



Investor Update

October 2020



Safe Harbor for Forward-Looking Statements

This corporate presentation contains “forward looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934. All statements other than statements of historical facts included in this corporate presentation regarding Interbank’s business, financial condition, results of operations and certain of Interbank’s plans, objectives, assumptions, projections, expectations or beliefs and statements regarding other future events or prospects are forward-looking statements. These statements include, without limitation, those concerning: Interbank’s strategy and Interbank’s ability to achieve it; Interbank’s recent developments; expectations regarding sales, profitability and growth; Interbank’s possible or assumed future results of operations; capital expenditures and investment plans; adequacy of capital; and financing plans. In addition, this corporate presentation includes forward-looking statements relating to Interbank’s potential exposure to various types of market risks, such as macroeconomic risk, Peru specific risks, foreign exchange rate risk, interest rate risks and other risks related to Interbank’s financial performance. The words “aim,” “may,” “will,” “expect,” “is expected to,” “anticipate,” “believe,” “future,” “continue,” “help,” “estimate,” “plan,” “schedule,” “intend,” “should,” “would be,” “seeks,” “estimates,” “shall,” or the negative or other variations thereof, as well as other similar expressions regarding matters that are not historical facts, are or may indicate forward-looking statements.

Interbank has based these forward-looking statements on its management’s current views with respect to future events and financial performance. These views reflect the best judgment of Interbank’s management but involve a number of risks and uncertainties which could cause actual results to differ materially from those predicted in Interbank’s forward-looking statements and from past results, performance or achievements. Although we believe that the estimates reflected in the forward-looking statements are reasonable, such estimates may prove to be incorrect. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. These factors include, among other things: (a) economic, business and political developments in Peru and globally; (b) changes in Peruvian and other foreign laws and regulations, including the adoption of new capital requirements for banks; (c) increased competition in the Peruvian financial services market; (d) increased inflation; (e) exchange rate instability and government measures to control foreign exchange rates; (f) developments affecting the purchasing power of middle income consumers or consumer spending generally; (g) increases in interest rates; (h) downturns in the capital markets and changes in capital markets in general that affect policies or attitudes towards lending to Peru or Peruvian companies or securities issued by Peruvian companies; (i) Interbank’s ability to keep up with technological changes; (j) the inability to obtain the capital we need for further expansion of Interbank’s businesses; (k) the inability to attract and retain key personnel; (l) changes in tax laws; (m) severe weather, natural disasters and adverse climate changes; (n) changes in regional or global markets; (o) dependence on sovereign debt in Interbank’s investment portfolios; (p) credit and other risks of lending, such as increases in defaults of borrowers; (q) increased costs of funding or Interbank’s inability to obtain additional debt or equity financing on attractive terms or at all; (r) a deterioration in the quality of Interbank’s assets; (s) allowances for impairment losses may be inadequate; (t) changes to accounting standards; (u) dependence on information technology systems and cybersecurity risks; and (v) other risks and uncertainties.

Additionally, new risks and uncertainties can emerge from time to time, and it is not possible for Interbank to predict all future risks and uncertainties, nor can Interbank assess their potential impact. Accordingly, you should not place undue reliance on forward-looking statements as a prediction of actual results.

All forward-looking statements included in this corporate presentation are based on information available to Interbank on the date of this corporate presentation. Interbank undertakes no obligation to update publicly or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as may be required by applicable law. All other written and oral forward-looking statements attributable to Interbank or persons acting on Interbank’s behalf are expressly qualified in their entirety by the cautionary statements contained throughout this corporate presentation.

Interbank prepares the financial information included in this presentation in accordance with accounting principles prescribed by the Peruvian Superintendency of Banks, Insurance and Private Pension Fund Administrators (Superintendencia de Banca, Seguros y AFPs, or “SBS”) and the Peruvian Securities Commission (Superintendencia del Mercado de Valores, or “SMV”) (altogether, “Peruvian SBS GAAP” or “Local GAAP”). All financial information in this presentation regarding the relative market position and financial performance relating to us, vis-a-vis the banking sector in Peru is based, out of necessity, on information obtained from SBS statistics. In addition, for certain financial information related to our compound annual growth rate we have included such information pursuant to Peruvian SBS GAAP in order to be able to show our growth over a certain number of years. Peruvian SBS GAAP differs in certain respects from IFRS. Consequently, information presented in this presentation in accordance with Peruvian SBS GAAP or based on information from the SBS or SMV may not be comparable with financial information prepared in accordance with IFRS.

Agenda

Key
messages

Financial
highlights

Takeaways

Agenda

Key
messages

Financial
highlights

Takeaways

Key messages

1



Strong liquidity and capital position

2



Activity recovering from COVID-19 lows

3



Digital trends continue to support Interbank's strategy

4



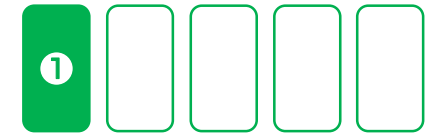
High provisions following a precautionary approach

5

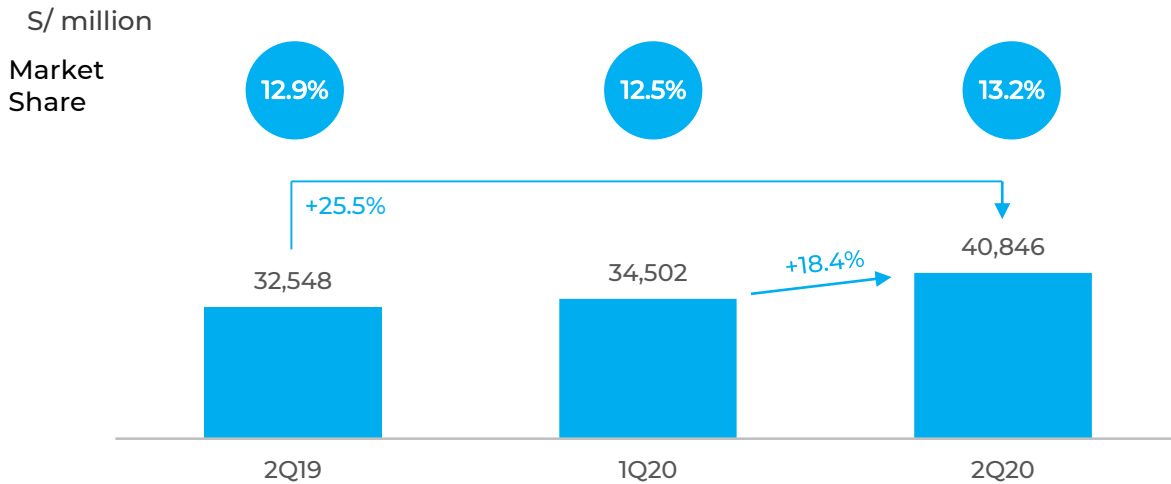


Double-digit reduction in expenses due to cost containment measures

Strong liquidity levels in 2Q20 with market share gains in deposits

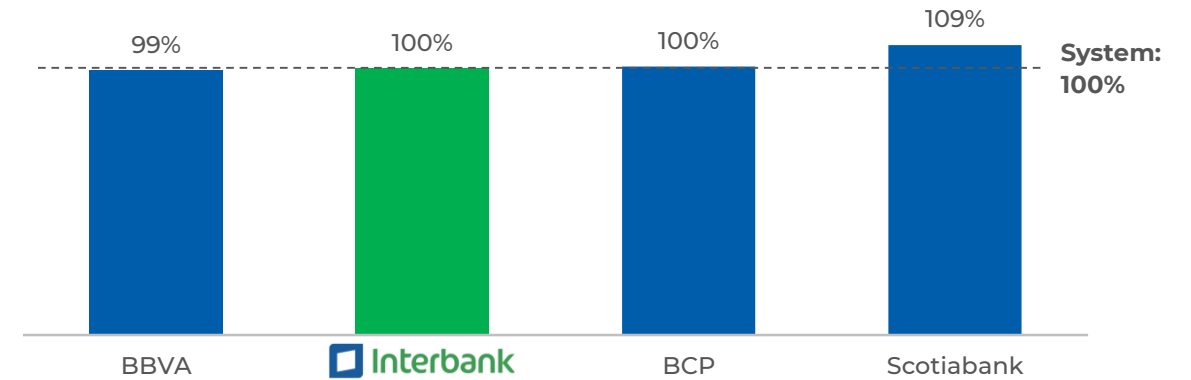


Total deposits



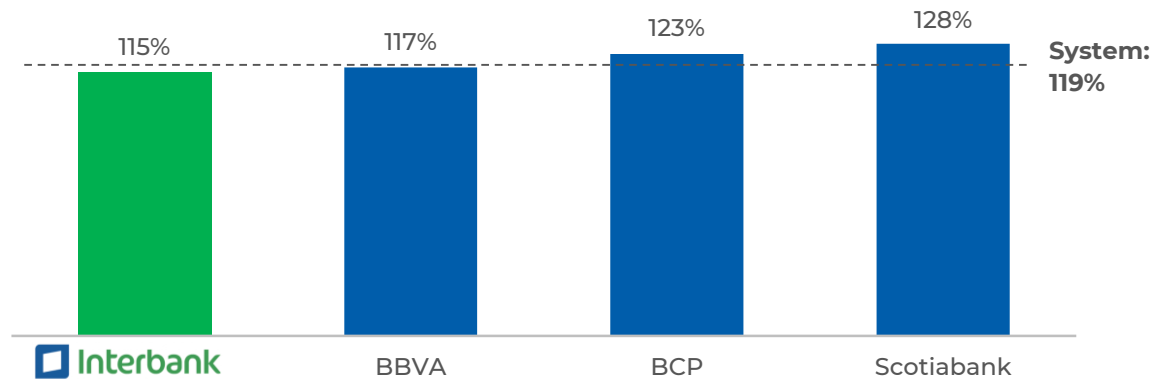
Loan to deposit ratio (LDR)

% as of August 31, 2020



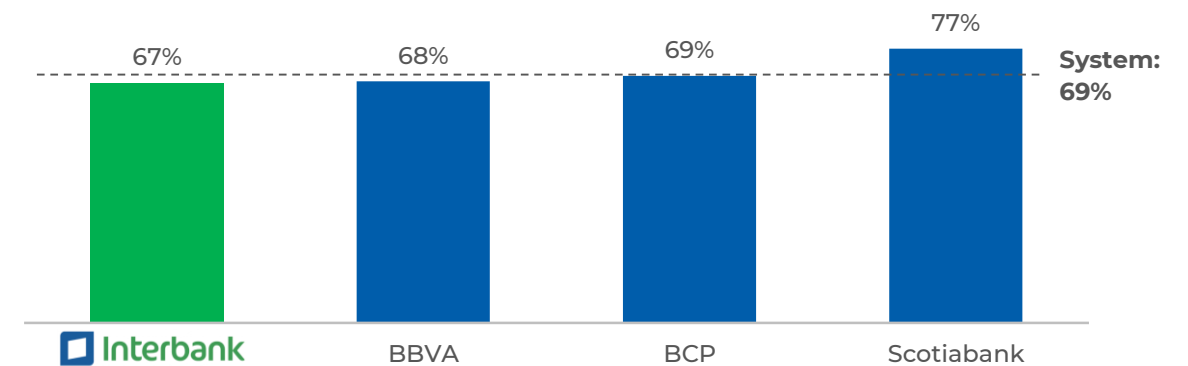
Loan to deposit ratio PEN (LDR)

% as of August 31, 2020

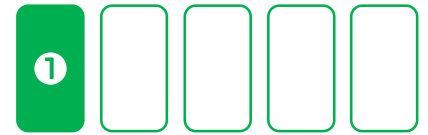


Loan to deposit ratio USD (LDR)

% as of August 31, 2020



Strong capital base to face COVID-19

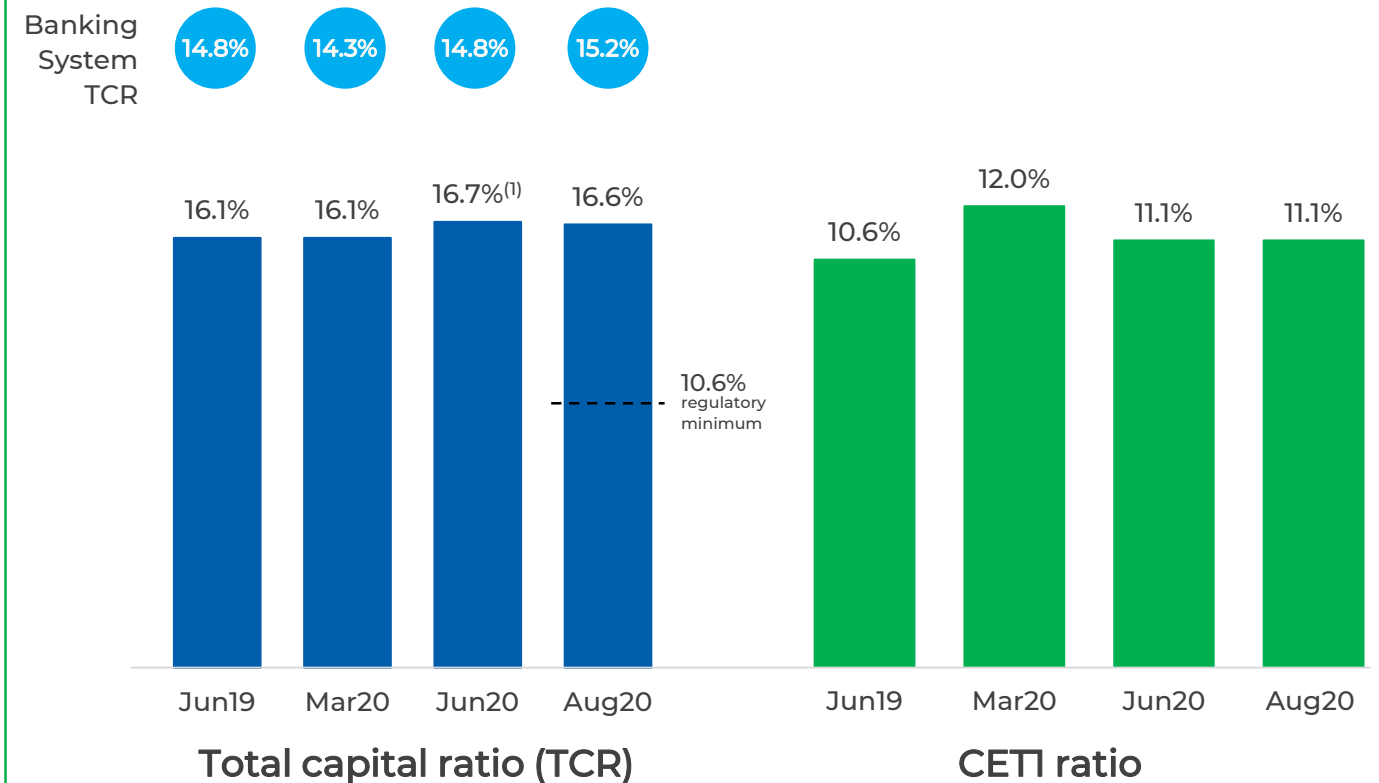


Key initiatives

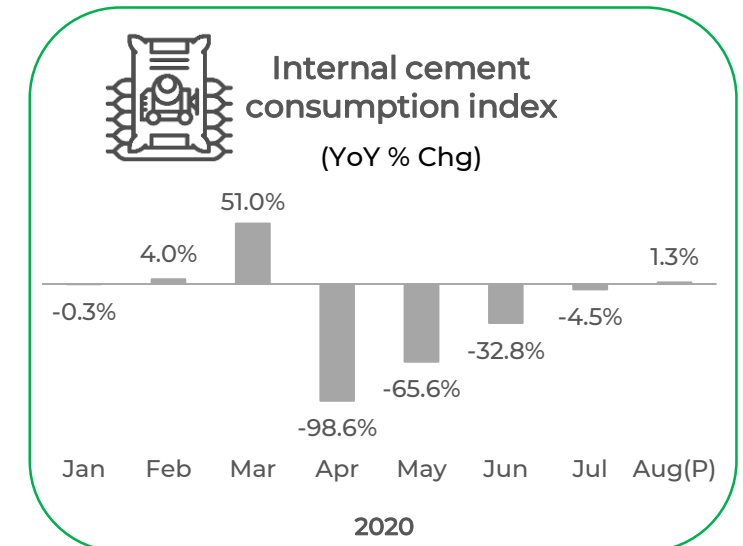
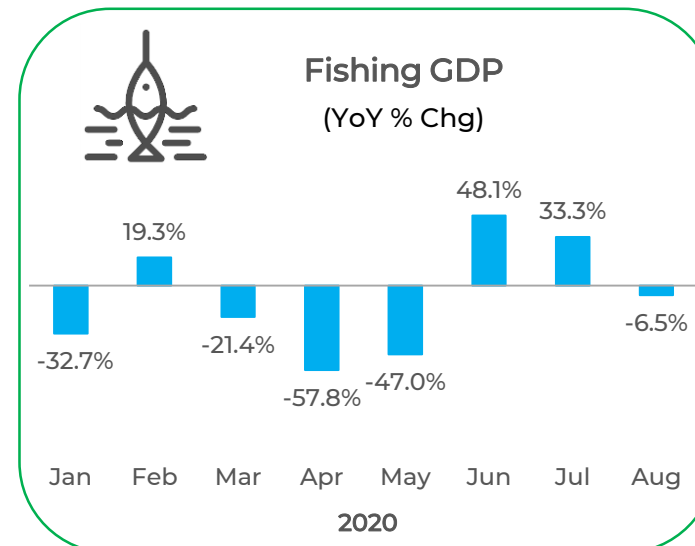
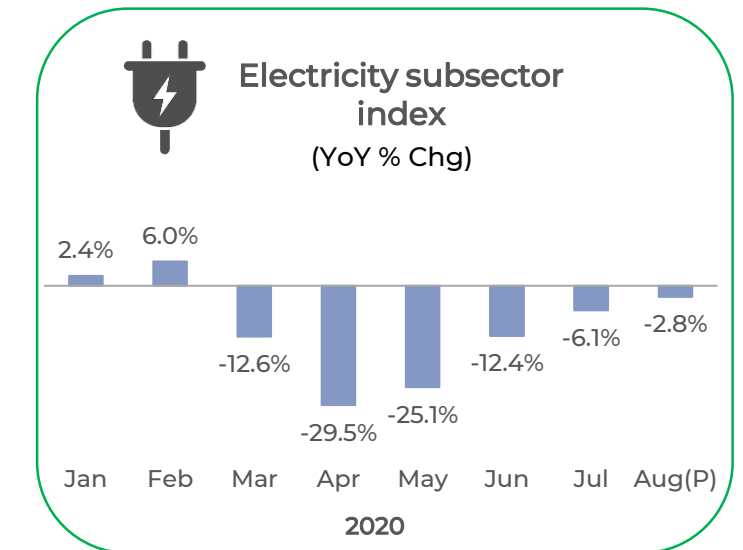
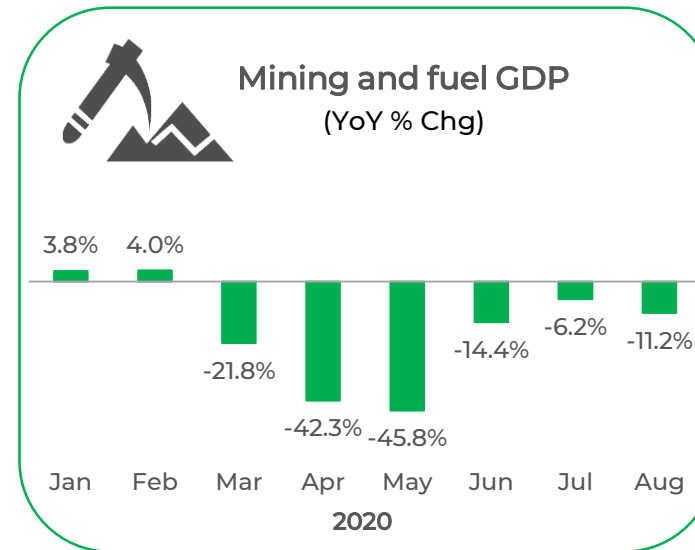
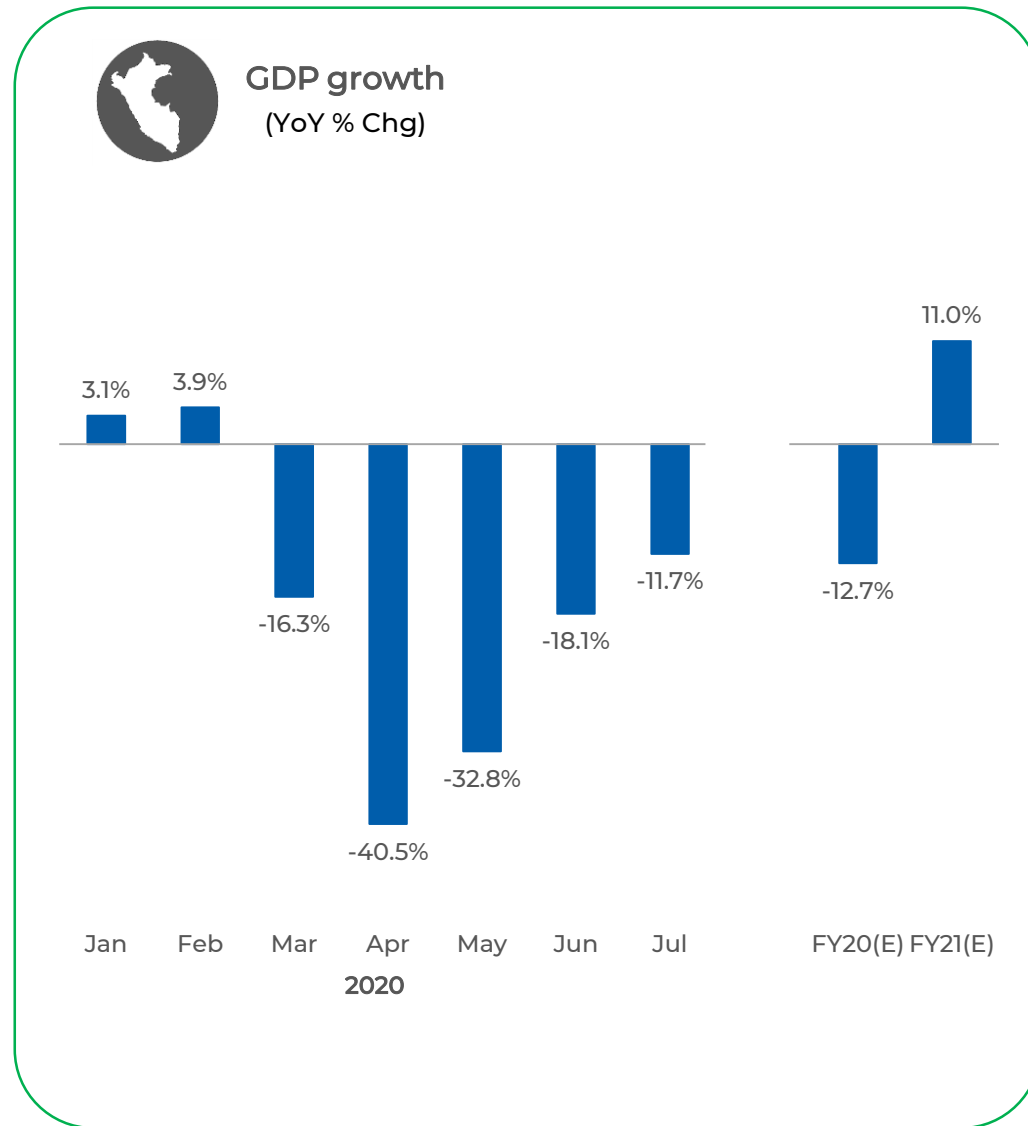
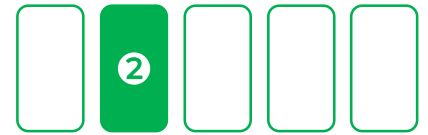
Solvency

- Capitalization of 2019 earnings to strengthen CET1 and TCR ratio, and capitalized 1Q20 earnings
- Called USD 200 million hybrid tier 1 bond to reduce interest expense on bonds that no longer provided equity credit
- Issuance of a US\$ 300 million subordinated Tier 2 bond in July 2020 to strengthen TCR
- Ran stress scenarios to test solvency

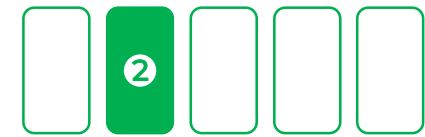
Capital ratio evolution



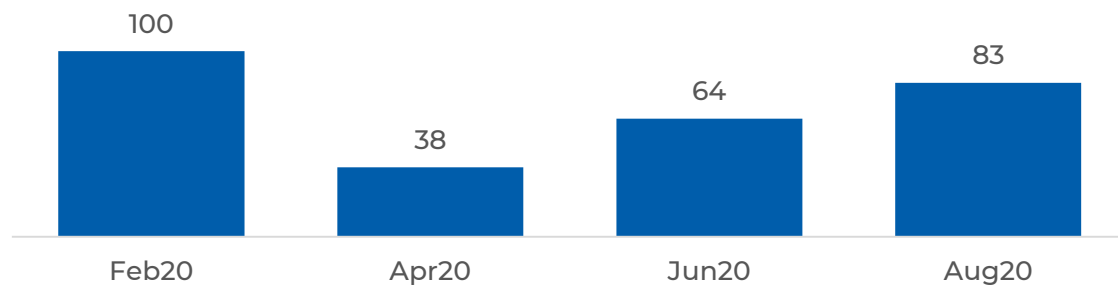
Economic activity in Peru recovering from low levels due to lockdown



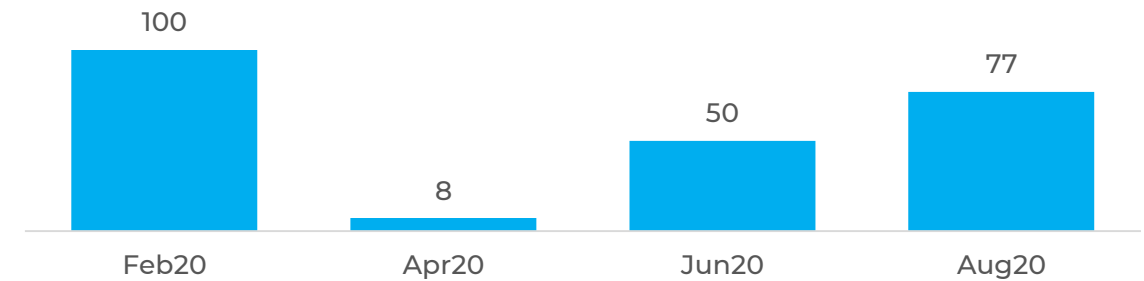
Monthly operating trends indicate positive developments in activity for 3Q20



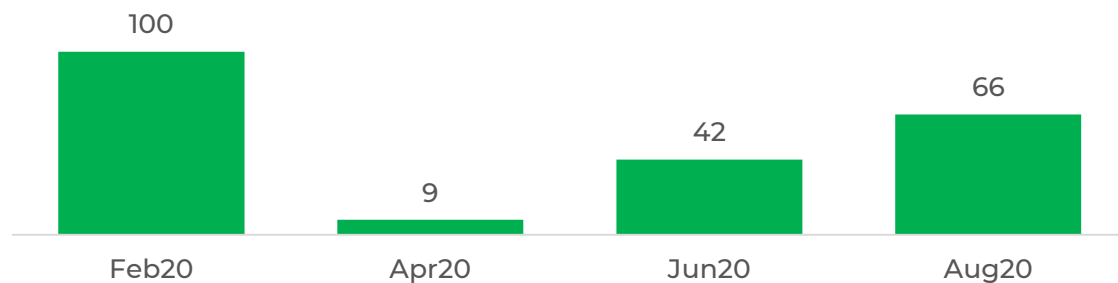
Credit and debit cards turnover (Index; 100 = Feb20)



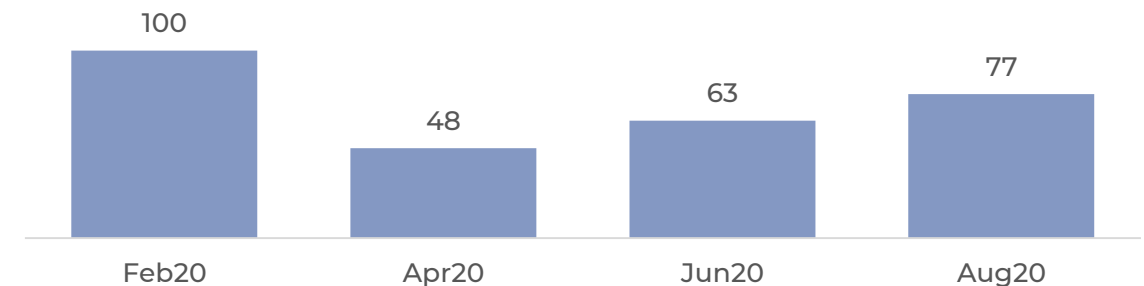
Payroll deduction loans disbursements (Index; 100 = Feb20)



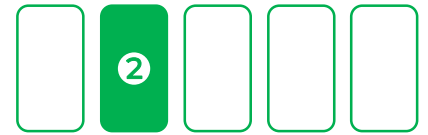
Mortgages disbursements (Index; 100 = Feb20)



Net fee income (Index; 100 = Feb20)

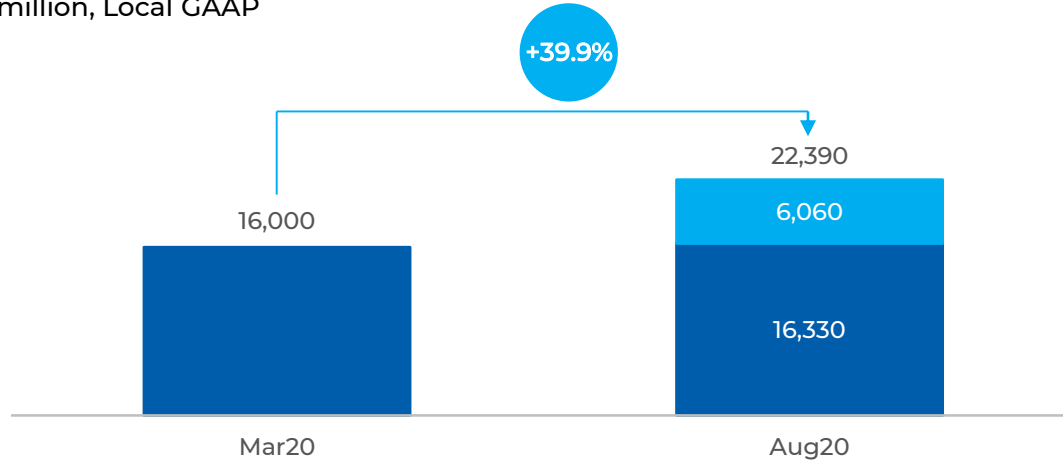


We have helped our customers through the Reactiva Peru Program



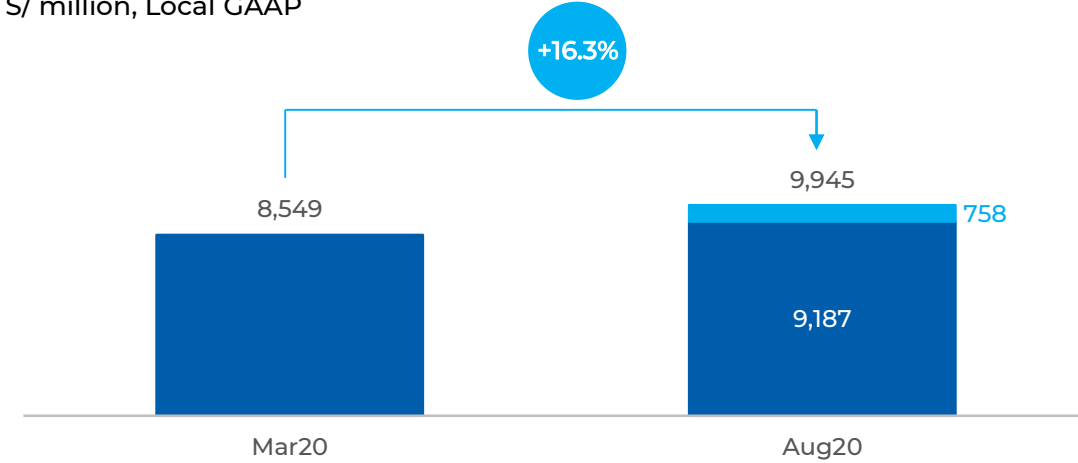
Commercial loans

S/ million, Local GAAP



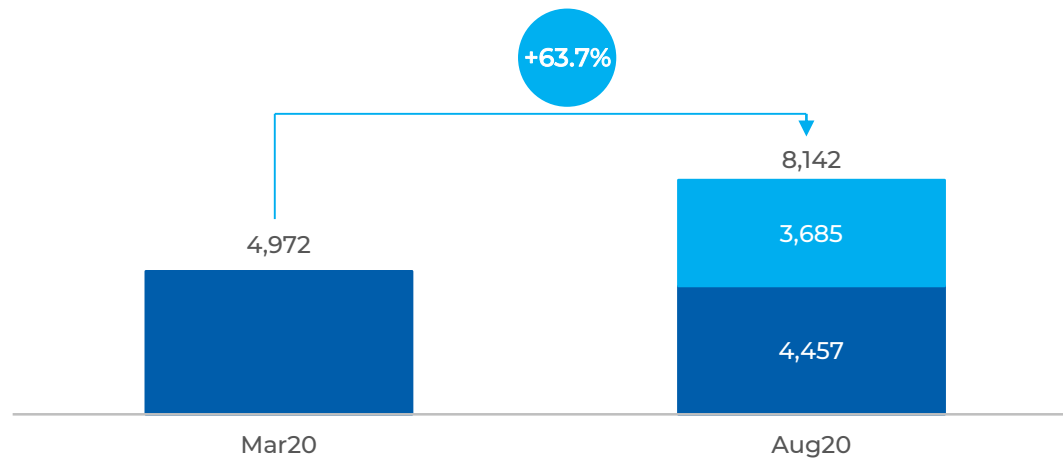
Corporate loans

S/ million, Local GAAP



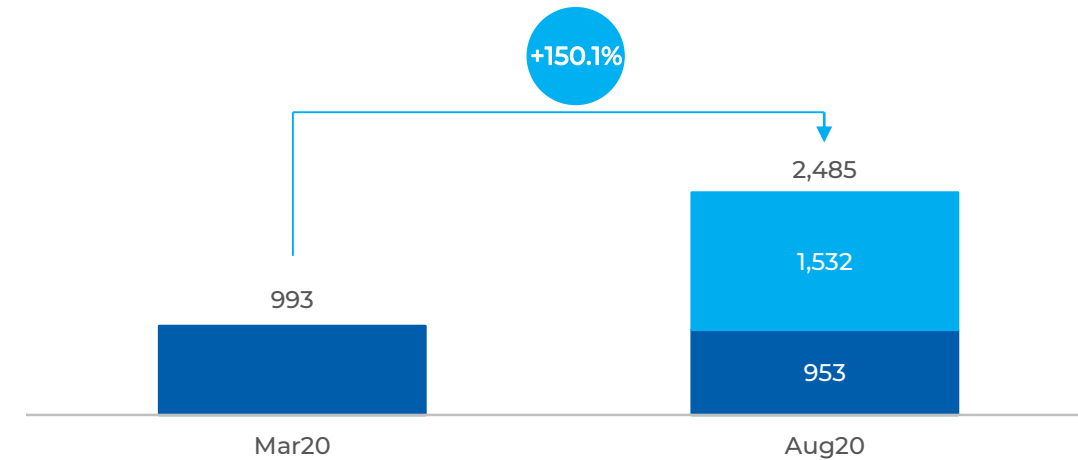
Mid-sized loans

S/ million, Local GAAP



SME loans

S/ million, Local GAAP



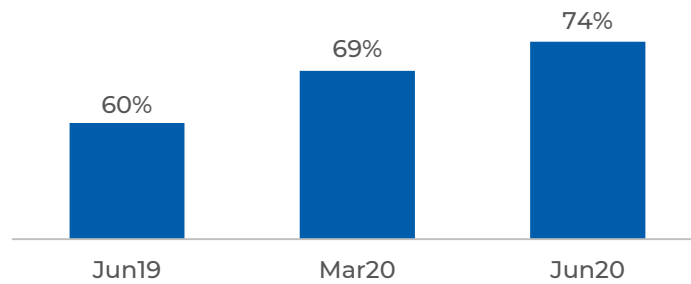
■ Reactiva Peru

Digital KPIs continue to show positive trends



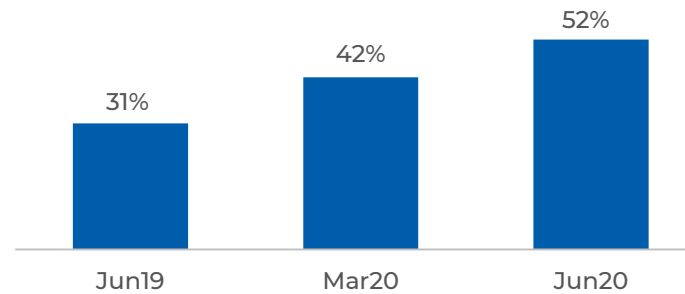
Digital users

% of digital users



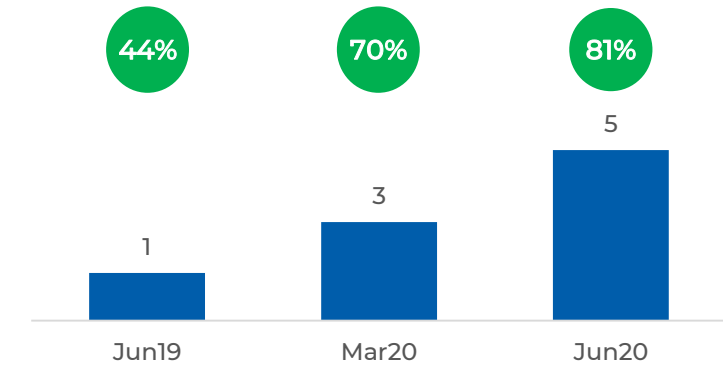
100% digital customers

100% digital customers



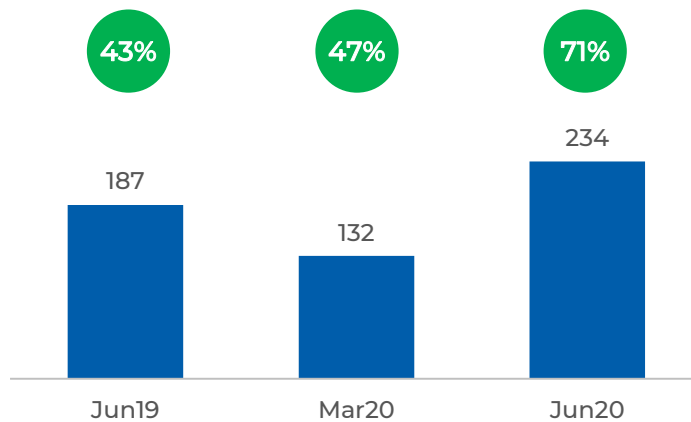
Business accounts

N° and % of business accounts opened digitally (thousand)



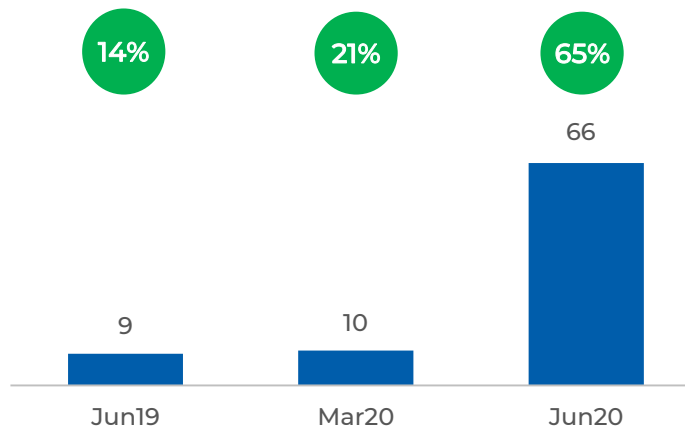
Digital sales

N° and % of products sold digitally (thousand)



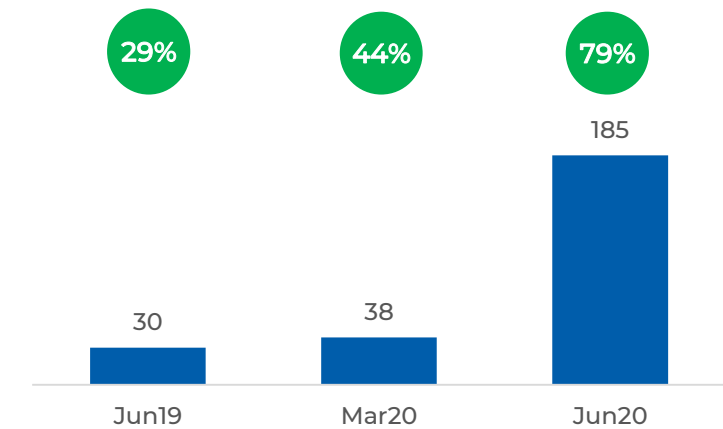
Retail digital acquisition

N° and % of monthly retail customers "born digitally" (thousand)



Savings accounts

N° and % of savings accounts opened digitally (thousand)

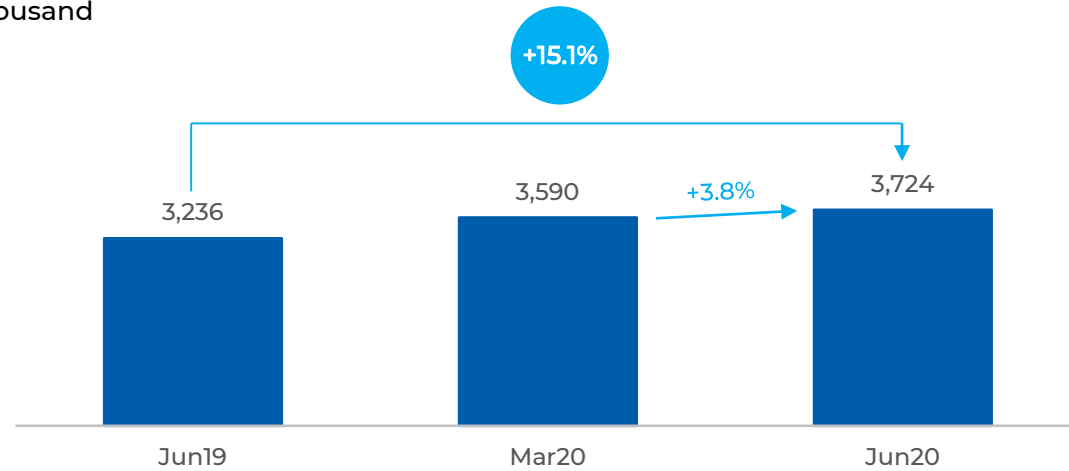


3.7 mm retail customers and 1 mm 100% digital customers with improving NPS



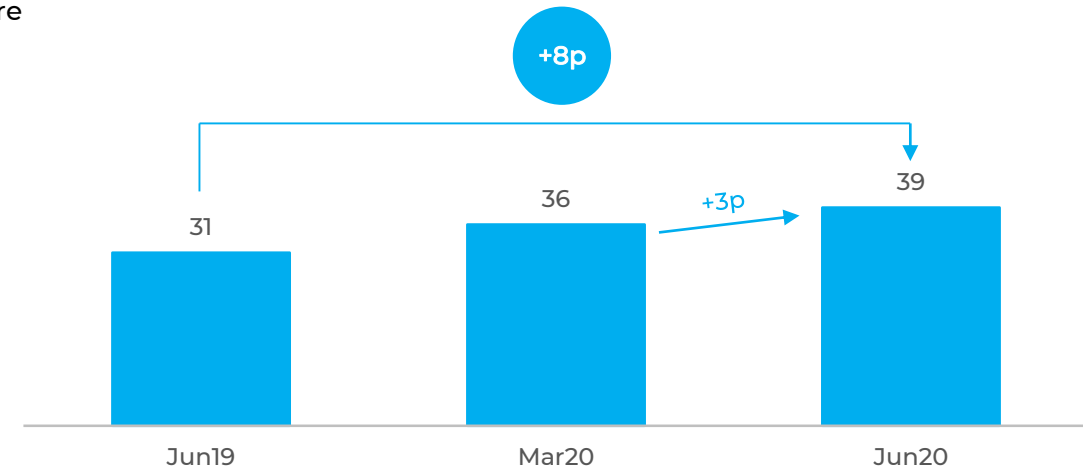
Retail customers

Thousand



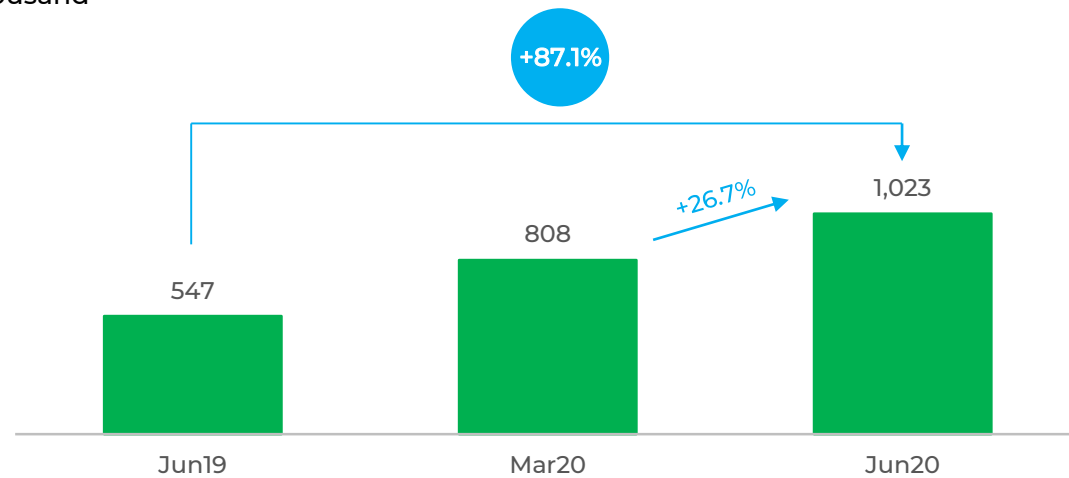
Net promoter score (NPS)

Score



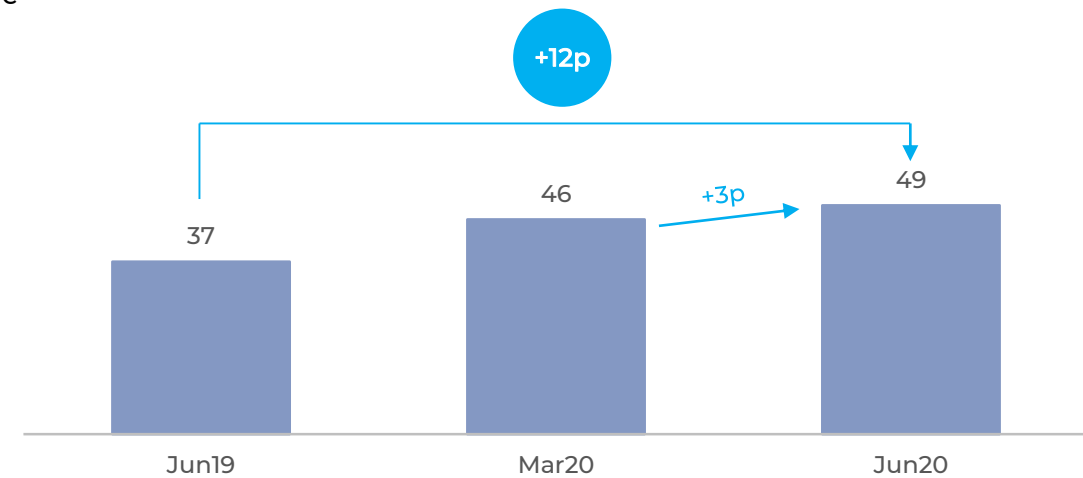
100% digital customers

Thousand



NPS 100% digital customers

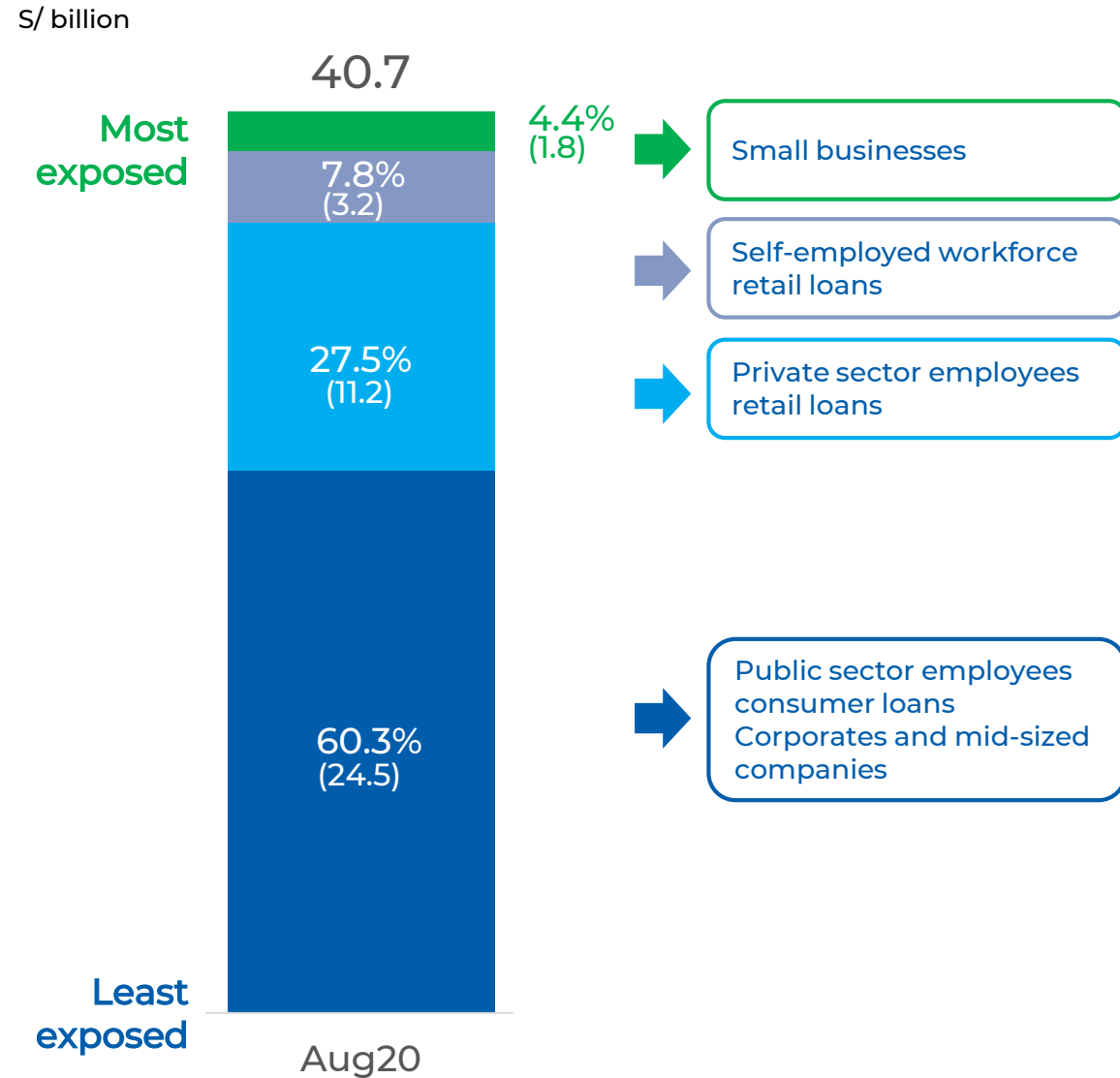
Score



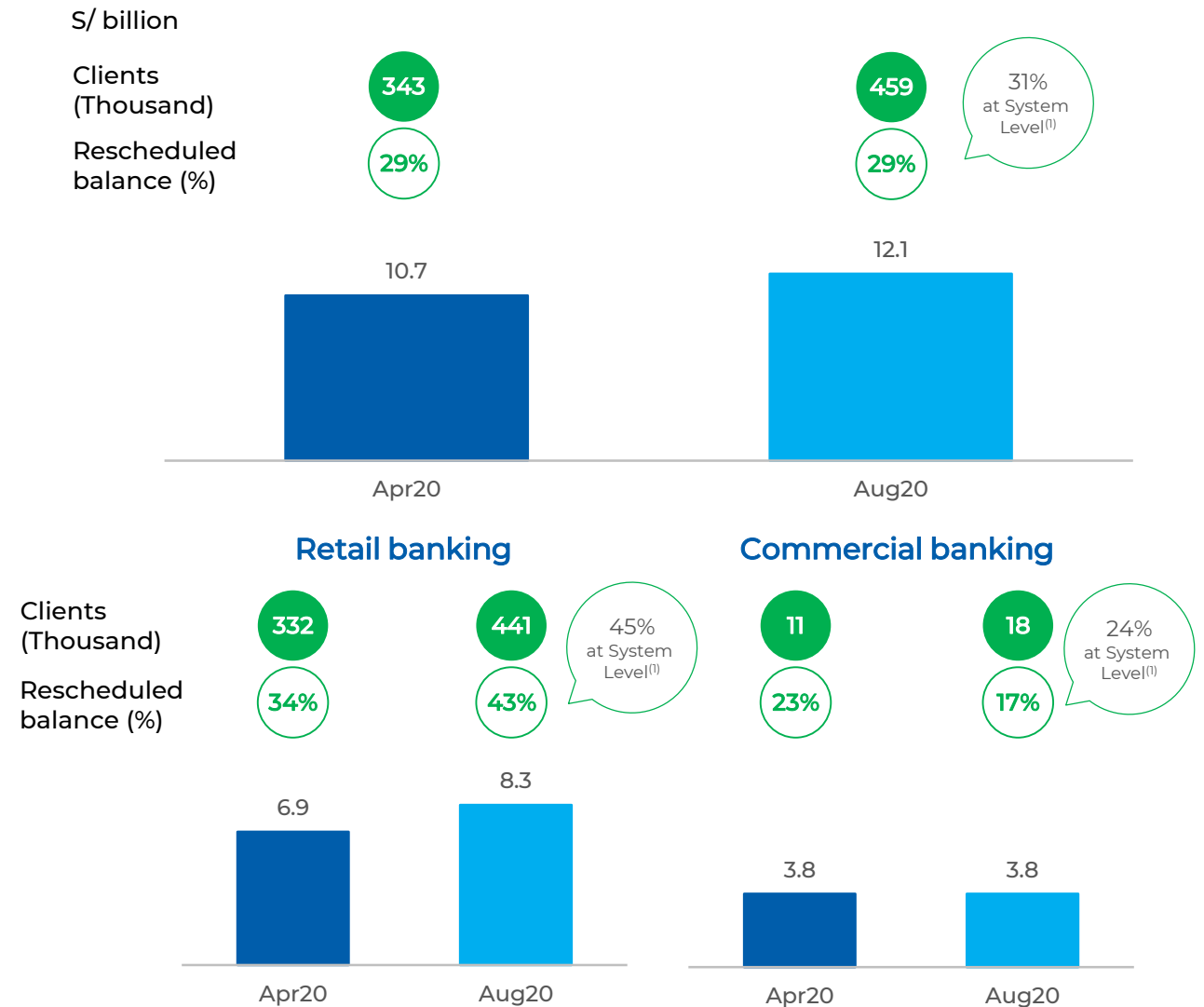
We have rescheduled ~30% of our loan portfolio



Performing loans



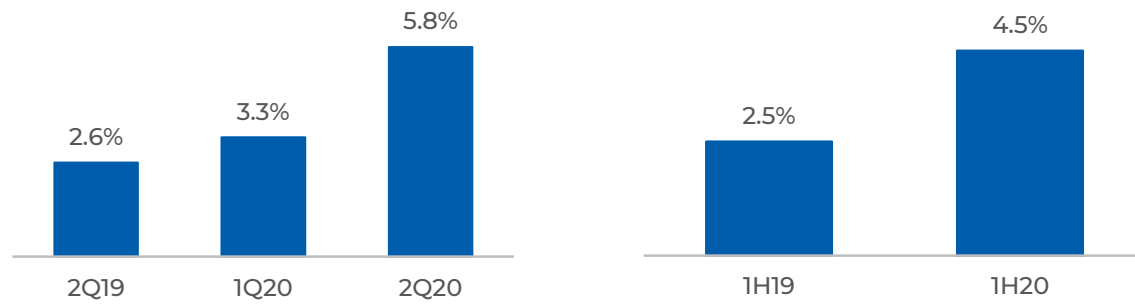
Loan rescheduling



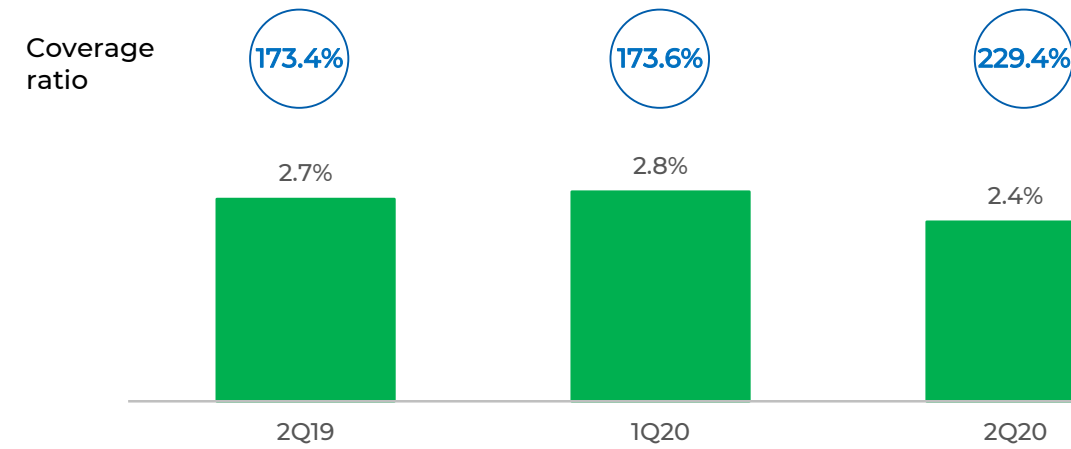
High provisions following a precautionary approach



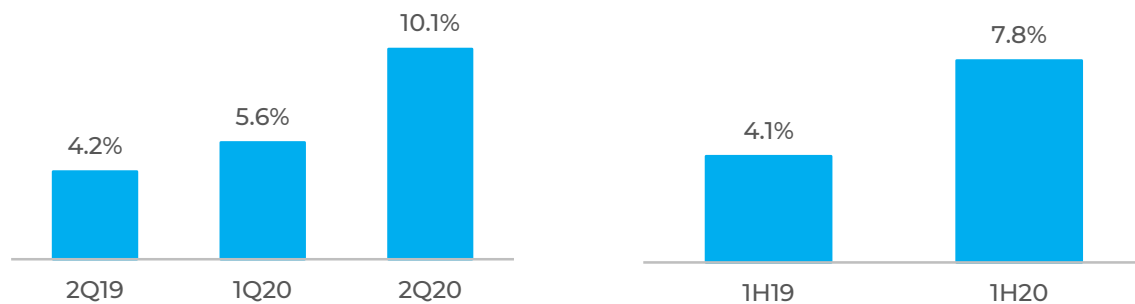
Cost of risk



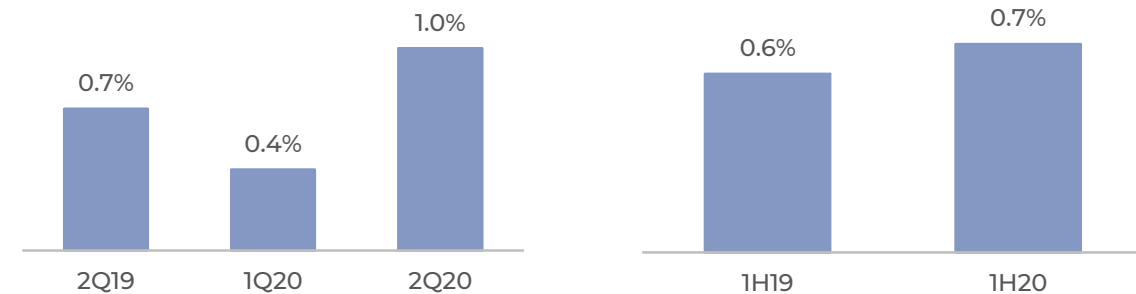
Past due loans



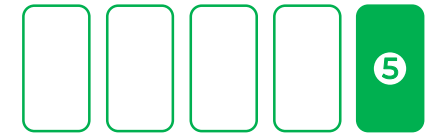
Cost of risk – Retail banking



Cost of risk – Commercial banking



Double-digit reduction in expenses due to cost containment measures

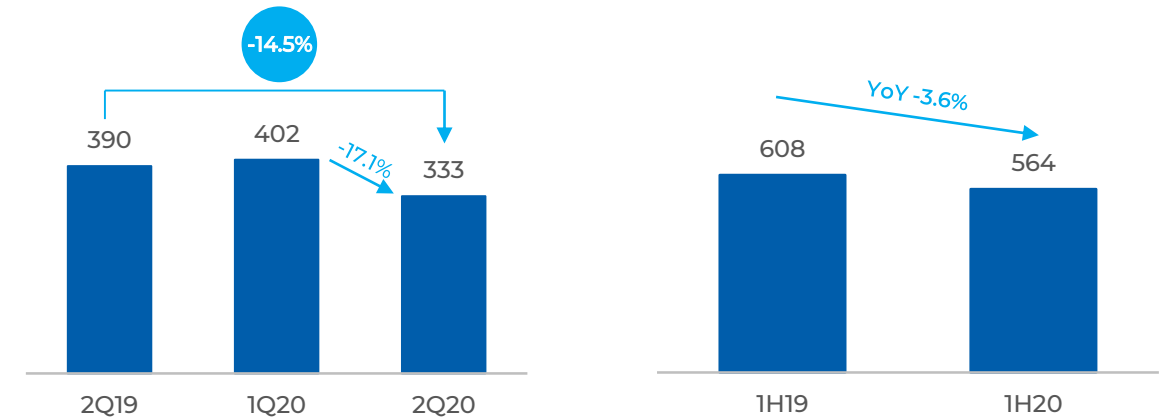


Optimizing our distribution channels

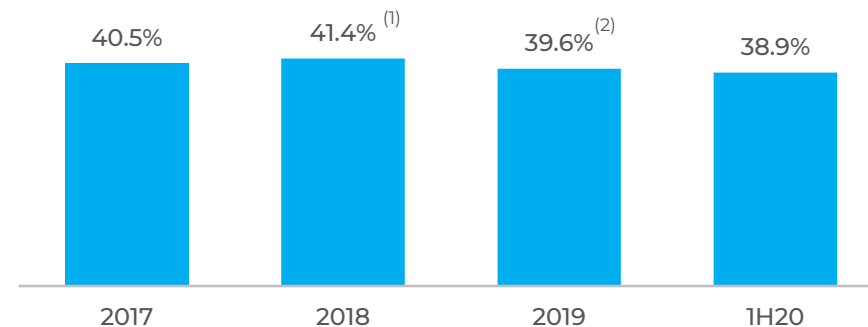
Units

	2018	Jun20	% Change
Financial stores	270	233	-16%
ATMs	1,975	1,576	-20%
Correspondent agents	2,506	3,276	+31%
Sales force	598	568	-5%
Call center agents	340	294	-14%

Reducing total expenses⁽³⁾ following cost containment measures



Focus on efficiency ratio



- During 2020 we have closed 22 branches, accumulating almost a 20% reduction from its peak in 2016, down to 233 branches
- Lower credit card and marketing variable expenses
- Lower HR variable expenses
- Implementation of specific cost containment programs

Source: Interbank as of June 30, 2020.

1) Excludes gain on sale of securities for S/ 128.6 million in January 2018. Including this effect efficiency ratio was 40.0% in 2018.

2) Excludes (i) gain on sale of Interfondos to Inteligo for S/ 52.6 million in January 2019, (ii) gain on sale of IFS shares in NYSE, excluding brokerage fees, for S/ 121.3 million in July 2019 and (iii) the one-off impact of a Liability Management transaction for S/ 42.3 million in 4Q19. Including these effects efficiency ratio was 38.3% in 2019.

3) Total expenses are defined as Administrative expenses + Depreciation + Amortization.

Agenda

Key
messages

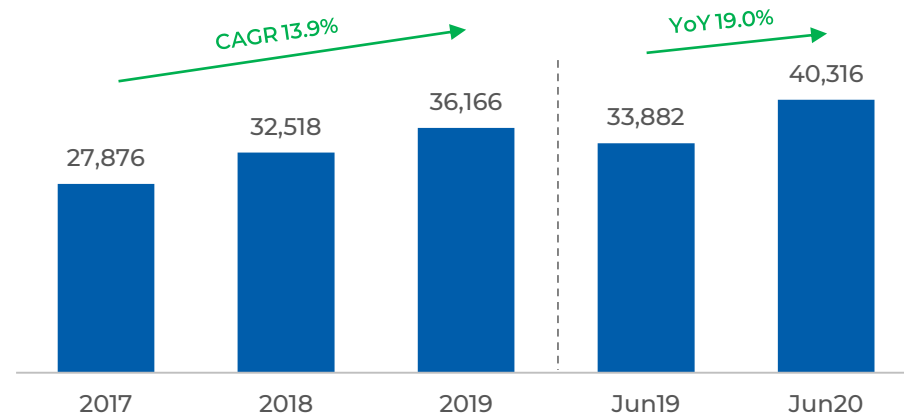
Financial
highlights

Takeaways

Sustained loan growth supported by appropriate funding

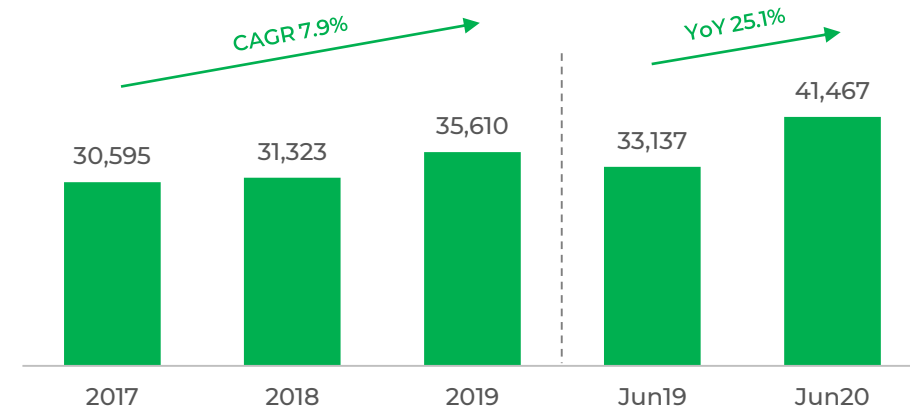
Total gross loans

S/ mm



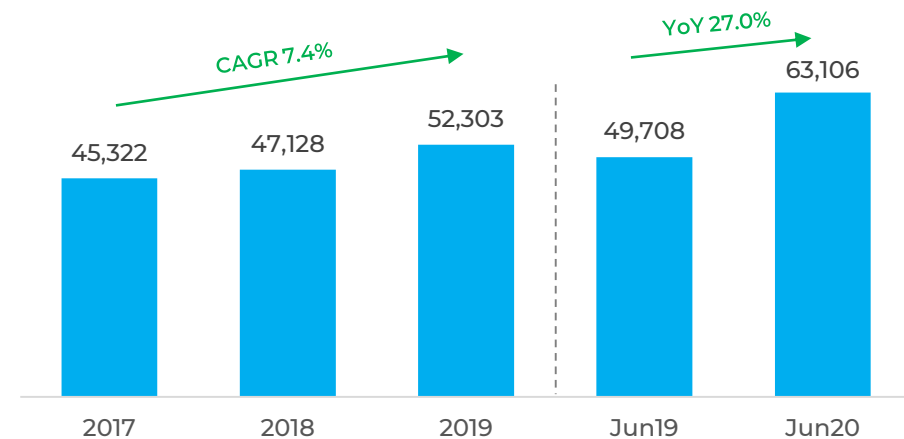
Total deposits

S/ mm



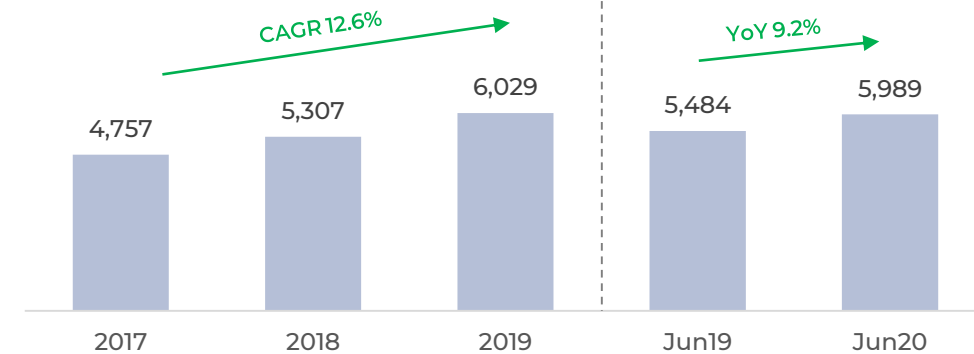
Total assets

S/ mm



Net shareholders' equity

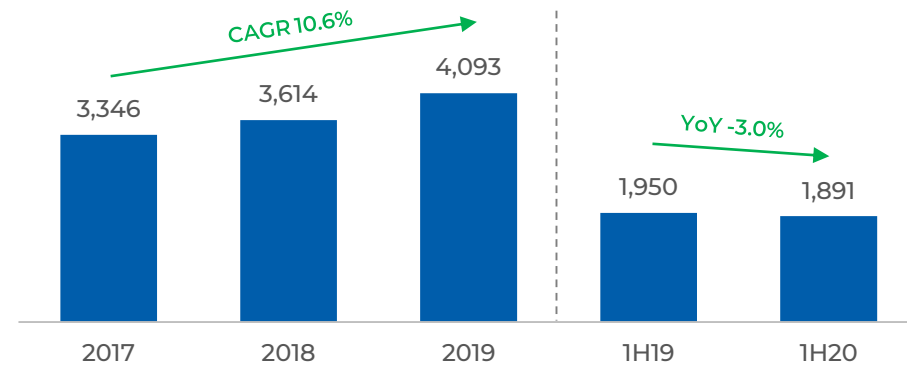
S/ mm



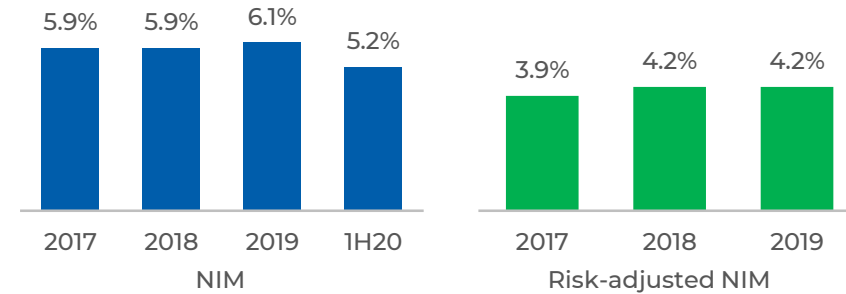
High NIM and solid profitability pre COVID-19

Total revenues ⁽¹⁾

S/ mm

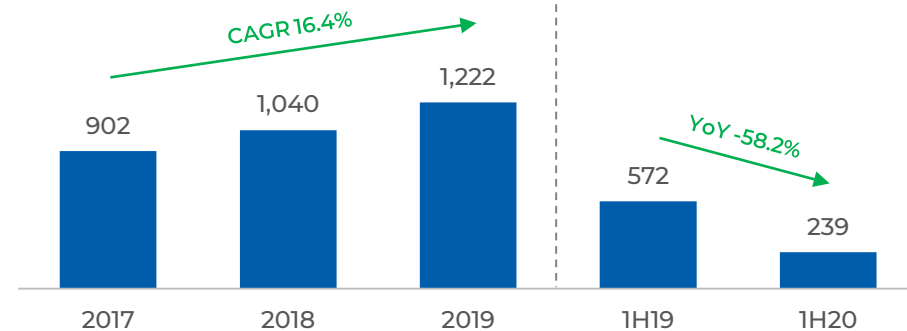


NIM and risk-adjusted NIM ^{(2) (3)}

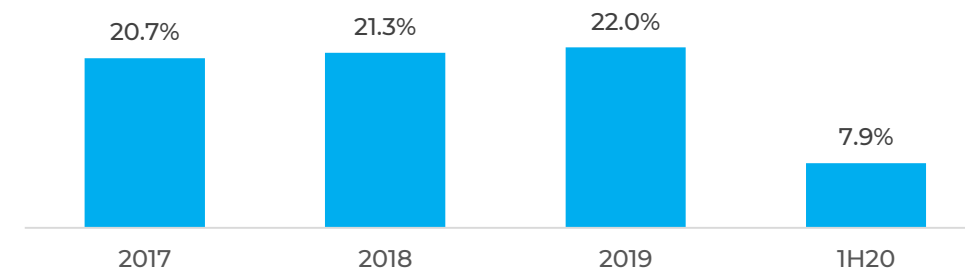


Net profit evolution

S/ mm



ROE



Source: Interbank as of June 30, 2020.

- 1) Total revenues calculated as the sum of gross financial margin, fee income from financial services, net, and income from financial transactions.
- 2) Excluding the one-off impact of a Liability Management transaction in our banking segment for S/ 42.3 million in 2019. Including this effect NIM was 6.0% in 2019.
- 3) Excludes voluntary provisions for S/ 100.0 million constituted in January 2018 to cover potential risks related to the exposure to the construction sector, net of a release of these provisions for S/ 30.0 million in 2018, and S/ 15.4 million in 2019. Including these effects risk-adjusted NIM was 4.0% in 2018 and 4.1% in 2019.

Agenda

Key
messages

Financial
highlights

Takeaways

Takeaways

Capital and liquidity
to remain at sound
levels and well above
regulatory requirements

Overall activity
should continue to recover

Reactiva 2 loans
to continue to
boost commercial loans

NIM will continue to be
impacted despite
lower cost of funds

Voluntary provisions booked
in advance

Recovery of fees
from low 2Q20 levels

Strict cost containment
measures will continue
to be in place

Summary

1



Strong liquidity and capital position

2



Activity recovering from COVID-19 lows

3



Digital trends continue to support Interbank's strategy

4



High provisions following a precautionary approach

5



Double-digit reduction in expenses due to cost containment measures



 **Interbank**

