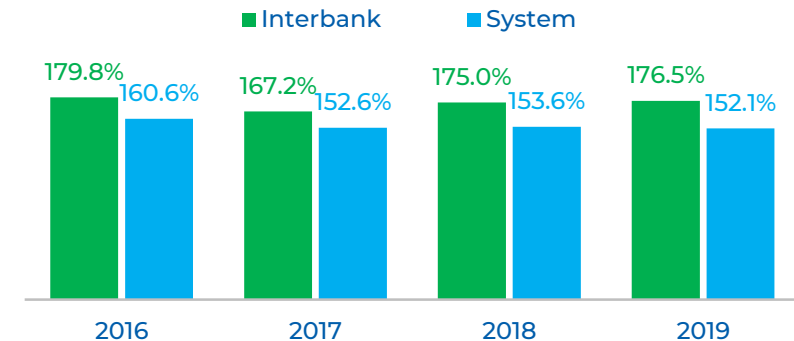
Adequate provisioning level...

Cost of risk (Provision expense as % of average total loans)



...results in strong coverage ratio

Coverage ratio ⁽⁶⁾ evolution



Source: SBS as of December 2019.

1) Cost of risk excluding the effect of voluntary provisions for S/ 100.0 million to cover potential risks related to the construction sector, net of a release of S/ 30.0 million. Including these items, cost of risk was 2.7% in 2018.

2) Cost of risk excluding the effect of a reversion of construction sector provisions for S/ 83.0 million in 2018. Including this item, cost of risk was 2.2% in 2018.

3) Cost of risk excluding the effect of a release of S/ 15.4 million of voluntary provisions to cover potential risks related to the construction sector. Including this item, cost of risk remained at 2.7% in 2019.

4) Cost of risk excluding the effect of a reversion of payroll deduction loan provisions for S/ 38.8 million and a reversion of loan loss provisions for S/ 104.1 million, both in 2019. Including this item, cost of risk

5) was 2.2% in 2019.

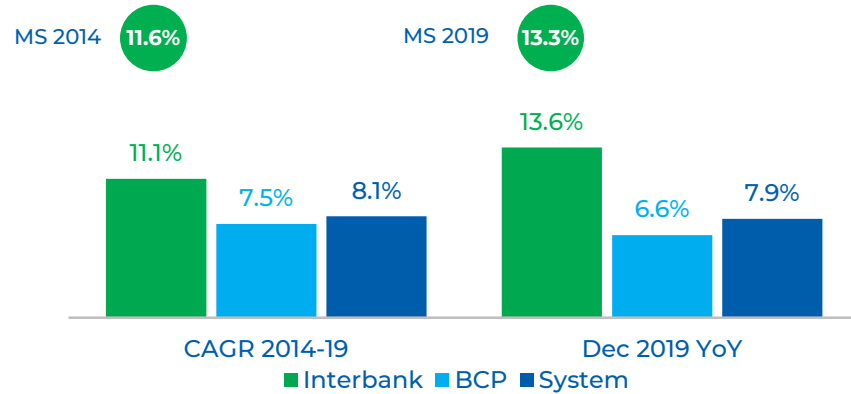
6) Defined as allowance for loan losses as a percentage of past-due loans.

Diversified funding base with strength in retail deposits

Interbank

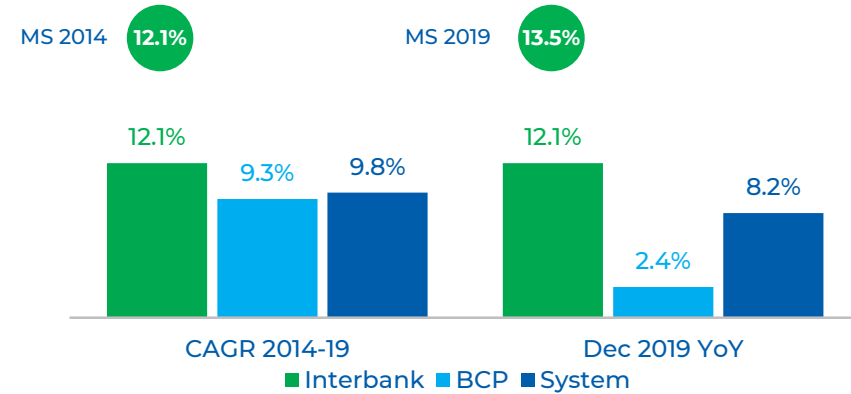
Consistently delivering higher deposit growth than the system

Total deposits growth evolution



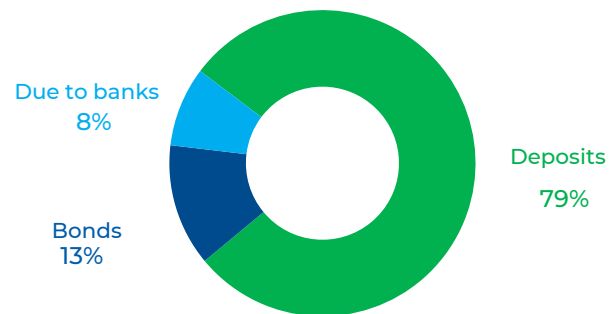
A growing retail deposit-gathering franchise

Total retail deposits growth evolution



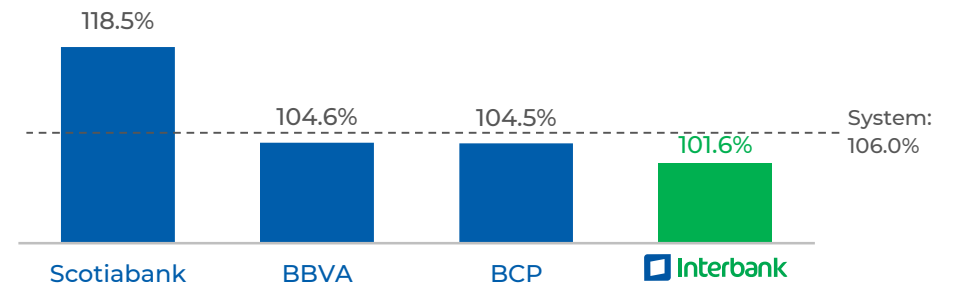
Well balanced deposits base

Funding base breakdown (as of December 2019)



Solid loan-to-deposit ratio

Loan-to-deposit ratio (as of December 2019)

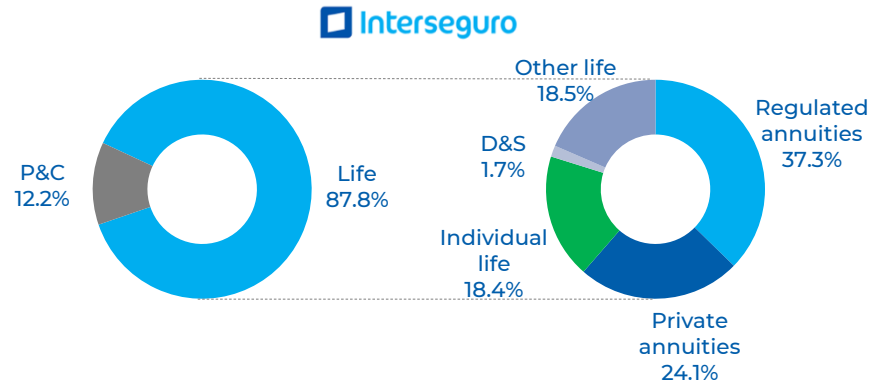


Key player in Peru's life insurance business

Interseguro

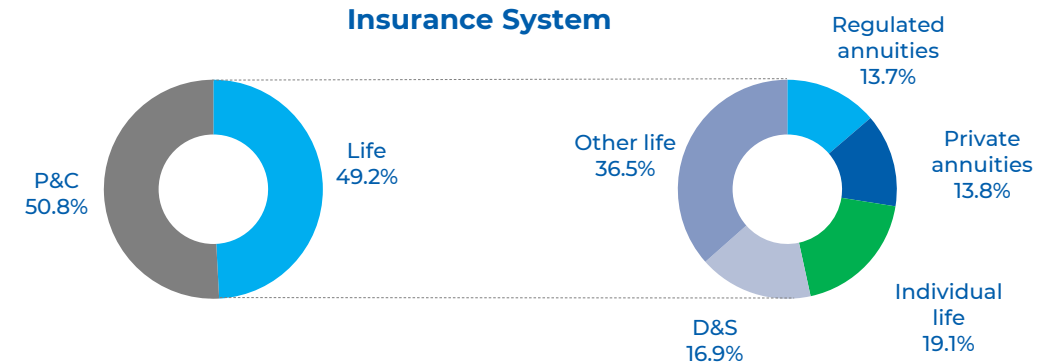
Strategic focus on life insurance...

Insurance premiums and collections breakdown (as of December 2019)



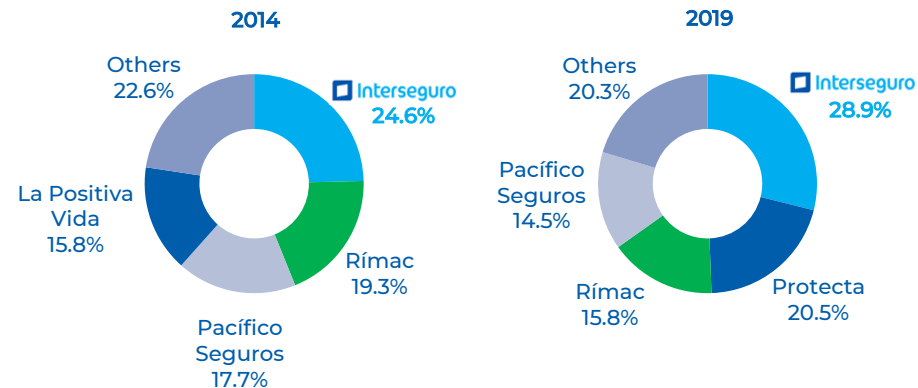
... when compared to the insurance system

Insurance premiums and collections breakdown (as of December 2019)



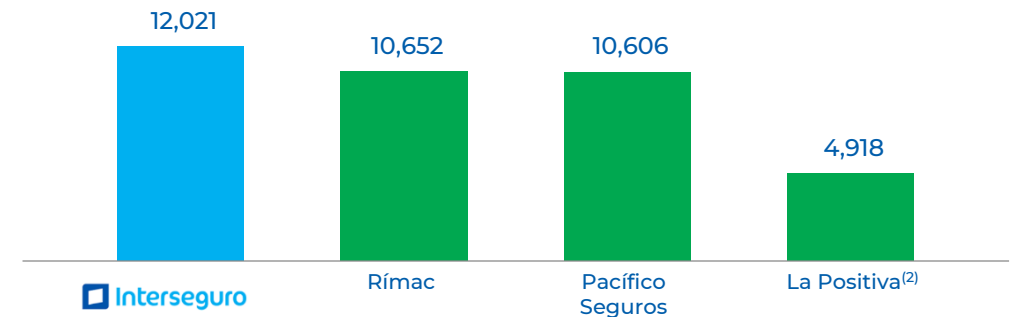
With a growing market share in annuities

Annuities market share⁽¹⁾



Largest investment portfolio in Peruvian insurance system

Investment Portfolio as of December 2019 – Local GAAP (S/ mm)

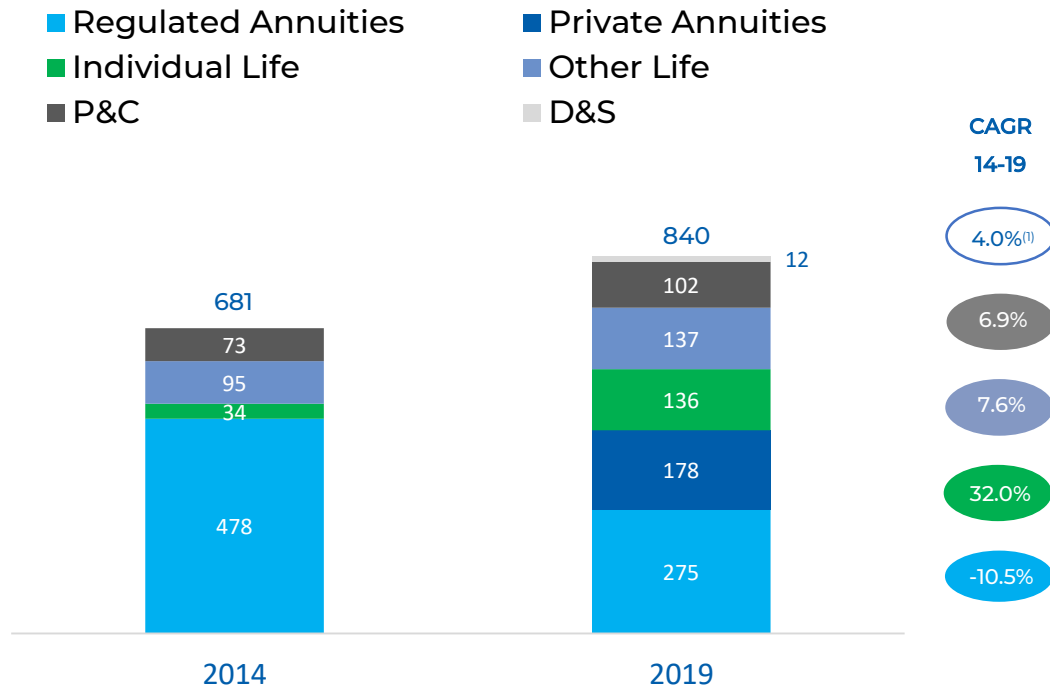


Sustained growth in core business products

Interseguro

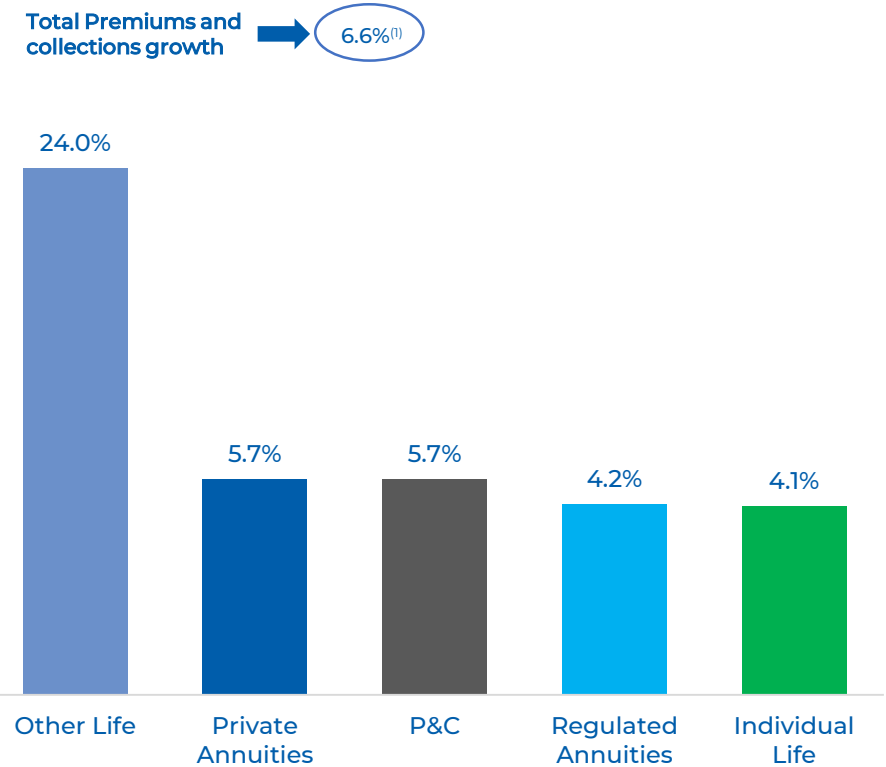
Introduction of new products to continue growing

Gross premiums and collections by business unit (S/ mm)



Premiums and collections growth

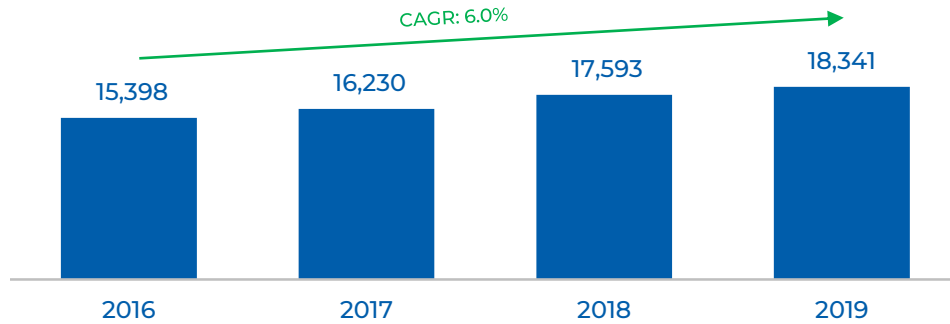
December 2019 YoY growth



Growing and profitable wealth management business Inteligo

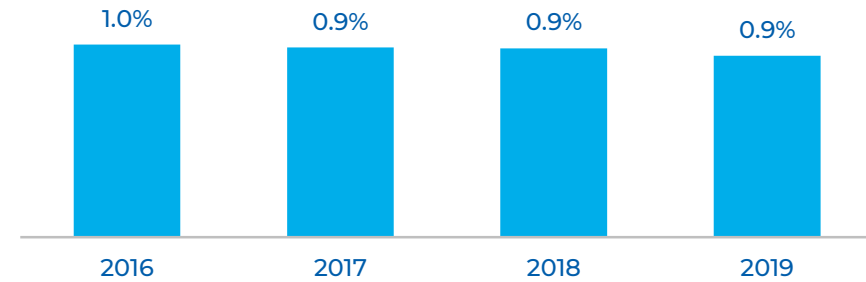
Positive trend in AUM growth

Inteligo Group AUM (\$/ mm)



Solid fee generation due to client mix

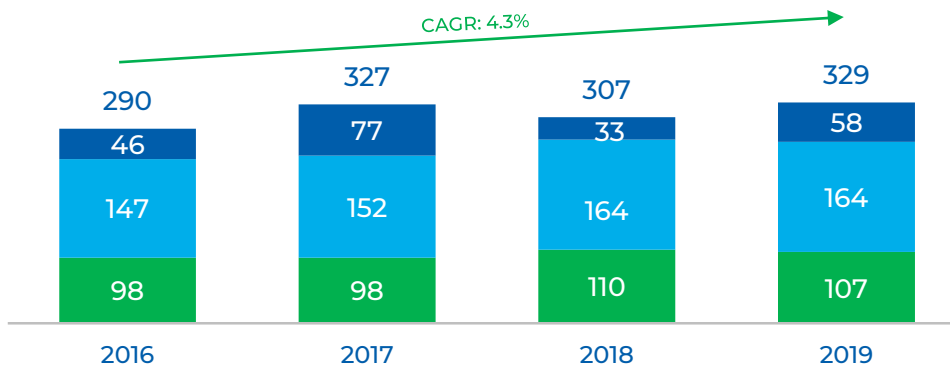
Fees / Avg. AUM



Strong core revenue generation

\$/ mm

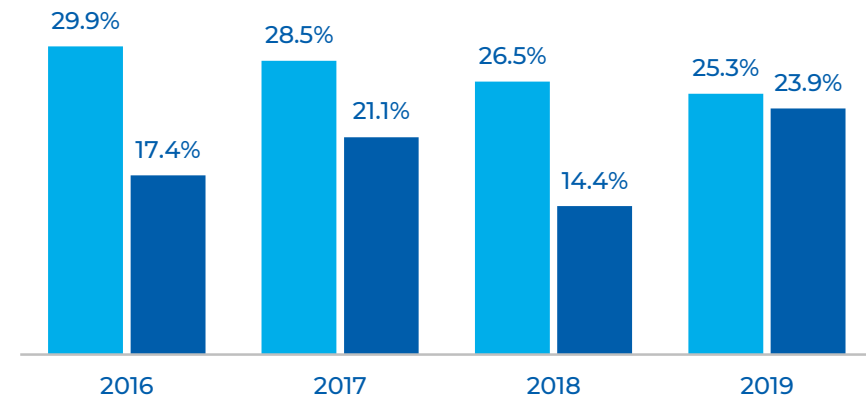
■ Net Interest Income ■ Net Fee Income ■ Other Income



Higher profitability than direct competitor

ROE

■ Inteligo Bank ■ Atlantic Security Bank



Agenda

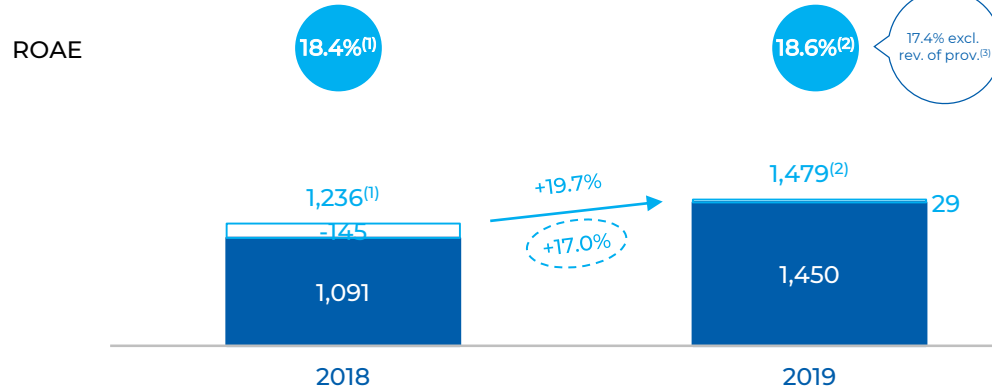
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Strong earnings growth in 2019

IFRS

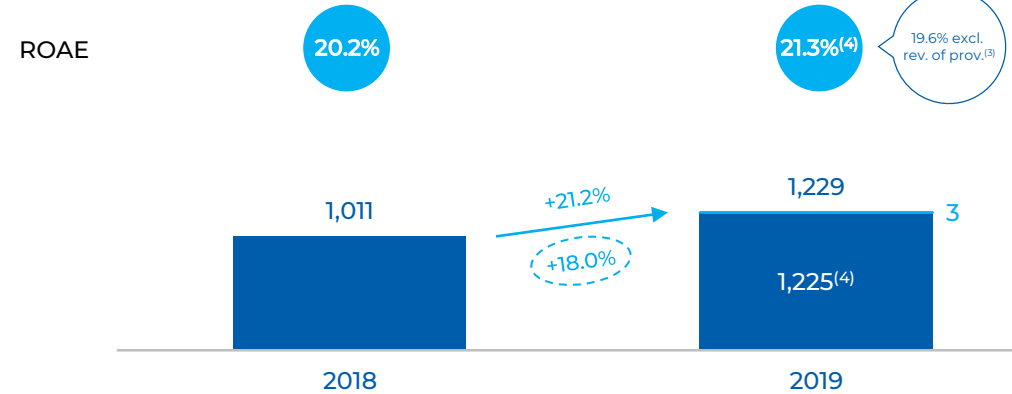
Intercorp Financial Services

Net profit in S/ million



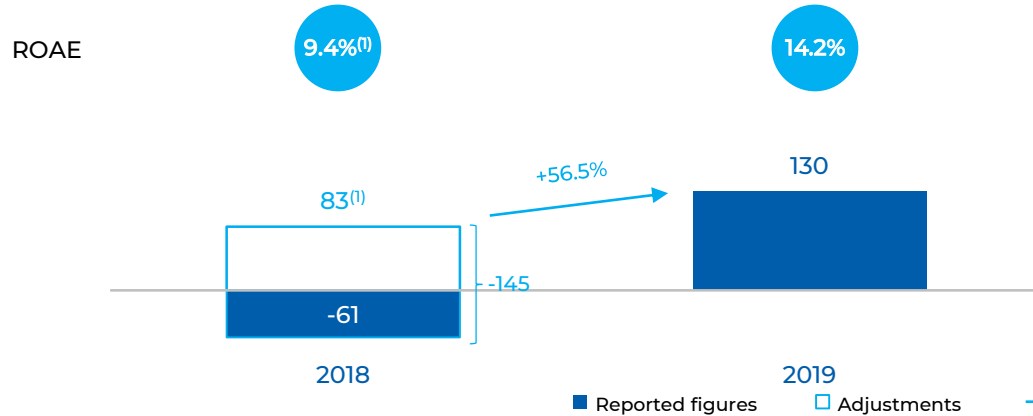
Banking

Net profit in S/ million



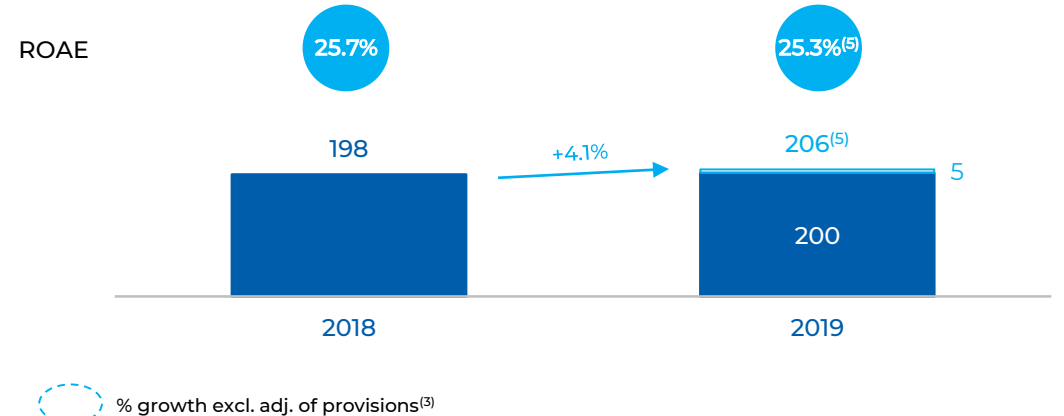
Insurance

Net profit in S/ million



Wealth Management

Net profit in S/ million



1) Excluding the aggregate negative effect of new mortality tables in our insurance segment for S/144.8 million in 2Q18. Including this effect, IFS' ROAE was 16.6% in 2018

2) Excluding the one-off impact of a Liability Management transaction in our banking segment for S/ 29.0 million after taxes in 4Q19. Including this effect, IFS' ROAE was 18.3% in 2019

3) Excluding (i) reversion of construction sector provisions for S/ 44.3 million after taxes in 2Q18; (ii) reversion of construction sector provisions for S/ 14.2 million after taxes in 4Q18; (iii) reversion of payroll deduction loan provisions for S/ 27.4 million after taxes in 2Q19 and (iv) reversion of loan loss provisions for S/ 73.4 million after taxes in 4Q19 due to fine-tuning of IFRS9 models reflecting improved risk profile on customers

1) Excluding (i) the gain on sale of Interfondos from Interbank to Inteligo for S/ 32.4 million after taxes in 1Q19, and (ii) the one-off impact of a Liability Management transaction for S/ 29.0 million after taxes in 4Q19

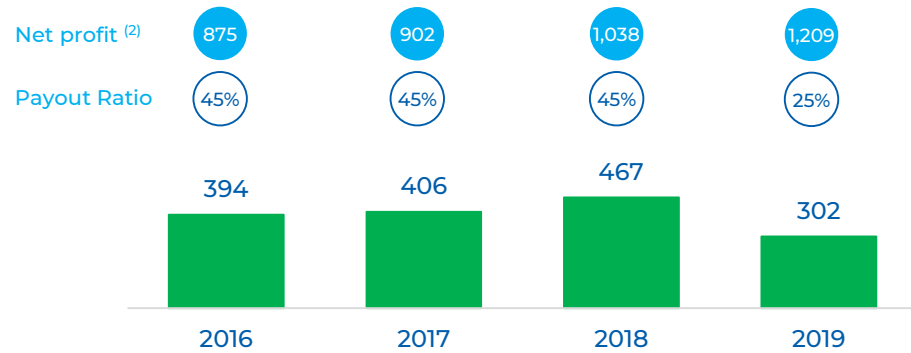
2) Excluding asset amortization from Interfondos' acquisition for S/ 4.0 million in 3Q19 and S/ 1.3 million in 4Q19. Including this effect, Inteligo's ROAE was 24.7%

Consistently delivering strong return to our shareholders...

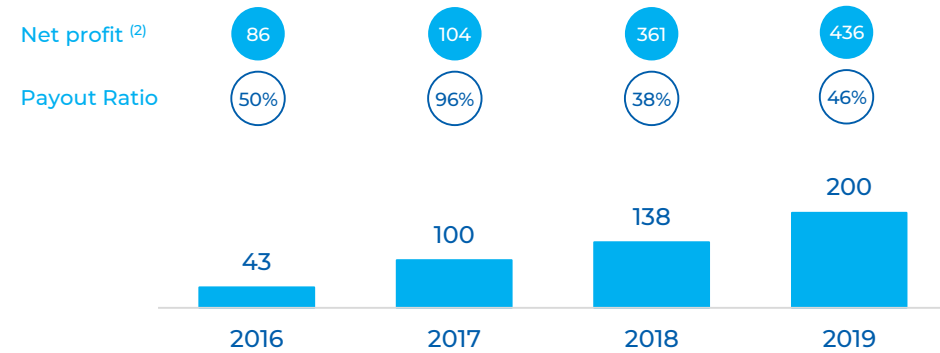
Local GAAP & IFRS

Dividends declared ⁽¹⁾

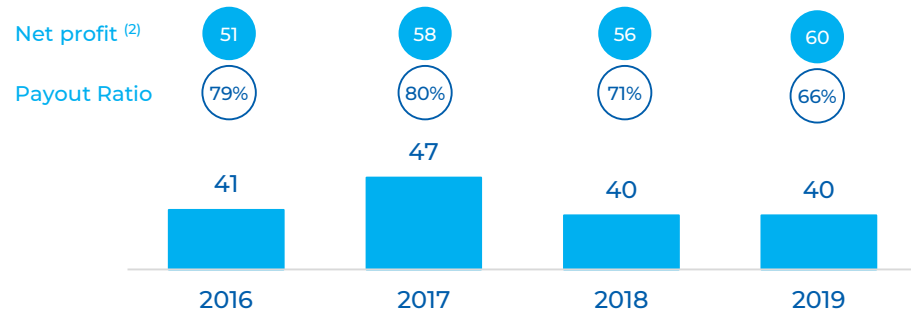
Interbank (S/ mm)



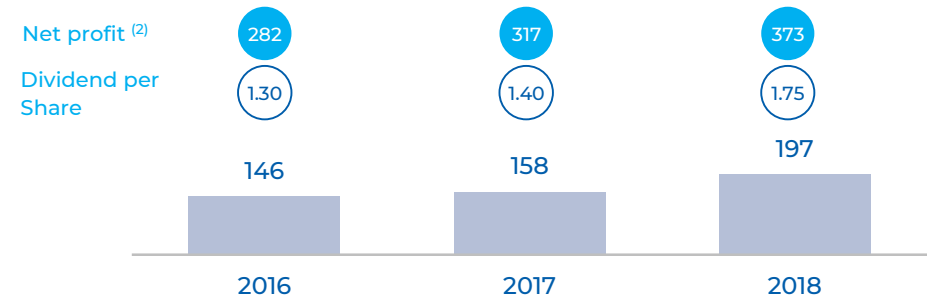
Interseguro (S/ mm)



INTELIGO (US\$ mm)



Intercorp Financial Services (US\$ mm)



Source: Company information.

1) Dividends are declared and paid in U.S. dollars. Represents dividends for the fiscal year which are declared and paid in the following year.

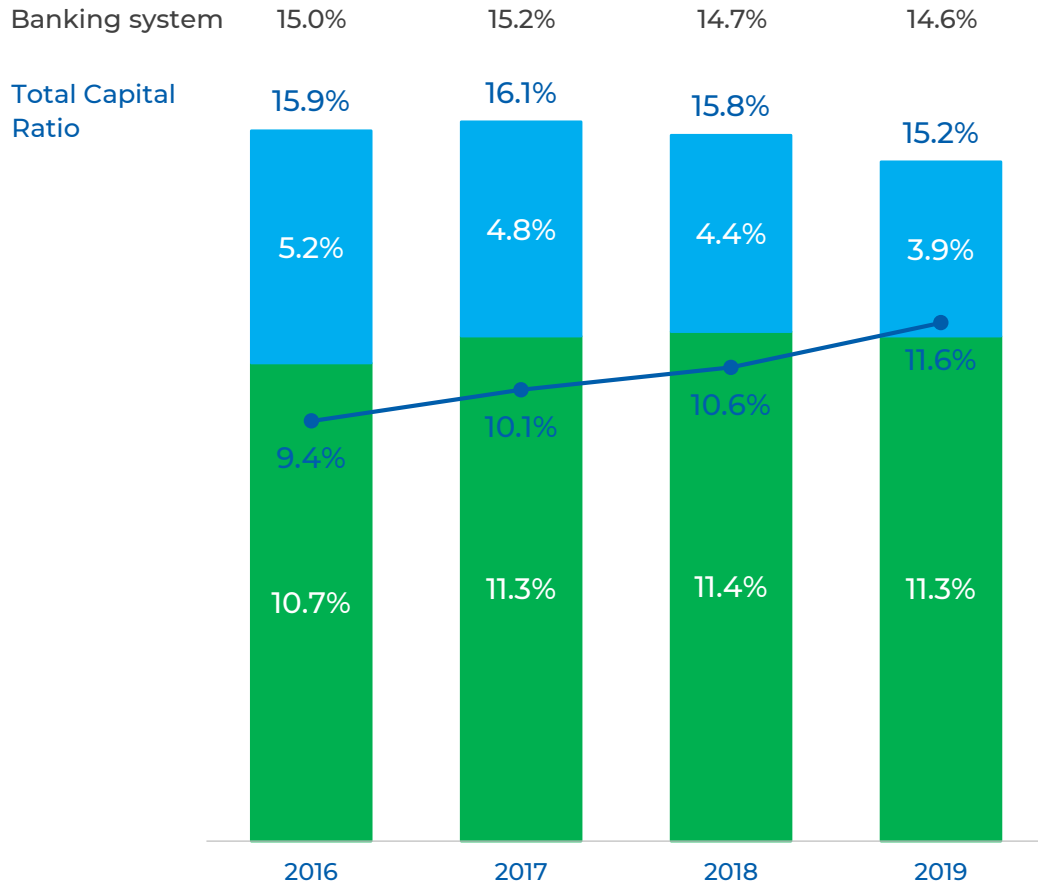
2) Net profit under Local GAAP for Interbank and Interseguro, and under IFRS for Inteligo and IFS. IFS' net profit converted to US dollars using an exchange rate (Sol / US dollar) of 3,375, 3,262, 3,318 and 3,314, for 2016, 2017, 2018 and 2019, respectively. Adjusted net profit for IFS in 2018 excluding the aggregate negative effect of new mortality tables in our insurance segment for S/ 144.8 million.

...while maintaining a strong capital base

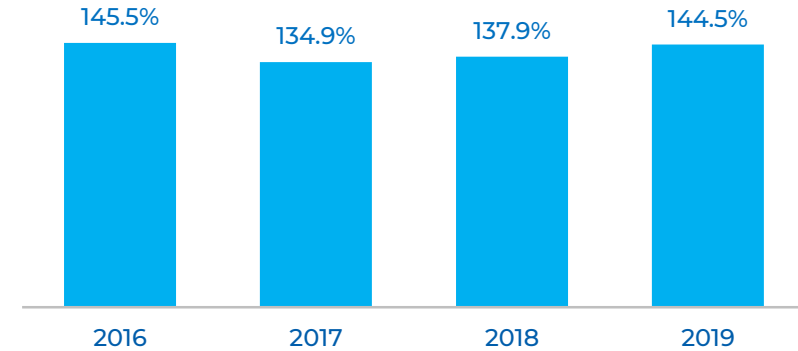


Capital Ratios

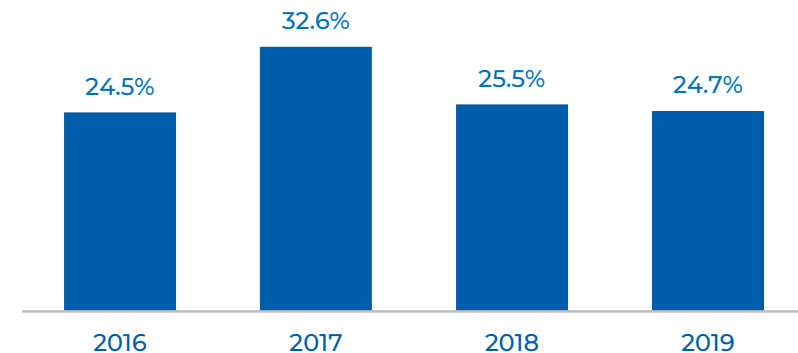
Tier I Tier II CETI



Solvency Ratio



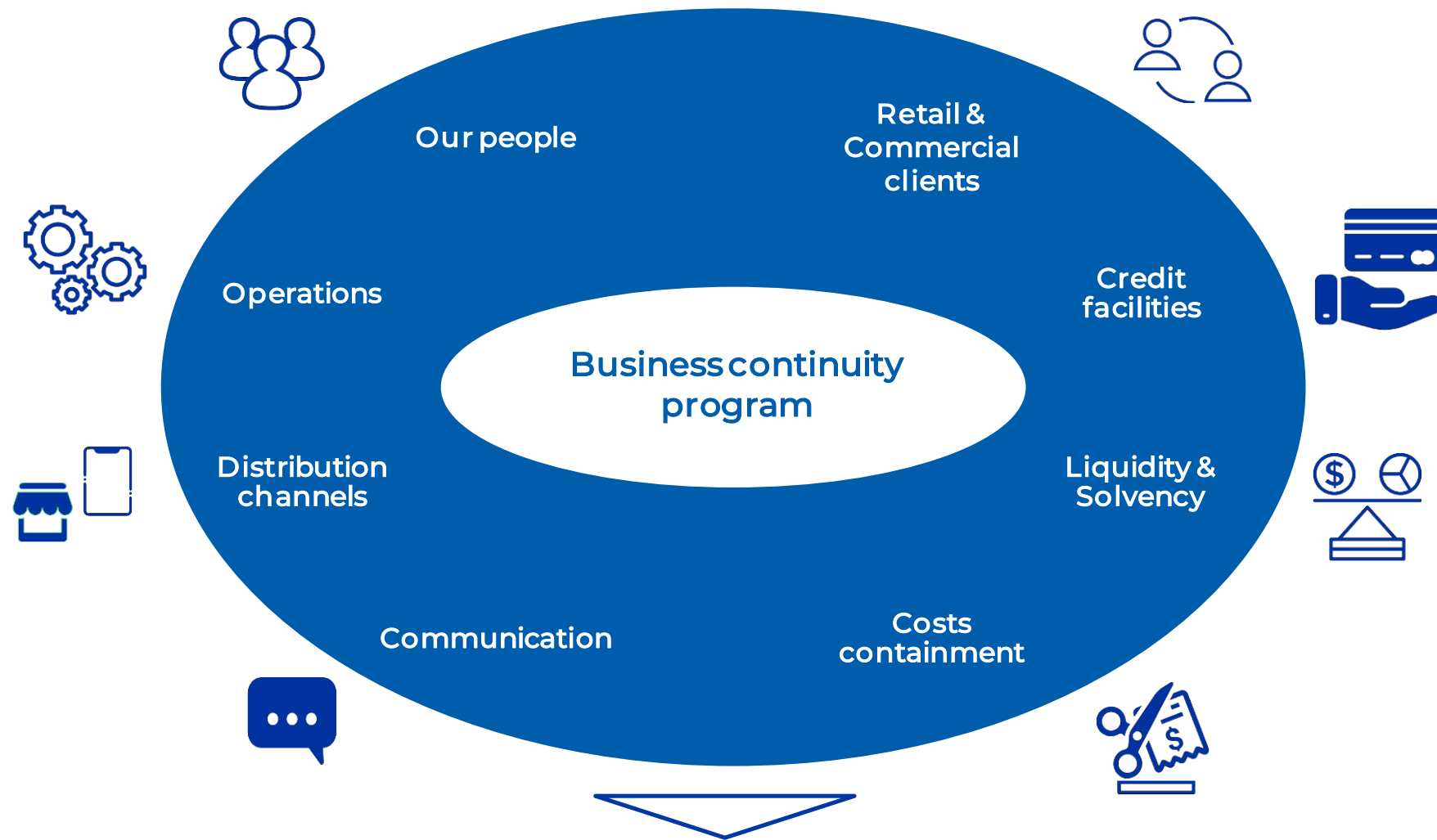
Capitalization Ratio



Agenda

1. 2019 highlights
2. Clear strategy
3. Unique platform to benefit from growth potential
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Early March we started taking actions to manage Covid19



Daily meetings starting March 12th

We look after our people's and clients' well-being

Interbank

Our people

- Social distancing
- Travel restrictions
- Health surveillance, care of critical employees' needs
- Home office implementation (98% staff and 50% call center), mandatory for employees who are vulnerable or over 60 years old
- Communications plan about COVID19, hygiene protocols
- Digital platforms to allow business continuity

Our clients

- 195 financial stores open from Monday to Friday (10am-2pm)
- Digital channels and call center available to our clients
- Loan rescheduling:
 - Credit cards: Minimum payments until May in 12 months 0% interest
 - Mortgages: 2 payments in 48 months 0% interest
 - Personal loans: 2 payments in 24 months 0% interest
 - SME < S/ 300k: 2 payments in 24 months 0% interest
- Withdrawal of up to S/ 2,400 from compensation for service time accounts

Measures taken at Interseguro and Inteligo

Interseguro



Sales force earning full salary while state of national emergency prevails



Home office for administrative staff



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



Constant follow-up and monitoring of premiums collections



Life Insurance and Annuities start to be commercialized digitally by end of April

INTELIGO



COVID19 emergency committee implemented early March



Home office for staff at Inteligo Bank and Inteligo SAB



Frequent communication with clients



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

Backup



IFS' statement of financial position

Intercorp Financial Services' Statement of financial position					
S/ million	4Q18	3Q19	4Q19	%chg QoQ	%chg YoY
Assets					
Cash and due from banks and inter-bank funds	8,875.4	11,710.7	11,203.4	-4.3%	26.2%
Financial investments	17,629.4	18,353.2	19,073.5	3.9%	8.2%
Loans, net of unearned interest	34,325.7	36,880.4	38,531.6	4.5%	12.3%
Impairment allowance for loans	-1,364.8	-1,465.1	-1,394.8	-4.8%	2.2%
Property, furniture and equipment, net	622.5	879.8	917.8	4.3%	47.4%
Other assets	3,656.1	5,045.8	3,187.9	-36.8%	-12.8%
Total assets	63,744.4	71,404.9	71,519.5	0.2%	12.2%
Liabilities and equity					
Deposits and obligations	33,682.0	36,277.2	38,093.2	5.0%	13.1%
Due to banks and correspondents and inter-bank funds	4,293.4	4,468.8	4,148.8	-7.2%	-3.4%
Bonds, notes and other obligations	6,496.8	8,339.3	6,891.1	-17.4%	6.1%
Insurance contract liabilities	10,300.5	11,453.3	11,338.8	-1.0%	10.1%
Other liabilities	1,883.4	2,385.7	2,144.2	-10.1%	13.8%
Total liabilities	56,655.9	62,924.2	62,616.1	-0.5%	10.5%
Equity, net					
Equity attributable to IFS' shareholders	7,048.1	8,436.2	8,856.9	5.0%	25.7%
Non-controlling interest	40.4	44.4	46.6	4.9%	15.3%
Total equity, net	7,088.5	8,480.6	8,903.4	5.0%	25.6%
Total liabilities and equity net	63,744.4	71,404.9	71,519.5	0.2%	12.2%



Intercorp Financial Services

