

## Intercorp Financial Services Inc. Third Quarter 2021 Earnings

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Lima, Peru, November 9, 2021. Intercorp Financial Services Inc. (Lima Stock Exchange/NYSE: IFS) announced today its unaudited results for the third quarter 2021. These results are reported on a consolidated basis under IFRS in nominal Peruvian soles.

### Intercorp Financial Services: Record earnings of S/ 551.5 million in 3Q21, ROAE at 23.1%

- Strong business performance, reviewed 2021 guidance for ROAE and CoR
- 9M21 earnings of S/ 1,535.8 million, 22.1% ROAE and 2.3% ROAA
- 17.8% YoY growth in revenues in 9M21, efficiency ratio at 32.0%
- Growing customer base thanks to digital adoption
- Solid capitalization and strong liquidity

### Interbank: Earnings of S/ 299.1 million and ROAE at 18.6%, extending its positive run this year

- Retail loans grew 3.6% QoQ, gaining 10 bps market share to 18.8%
- Market share in retail deposits at all-time high of 15.2%
- Sequential improvement in NIM continues, up 10 bps in the quarter
- Credit risk profile better than pre COVID-19 levels
- Recovery in expenses driven by increased activity and digital investments

### Interseguro: Quarterly results affected by lower other income and higher technical reserves

- Gross premiums plus collections grew 16.9% QoQ and 89.8% YoY
- Regular annuities leading the beat vs. pre COVID-19 levels
- S/ 12.9 billion investment portfolio with ROIP of 6.7% in 3Q21
- Market leader in annuities with a 29.7% share YTD

### Inteligo: Profits surged from mark-to-market on investments

- Significant growth in revenues driven by other income
- Other income boosted by M2M on the investment portfolio
- Continued growth in AUM & Deposits: 4.2% QoQ and 22.8% YoY
- Solid contribution to profitability and efficiency

## Intercorp Financial Services

### SUMMARY

Intercorp Financial Services' Statement of financial position					
S/ million	09.30.20	06.30.21	09.30.21	%chg 09.30.21 06.30.21	%chg 09.30.21 09.30.20
<b>Assets</b>					
Cash and due from banks and inter-bank funds	17,573.1	19,410.4	20,330.7	4.7%	15.7%
Financial investments	22,787.9	24,278.1	24,154.7	-0.5%	6.0%
Loans, net of unearned interest	43,962.9	43,875.2	44,037.3	0.4%	0.2%
Impairment allowance for loans	-3,116.5	-2,467.0	-2,298.7	-6.8%	-26.2%
Property, furniture and equipment, net	875.0	788.6	795.0	0.8%	-9.1%
Other assets	3,930.0	4,654.3	5,367.6	15.3%	36.6%
<b>Total assets</b>	<b>86,012.4</b>	<b>90,539.7</b>	<b>92,386.6</b>	<b>2.0%</b>	<b>7.4%</b>
<b>Liabilities and equity</b>					
Deposits and obligations	45,208.9	49,491.7	50,904.7	2.9%	12.6%
Due to banks and correspondents and inter-bank funds	10,555.0	9,027.4	8,473.8	-6.1%	-19.7%
Bonds, notes and other obligations	7,696.1	8,250.9	8,640.3	4.7%	12.3%
Insurance contract liabilities	11,896.6	11,567.7	11,412.0	-1.3%	-4.1%
Other liabilities	2,320.6	2,883.0	3,158.0	9.5%	36.1%
<b>Total liabilities</b>	<b>77,677.2</b>	<b>81,220.8</b>	<b>82,588.7</b>	<b>1.7%</b>	<b>6.3%</b>
<b>Equity, net</b>					
Equity attributable to IFS' shareholders	8,291.7	9,271.5	9,750.0	5.2%	17.6%
Non-controlling interest	43.5	47.4	47.9	0.9%	10.0%
<b>Total equity, net</b>	<b>8,335.2</b>	<b>9,318.9</b>	<b>9,797.9</b>	<b>5.1%</b>	<b>17.5%</b>
<b>Total liabilities and equity net</b>	<b>86,012.4</b>	<b>90,539.7</b>	<b>92,386.6</b>	<b>2.0%</b>	<b>7.4%</b>

Intercorp Financial Services' net profit was S/ 551.5 million in 3Q21, an increase of S/ 95.9 million QoQ, or 21.1%, and S/ 233.0 million YoY, or 73.1%.

IFS's annualized ROAE was 23.1% in 3Q21, above the 20.0% and 15.8% registered in 2Q21 and 3Q20, respectively.

Intercorp Financial Services' P&L statement					
S/ million	3Q20	2Q21	3Q21	%chg QoQ	%chg YoY
Interest and similar income	1,186.1	1,112.3	1,170.5	5.2%	-1.3%
Interest and similar expenses	-279.4	-244.9	-270.5	10.5%	-3.2%
<b>Net interest and similar income</b>	<b>906.6</b>	<b>867.5</b>	<b>900.0</b>	<b>3.7%</b>	<b>-0.7%</b>
Impairment loss on loans, net of recoveries	-463.3	-177.8	-112.1	-37.0%	-75.8%
Recovery (loss) due to impairment of financial investments	-2.8	-7.8	-8.5	9.9%	n.m.
<b>Net interest and similar income after impairment loss</b>	<b>440.6</b>	<b>681.9</b>	<b>779.4</b>	<b>14.3%</b>	<b>76.9%</b>
Fee income from financial services, net	174.7	200.6	199.1	-0.8%	14.0%
Other income	267.8	268.1	377.1	40.7%	40.8%
Total premiums earned minus claims and benefits	-63.3	-45.9	-87.7	90.9%	38.6%
Net Premiums	139.6	225.0	254.9	13.3%	82.6%
Adjustment of technical reserves	9.5	-46.0	-108.8	n.m.	n.m.
Net claims and benefits incurred	-212.4	-225.0	-233.9	3.9%	10.1%
Other expenses	-446.7	-525.8	-585.6	11.4%	31.1%
<b>Income before translation result and income tax</b>	<b>373.1</b>	<b>578.9</b>	<b>682.3</b>	<b>17.9%</b>	<b>82.9%</b>
Translation result	-12.5	-20.5	-16.6	-19.2%	33.0%
Income tax	-42.1	-102.8	-114.2	11.1%	n.m.
<b>Profit for the period</b>	<b>318.5</b>	<b>455.6</b>	<b>551.5</b>	<b>21.1%</b>	<b>73.1%</b>
<b>Attributable to IFS' shareholders</b>	<b>317.4</b>	<b>453.4</b>	<b>549.4</b>	<b>21.2%</b>	<b>73.1%</b>
<b>EPS</b>	<b>2.75</b>	<b>3.93</b>	<b>4.76</b>		
<b>ROAE</b>	<b>15.8%</b>	<b>20.0%</b>	<b>23.1%</b>		
<b>ROAA</b>	<b>1.5%</b>	<b>2.0%</b>	<b>2.4%</b>		
<b>Efficiency ratio</b>	<b>28.1%</b>	<b>32.4%</b>	<b>33.6%</b>		

### Quarter-on-quarter performance

Profits increased 21.1% QoQ mainly due to higher other income at Inteligo and at the holding company level, in addition to lower impairment loss on loans at Interbank. Additionally, higher net interest and similar income at Interseguro and Interbank also contributed to the positive performance in earnings. These factors were partially offset by higher other expenses across all subsidiaries. Moreover, a decrease in total premiums earned minus claims and benefits at Interseguro also weighed down on the performance of IFS' net profit compared to 2Q21.

Net interest and similar income increased S/ 32.5 million QoQ, or 3.7%, mainly as the result of a higher return of the fixed income portfolio at Interseguro and higher yields on all interest-earnings assets at Interbank. These effects were partially compensated by a higher cost of funding at Interbank, in addition to a decrease in net interest and similar income at Inteligo, mainly attributable to a lower asset allocation to fixed income investments within the proprietary portfolio.

Impairment loss on loans decreased S/ 65.7 million QoQ, or 37.0%, mainly due to lower provision requirements in the retail loan book, partially offset by higher provision requirements in the commercial loan book at Interbank. Furthermore, Interseguro reported a negative performance in results due to impairment of financial investments, mostly related to an additional provision for impairment on a fixed income investment.

Net fee income from financial services remained relatively stable QoQ, while other income increased S/ 109.0 million QoQ, or 40.7%, mainly attributable to a strong boost

in mark-to-market valuations on proprietary portfolio investments at Inteligo and good performance at the holding company level. These effects were partially compensated by a net loss on financial assets at fair value at Interseguro, in addition to lower net gain on sale of financial investments, and on foreign exchange transactions and on financial assets at fair value through profit or loss at Interbank.

Total premiums earned minus claims and benefits at Interseguro were S/ -87.7 million in the quarter. This resulted from increases of S/ 62.8 million in adjustment of technical reserves and S/ 8.9 million in net claims and benefits incurred, partially offset by an increase of S/ 29.9 million in net premiums.

Other expenses increased S/ 59.8 million QoQ, or 11.4%, mainly attributed to (i) higher administrative expenses, and salaries and employee benefits at Interbank and Interseguro; and (ii) an increase in total headcount and the effect of a higher foreign exchange rate in certain cost components at Inteligo. It is worth mentioning that investments in digital ventures have also had a significant weight in the increase of total other expenses, as well as higher employee profit sharing.

IFS' effective tax rate decreased, from 18.4% in 2Q21 to 17.2% in 3Q21, as a result of a higher contribution to profits from Inteligo and corporate accounts, despite an increased effective tax rate at Interbank.

### Year-on-year performance

The annual performance of IFS' bottom line was mainly due to lower impairment loss on loans at Interbank in addition to increases in other income at Inteligo, and net fee income at Interbank and Inteligo. These factors were partially offset by higher other expenses across all subsidiaries as well as a decrease in total premiums earned minus claims and benefits at Interseguro.

Net interest and similar income reduced S/ 6.6 million YoY, or 0.7%, mainly due to lower interest on loans at Interbank, partially compensated by a higher return of the fixed income portfolio at Interseguro and a lower cost of funding caused by large liquidity inflows in non-interest bearing accounts at Inteligo.

Impairment loss on loans declined S/ 351.2 million YoY, or 75.8%, explained by lower requirements in the retail loan book, as well as in loans to medium-sized companies. This was associated with a base effect when comparing to the situation in 3Q20, when the bank adjusted its expected loss models to address the impact of the COVID-19 pandemic. Additionally, Interseguro reported a negative performance in results due to impairment of financial investments, mostly related to an additional provision for impairment on a fixed income investment.

Net fee income from financial services increased S/ 24.4 million YoY, or 14.0%, mainly due to higher commissions from credit card services, fees from maintenance and mailing of accounts, transfer fees and commissions on debit card services, commissions from banking services, fees from indirect loans, and fees from collection services at Interbank. Furthermore, Inteligo reported higher fees from funds management, associated with a higher foreign exchange rate between periods.

Other income increased S/ 109.3 million YoY, or 40.8%, mainly due to a strong boost in mark-to-market valuations on proprietary portfolio investments at Inteligo and good performance at the holding company level. These effects were partially compensated

by decreases in net gain on sale of financial investments at Interbank and Interseguro, as well as a lower net gain on financial assets at fair value at Interseguro.

On a yearly basis, total premiums earned minus claims and benefits at Interseguro decreased S/ 24.4 million explained by increases of S/ 118.3 million in adjustment of technical reserves and S/ 21.5 million in net claims and benefits incurred, partially offset by a S/ 115.3 million growth in net premiums.

Other expenses grew S/ 138.9 million YoY, or 31.1%, as the result of (i) higher administrative expenses, and salaries and employee benefits at Interbank and Interseguro; and (ii) an increase in total headcount and the effect of a higher foreign exchange rate in certain cost components at Inteligo. It is worth mentioning that investments in digital ventures have also had a significant weight in the increase of total other expenses, as well as the base effects after cost containment measures that were implemented across all subsidiaries during 2020 to deal with the COVID-19 pandemic.

IFS' effective tax rate increased, from 11.7% in 3Q20 to 17.2% in 3Q21, as a result of a higher effective tax rate at Interbank.

### CONTRIBUTION BY SEGMENTS

The following table shows the contribution of Interbank, Interseguro and Inteligo 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 segment					
S/ million	3Q20	2Q21	3Q21	%chg QoQ	%chg YoY
Interbank	146.7	274.3	299.1	9.1%	n.m.
Interseguro	66.5	108.9	13.4	-87.7%	-79.8%
Inteligo	110.5	89.6	183.7	n.m.	66.2%
Corporate and eliminations	-5.3	-17.2	55.2	n.m.	n.m.
<b>IFS profit for the period</b>	<b>318.5</b>	<b>455.6</b>	<b>551.5</b>	<b>21.1%</b>	<b>73.1%</b>

## Interbank

### SUMMARY

Interbank's profits were S/ 299.1 million in 3Q21, an increase of S/ 24.8 million QoQ, or 9.1%, and S/ 152.4 million YoY, or more than two-fold. The quarterly result was mainly attributed to a S/ 67.9 million reduction in impairment loss on loans and increases of S/ 11.0 million in net interest and similar income, and S/ 3.2 million in net fee income from financial services, in addition to a positive performance in translation result of S/ 19.3 million. These factors were partially offset by a S/ 48.8 million increase in other expenses and a S/ 15.6 million decrease in other income, as well as by a higher effective tax rate.

The annual performance in net profit was mainly explained by a S/ 353.2 million reduction in impairment loss on loans and by an increase of S/ 13.0 million in net fee income from financial services, in addition to a positive performance in translation result of S/ 22.5 million. These effects were partially compensated by S/ 101.1 million higher other expenses and decreases of S/ 61.0 million in net interest and similar income, and S/ 3.4 million in other income, as well as by a higher effective tax rate.

Interbank's ROAE was 18.6% in 3Q21, above the 17.3% and 10.1% registered in 2Q21 and 3Q20, respectively.

Banking Segment's P&L Statement					
S/ million	3Q20	2Q21	3Q21	%chg QoQ	%chg YoY
Interest and similar income	987.0	881.3	907.0	2.9%	-8.1%
Interest and similar expense	-244.8	-211.2	-225.9	6.9%	-7.7%
<b>Net interest and similar income</b>	<b>742.1</b>	<b>670.1</b>	<b>681.1</b>	<b>1.6%</b>	<b>-8.2%</b>
Impairment loss on loans, net of recoveries	-463.2	-177.9	-110.0	-38.2%	-76.3%
Recovery (loss) due to impairment of financial investments	-0.1	-0.4	-0.3	-30.4%	94.4%
<b>Net interest and similar income after impairment loss</b>	<b>278.8</b>	<b>491.8</b>	<b>570.9</b>	<b>16.1%</b>	<b>n.m.</b>
Fee income from financial services, net	153.1	162.9	166.1	1.9%	8.5%
Other income	119.7	131.9	116.3	-11.8%	-2.9%
Other expenses	-367.3	-419.6	-468.4	11.6%	27.5%
<b>Income before translation result and income tax</b>	<b>184.3</b>	<b>367.1</b>	<b>384.9</b>	<b>4.8%</b>	<b>n.m.</b>
Translation result	-3.0	0.2	19.5	n.m.	n.m.
Income tax	-34.6	-93.0	-105.3	13.2%	n.m.
<b>Profit for the period</b>	<b>146.7</b>	<b>274.3</b>	<b>299.1</b>	<b>9.1%</b>	<b>n.m.</b>
<b>ROAE</b>	<b>10.1%</b>	<b>17.3%</b>	<b>18.6%</b>		
<b>Efficiency ratio</b>	<b>35.2%</b>	<b>42.5%</b>	<b>47.1%</b>		
<b>NIM</b>	<b>4.6%</b>	<b>3.9%</b>	<b>4.0%</b>		
<b>NIM on loans</b>	<b>8.0%</b>	<b>7.0%</b>	<b>7.0%</b>		

## INTEREST-EARNING ASSETS

Interbank's interest-earning assets reached S/ 66,757.2 million as of September 30, 2021, an increase of 1.0% QoQ and 4.3% YoY.

The quarterly growth in interest-earning assets was attributed to increases of 4.5% in cash and due from banks and inter-bank funds, and 0.7% in loans, partially offset by a 4.1% decrease in financial investments. Growth in cash and due from banks and inter-bank funds was mainly due to higher funds at the Central Bank. The decrease in financial investments was mainly a result of lower balances of sovereign bonds and Central Bank Certificates of Deposits (CDBCR), partially compensated by higher balances of corporate bonds.

The YoY increase in interest-earning assets was attributed to growth of 10.2% in financial investments, 6.7% in cash and due from banks and inter-bank funds, and 1.9% in loans. The increase in financial investments resulted from higher volumes of sovereign bonds, CDBCR, corporate bonds and global bonds, while growth in cash and due from banks and inter-bank funds resulted mainly from higher deposits at the Central Bank, partially offset by lower reserve funds at the Central Bank.

Interest-earning assets					
S/ million				%chg	%chg
	09.30.20	06.30.21	09.30.21	09.30.21	09.30.21
				06.30.21	09.30.20
Cash and due from banks and inter-bank funds	16,338.4	16,686.2	17,433.8	4.5%	6.7%
Financial investments	8,470.4	9,733.9	9,337.6	-4.1%	10.2%
Loans	39,222.8	39,688.8	39,985.8	0.7%	1.9%
<b>Total interest-earning assets</b>	<b>64,031.6</b>	<b>66,108.9</b>	<b>66,757.2</b>	<b>1.0%</b>	<b>4.3%</b>

Loan portfolio					
S/ million				%chg	%chg
	09.30.20	06.30.21	09.30.21	09.30.21	09.30.21
				06.30.21	09.30.20
Performing loans					
Retail	18,272.0	18,610.2	19,281.7	3.6%	5.5%
Commercial	22,269.3	21,684.8	21,028.8	-3.0%	-5.6%
<b>Total performing loans</b>	<b>40,541.2</b>	<b>40,295.1</b>	<b>40,310.5</b>	<b>0.0%</b>	<b>-0.6%</b>
Restructured and refinanced loans	272.8	246.5	226.1	-8.3%	-17.1%
Past due loans	1,147.0	1,262.5	1,388.2	10.0%	21.0%
<b>Total gross loans</b>	<b>41,961.0</b>	<b>41,804.0</b>	<b>41,924.8</b>	<b>0.3%</b>	<b>-0.1%</b>
Add (less)					
Accrued and deferred interest	378.0	351.6	357.3	1.6%	-5.5%
Impairment allowance for loans	-3,116.2	-2,466.8	-2,296.3	-6.9%	-26.3%
<b>Total direct loans, net</b>	<b>39,222.8</b>	<b>39,688.8</b>	<b>39,985.8</b>	<b>0.7%</b>	<b>1.9%</b>

The evolution of loans was affected by the disbursement and maturity or prepayment of commercial loans under the Reactiva Peru Program. As of September 30, 2021, these loans amounted S/ 5,510.2 million, compared to balances of S/ 6,082.0 million as of June 30, 2021 and S/ 6,709.4 million as of September 30, 2020.

Also, it is worth mentioning that in November 2019, the SBS issued the Resolution No. 5570-2019 that became effective in January 2021. This resolution establishes that the

reporting of the non-revolving financing part of credit cards loans must be presented as loans instead of credit card loans.

Performing loans remained relatively stable QoQ, as retail loans sequentially grew 3.6%, while commercial loans decreased 3.0%. Excluding the effect of the Reactiva Peru Program in the comparing periods, performing loans and commercial loans would have increased 2.5% and 1.1% QoQ, respectively.

Retail loans grew 3.6% QoQ due to increases of 6.3% in consumer loans and 0.1% in mortgages. Growth in consumer loans resulted from higher balances of cash loans, vehicle loans, payroll deduction loans and credit cards. The increase in mortgages was explained by higher demand in MiVivienda products.

The reduction in commercial loans was a result of lower short and medium-term lending, as well as lower leasing operations, both across all business segments. These effects were compensated by higher trade finance loans mainly in the mid-sized segment.

Performing loans decreased 0.6% YoY explained by a 5.6% reduction in commercial loans, partially compensated by a 5.5% increase in retail loans. Excluding the effect of the Reactiva Peru Program in the comparing periods, performing loans and commercial loans would have increased 3.6% and 1.4% YoY, respectively.

The annual reduction in commercial loans was mainly explained by lower short and medium-term lending in the corporate and small-sized segments, as well as by lower leasing operations across all business segments. This was partially offset by higher trade finance loans in the corporate and mid-sized segments.

The YoY growth in retail loans was due to increases of 13.1% in mortgages and 0.7% in consumer loans. Growth in mortgages was due to higher demand in both traditional and MiVivienda products. The increase in consumer loans was a result of higher payroll deduction loans, partially offset by lower credit cards and other loans.

It is worth mentioning that, as of September 30, 2021, and in line with the measures implemented to help our customers to overcome the impacts from the COVID-19 pandemic, 283 thousand clients had their loans rescheduled, out of which approximately 272 thousand were retail clients and around 11 thousand, commercial clients. Loans that were subject to some kind of rescheduling represented S/ 7.0 billion or 16.7% of our total portfolio. Of these, S/ 5.0 billion were retail loans (24.9% of total retail loans), and the remaining S/ 2.0 billion were commercial loans (9.2% of total commercial loans).

Breakdown of retail loans					
S/ million	09.30.20	06.30.21	09.30.21	%chg 09.30.21 06.30.21	%chg 09.30.21 09.30.20
<b>Consumer loans:</b>					
Credit cards & other loans	6,824.1	5,992.0	6,577.6	9.8%	-3.6%
Payroll deduction loans <sup>(1)</sup>	4,292.5	4,534.9	4,611.2	1.7%	7.4%
<b>Total consumer loans</b>	<b>11,116.6</b>	<b>10,526.9</b>	<b>11,188.8</b>	<b>6.3%</b>	<b>0.7%</b>
Mortgages	7,155.4	8,083.4	8,092.9	0.1%	13.1%
<b>Total retail loans</b>	<b>18,272.0</b>	<b>18,610.2</b>	<b>19,281.7</b>	<b>3.6%</b>	<b>5.5%</b>

(1) Payroll deduction loans to public sector employees.



## FUNDING STRUCTURE

S/ million	Funding structure			%chg	
	09.30.20	06.30.21	09.30.21	09.30.21	09.30.21
				06.30.21	09.30.21
Deposits and obligations	42,538.2	45,209.3	46,565.6	3.0%	9.5%
Due to banks and correspondents and inter-bank funds	10,254.6	8,695.5	8,094.5	-6.9%	-21.1%
Bonds, notes and other obligations	6,412.2	6,876.6	7,128.7	3.7%	11.2%
<b>Total</b>	<b>59,205.0</b>	<b>60,781.3</b>	<b>61,788.7</b>	<b>1.7%</b>	<b>4.4%</b>
<b>% of funding</b>					
Deposits and obligations	71.9%	74.4%	75.4%		
Due to banks and correspondents and inter-bank funds	17.3%	14.3%	13.1%		
Bonds, notes and other obligations	10.8%	11.3%	11.5%		

Interbank's funding base was exposed to temporary impacts on the liquidity of the financial system and a depreciation of the foreign exchange rate, factors associated with political events in the country that took place in the first half of the year, as well as to higher savings resulting from the withdrawals of private pension funds and the unrestricted availability of the Compensation for Time of Service (CTS) accounts. In addition, it was still influenced by the long-term debt provided by the Central Bank, associated with the bank's involvement in the Reactiva Peru Program. As of September 30, 2021, the balance of such special funding was S/ 4,977.2 million, compared to S/ 5,435.3 million as of June 30, 2021 and S/ 5,713.6 million as of September 30, 2020.

The bank's total funding base grew 1.7% QoQ, above the performance of interest-earning assets. This was explained by increases of 3.7% in bonds, notes and other obligations, and 3.0% in deposits and obligations, partially offset by a 6.9% reduction in due to banks and correspondents and inter-bank funds. Excluding the effect of the Reactiva Peru Program's funds, the bank's total funding base would have grown 2.6% QoQ, while due to banks and correspondents and inter-bank funds would have decreased 4.4%.

The QoQ growth in bonds, notes and other obligations was mainly attributable to a 7.2% depreciation of the foreign exchange rate with respect to 2Q21, partially compensated by the execution of an optional redemption of S/ 110.0 million local subordinated bonds in September 2021.

The quarterly increase in deposits and obligations was mainly due to 11.1% growth in retail deposits, partially offset by reductions of 12.4% in institutional deposits and 0.6% in commercial deposits.

The QoQ decrease in due to banks and correspondents and inter-bank funds was mainly the result of lower funds from correspondent banks abroad, as well as a reduction in long-term funding provided by the Central Bank, associated with lower funds for the Reactiva Peru Program.

The bank's total funding base grew 4.4% YoY, slightly above the annual growth in interest-earning assets. This was explained by increases of 11.2% in bonds, notes and other obligations, and 9.5% in deposits and obligations, partially compensated by a 21.1% reduction in due to banks and correspondents and inter-bank funds. Excluding

the effect of the Reactiva Peru Program's funds, the bank's total funding base would have increased 6.2% YoY, while due to banks and correspondents and inter-bank funds would have decreased 31.4%.

The YoY increase in bonds, notes and other obligations was mainly attributable to a 14.9% depreciation of the foreign exchange rate with respect to 3Q20, partially compensated by the execution of an optional redemption of S/ 110.0 million local subordinated bonds in September 2021.

The annual growth in deposits and obligations was mainly explained by increases of 19.1% in retail deposits and 4.8% in commercial deposits, partially offset by a 6.9% reduction in institutional deposits.

The YoY decrease in due to banks and correspondents and inter-bank funds was mainly the result of a reduction in long-term funding provided by the Central Bank, associated with lower funds for the Reactiva Peru Program, in addition to lower funds from correspondent banks abroad.

As of September 30, 2021, the proportion of deposits and obligations to total funding was 75.4%, higher than the 71.9% reported as of September 30, 2020. Likewise, the proportion of institutional deposits to total deposits decreased from 14.8% as of September 30, 2020 to 12.6% as of September 30, 2021.

Breakdown of deposits					
S/ million				%chg	%chg
	09.30.20	06.30.21	09.30.21	09.30.21	09.30.21
				06.30.21	09.30.20
By customer service:					
Retail	19,561.2	20,967.0	23,290.7	11.1%	19.1%
Commercial	16,272.8	17,148.7	17,054.2	-0.6%	4.8%
Institutional	6,313.7	6,712.9	5,879.1	-12.4%	-6.9%
Other	390.5	380.7	341.6	-10.3%	-12.5%
<b>Total</b>	<b>42,538.2</b>	<b>45,209.3</b>	<b>46,565.6</b>	<b>3.0%</b>	<b>9.5%</b>
By type:					
Demand	13,801.8	14,117.8	14,309.2	1.4%	3.7%
Savings	16,067.0	19,580.5	22,196.3	13.4%	38.1%
Time	12,655.4	11,505.0	10,046.0	-12.7%	-20.6%
Other	14.0	5.9	14.1	n.m.	0.6%
<b>Total</b>	<b>42,538.2</b>	<b>45,209.3</b>	<b>46,565.6</b>	<b>3.0%</b>	<b>9.5%</b>

## NET INTEREST AND SIMILAR INCOME

Net interest and similar income					
S/ million				%chg	%chg
	3Q20	2Q21	3Q21	QoQ	YoY
Interest and similar income	987.0	881.3	907.0	2.9%	-8.1%
Interest and similar expense	-244.8	-211.2	-225.9	6.9%	-7.7%
<b>Net interest and similar income</b>	<b>742.1</b>	<b>670.1</b>	<b>681.1</b>	<b>1.6%</b>	<b>-8.2%</b>
<b>NIM</b>	<b>4.6%</b>	<b>3.9%</b>	<b>4.0%</b>	<b>10 bps</b>	<b>-60 bps</b>

Interest and similar income					
S/ million	3Q20	2Q21	3Q21	%chg QoQ	%chg YoY
<b>Interest and similar income</b>					
Due from banks and inter-bank funds	3.9	4.5	8.2	83.4%	n.m.
Financial investments	64.8	65.4	66.1	1.0%	1.9%
Loans	918.2	811.4	832.7	2.6%	-9.3%
<b>Total Interest and similar income</b>	<b>987.0</b>	<b>881.3</b>	<b>907.0</b>	<b>2.9%</b>	<b>-8.1%</b>
Average interest-earning assets	64,491.4	69,157.2	68,814.6	-0.5%	6.7%
Average yield on assets (annualized)	6.1%	5.1%	5.3%	20 bps	-80 bps
Interest and similar expense					
S/ million	3Q20	2Q21	3Q21	%chg QoQ	%chg YoY
<b>Interest and similar expense</b>					
Deposits and obligations	-113.6	-84.1	-89.7	6.6%	-21.1%
Due to banks and correspondents and inter-bank funds	-45.5	-35.3	-35.7	0.9%	-21.6%
Bonds, notes and other obligations	-85.7	-91.8	-100.5	9.5%	17.2%
<b>Total Interest and similar expense</b>	<b>-244.8</b>	<b>-211.2</b>	<b>-225.9</b>	<b>6.9%</b>	<b>-7.7%</b>
Average interest-bearing liabilities	57,336.5	61,382.6	61,285.0	-0.2%	6.9%
Average cost of funding (annualized)	1.7%	1.4%	1.5%	10 bps	-20 bps

### QoQ Performance

Net interest and similar income grew 1.6% QoQ due to a 2.9% increase in interest and similar income, partially offset by 6.9% growth in interest and similar expense.

The higher interest and similar income was due to increases of 83.4% in interest on due from banks and inter-bank funds, 2.6% in interest on loans and 1.0% in interest on financial investments.

Interest on due from banks and inter-bank funds grew S/ 3.7 million QoQ, or 83.4%, explained by a 10 basis point increase in the nominal average rate, in spite of a slight 1.5% reduction in the average volume due to lower reserve funds at the Central Bank.

Interest on loans grew S/ 21.3 million QoQ, or 2.6%, as the result of a 20 basis point increase in the average yield, together with 0.6% growth in the average loan portfolio.

The higher average rate on loans, from 7.7% in 2Q21 to 7.9% in 3Q21, was mostly explained by yield increases in commercial loans, particularly in short and medium-term loans and trade finance loans.

The higher average volume of loans was attributed to 2.7% growth in retail loans, partially offset by a decrease of 1.2% in commercial loans. In the retail portfolio, average volumes increased 2.8% in consumer loans and 2.5% in mortgages. In the commercial portfolio, average volumes decreased 3.5% in short and medium-term loans, and 1.7% in leasing operations, partially offset by 6.7% higher trade finance loans.

Interest on financial investments increased S/ 0.7 million QoQ, or 1.0%, due to a 10 basis point increase in the average yield, from 2.7% in 2Q21 to 2.8% in 3Q21, partially offset by a 3.4% reduction in the average volume.

The nominal average yield on interest-earning assets increased 20 basis points QoQ, from 5.1% in 2Q21 to 5.3% in 3Q21, in line with higher returns on all components of interest-earning assets.

The higher interest and similar expense was due to increases of 9.5% in interest on bonds, notes and other obligations, 6.6% in interest on deposits and obligations, and 0.9% in interest on due to banks and correspondents.

The increase in interest on bonds, notes and other obligations was mainly due to 3.4% growth in the average volume of such obligations, basically attributed to a 5.0% depreciation of the average foreign exchange rate with respect to 2Q21.

The quarterly growth in interest on deposits and obligations was due to a 10 basis point increase in the average cost, partially offset by a 0.1% decrease in the average volume. The increase in the average cost was due to higher rates paid to institutional deposits and certain commercial deposits following the Central Bank's decision to start increasing the monetary policy rate. However, the average rate on retail deposits decreased. The slightly lower average volume was explained by a 17.1% decrease in institutional deposits, partially compensated by increases of 5.2% in retail deposits and 1.6% in commercial deposits. By currency, average balances of dollar-denominated deposits decreased 1.1% while average soles-denominated deposits grew 0.4%.

Interest on due to banks and correspondents increased S/ 0.4 million QoQ, or 0.9%, explained by a 10 basis point increase in the average cost, partially offset by a 3.3% reduction in the average volume. The higher average cost was explained by increased rates paid to correspondent banks abroad and inter-bank funds. The decrease in the average volume was mostly attributed to lower funding from the Central Bank, partially compensated by higher funding from COFIDE and correspondent banks abroad.

The average cost of funding increased 10 basis points, from 1.4% in 2Q21 to 1.5% in 3Q21, as the result of higher implicit cost of deposits and obligations, and due to banks and correspondents.

As a result of the above, net interest margin was 4.0% in 3Q21, 10 basis points higher than the 3.9% reported in 2Q21.

### YoY Performance

Net interest and similar income decreased 8.2% YoY due to an 8.1% reduction in interest and similar income, partially offset by a 7.7% decrease in interest and similar expense.

The lower interest and similar income was due to a 9.3% reduction in interest on loans, partially compensated by increases of more than two-fold in interest on due from banks and inter-bank funds, and 1.9% in interest on financial investments.

Interest on loans decreased S/ 85.5 million YoY, or 9.3%, explained by a 100 basis point reduction in the average yield, partially offset by 2.1% growth in the average volume.

The annual decrease in the average rate on loans, from 8.9% in 3Q20 to 7.9% in 3Q21, was due to lower yields across the board on retail and commercial loans. It is worth mentioning that the incidence of the low-return loans offered to several commercial clients as part of the Reactiva Peru Program has had a negative impact on the average rate on loans.

The higher average volume of loans was attributed to growth of 2.2% in retail loans and 1.9% in commercial loans. In the retail portfolio, average volumes grew mainly due to a 13.7% increase in mortgages, partially compensated by a reduction of 4.8% in consumer loans. In the commercial portfolio, the higher average volume was mainly due to an 18.6% increase in trade finance loans, despite lower balances of leasing operations and short and medium-term loans, attributed to the certain maturities and prepayments of loans under the Reactiva Peru Program.

Interest on due from banks and inter-bank funds grew S/ 4.3 million YoY, or more than two-fold, explained by growth of 10 basis points in the average yield and 13.1% in the average volume. The increase in the average volume was explained by higher deposits at the Central Bank, partially offset by lower average balances of reserve funds and inter-bank funds.

Interest on financial investments increased S/ 1.3 million YoY, or 1.9%, due to 18.6% growth in the average volume, partially offset by a 40 basis point reduction in the average yield. The increase in the average volume was the result of higher average balances of CDBCR, global bonds and sovereign bonds. The decrease in the nominal average rate, from 3.2% in 3Q20 to 2.8% in 3Q21, was explained by lower returns on CDBCR and corporate bonds.

The nominal average yield on interest-earning assets decreased 80 basis points YoY, from 6.1% in 3Q20 to 5.3% in 3Q21, in line with the lower returns on loans and financial investments.

It is worth mentioning that the change in asset mix, with volumes of cash and investments growing significantly more than the higher-yielding loan component, also explains the negative performance of the average yield on interest-earning assets in the comparing periods.

The lower interest and similar expense was due to reductions of 21.6% in interest on due to banks and correspondents, and 21.1% in interest on deposits and obligations, partially offset by a 17.2% increase in interest on bonds, notes and other obligations.

Interest on due to banks and correspondents declined S/ 9.8 million YoY, or 21.6%, as the result of a 30 basis point reduction in the average cost, from 2.0% in 3Q20 to 1.7% in 3Q21, in addition to a 6.4% decrease in the average volume. On one hand, the reduction in the average cost was explained by lower rates paid to funding provided by correspondent banks abroad, the Central Bank and COFIDE. On the other hand, the decrease in the average volume was due to lower funding from correspondent banks abroad and the Central Bank, in turn related to the bank's participation in the Reactiva Peru Program.

Interest on deposits and obligations decreased S/ 23.9 million YoY, or 21.1%, explained by a 30 basis point reduction in the average cost, from 1.1% in 3Q20 to 0.8% in 3Q21, partially compensated by 9.3% growth in the average volume. The lower average cost was mainly due to reductions in rates paid to retail and commercial deposits. The higher average volume was explained by growth in retail and commercial deposits,

partially compensated by a reduction in institutional deposits. By currency, average balances of dollar-denominated deposits increased 17.5% while average soles-denominated deposits grew 5.5%.

The higher interest on bonds, notes and other obligations was explained by 9.9% growth in the average volume, mainly attributable to a 12.0% depreciation of the foreign exchange rate with respect to 3Q20.

The average cost of funding decreased 20 basis points YoY, from 1.7% in 3Q20 to 1.5% in 3Q21, in line with the lower implicit cost of due to banks and deposits.

As a result of the above, net interest margin was 4.0% in 3Q21, 60 basis points lower than the 4.6% reported in 3Q20.

### IMPAIRMENT LOSS ON LOANS, NET OF RECOVERIES

Impairment loss on loans, net of recoveries decreased 38.2% QoQ and 76.3% YoY.

The quarterly reduction was due to lower provision requirements in the retail loan book, partially offset by higher provision requirements in the commercial loan book. In the retail portfolio, the reduction in provisions was mainly driven by lower requirements in credit cards and mortgages. Conversely, the increase in provisions in the commercial portfolio was explained by higher requirements in loans to small-sized and medium-sized companies.

The annual decrease in provisions was mainly explained by lower requirements in the retail loan book, as well as in loans to medium-sized companies. This was associated with a base effect when comparing to the situation in 3Q20, when the bank adjusted its expected loss models to address the impact of the COVID-19 pandemic.

The better performance in provision charges was mainly attributed to the improvement in payment behavior among Interbank's retail clients during the last months.

As a result of the above, the annualized ratio of impairment loss on loans to average loans was 1.1% in 3Q21, lower than the 1.7% and 4.5% reported in 2Q21 and 3Q20, respectively.

Impairment loss on loans, net of recoveries					
S/ million	3Q20	2Q21	3Q21	%chg QoQ	%chg YoY
Impairment loss on loans, net of recoveries	-463.2	-177.9	-110.0	-38.2%	-76.3%
Impairment loss on loans/average gross loans	4.5%	1.7%	1.1%	-60 bps	-340 bps
NPL ratio (at end of period)	3.4%	3.2%	3.0%	-20 bps	-40 bps
NPL coverage ratio (at end of period)	196.5%	168.7%	169.2%	50 bps	n.m.
Impairment allowance for loans	3,116.2	2,466.8	2,296.3	-6.9%	-26.3%

The NPL ratio decreased 20 basis points QoQ and 40 basis points YoY, to 3.0% in 3Q21. On one hand, the quarterly reduction was due to a 90 basis point decrease in retail loans' NPL, driven by improvements in cash loans, vehicle loans and credit cards, partially compensated by a 30 basis point increase in the commercial portfolio. On the other hand, the lower NPL ratio YoY was explained by a 190 basis point decrease in the retail portfolio, partially offset by a 60 basis point increase in the commercial portfolio.

Furthermore, the NPL coverage ratio was 169.2% as of September 30, 2021, higher than the 168.7% reported as of June 30, 2021 but lower than the 196.5% registered as of September 30, 2020.

## FEE INCOME FROM FINANCIAL SERVICES, NET

Net fee income from financial services increased S/ 3.2 million QoQ, or 1.9%, mainly explained by higher commissions from credit card services, fees from maintenance and mailing of accounts, transfer fees and commissions on debit card services, fees from collection services, and fees from indirect loans. These effects were partially offset by lower commissions from banking services.

Net fee income from financial services grew S/ 13.0 million YoY, or 8.5%, mainly due to increases of S/ 20.3 million in commissions from credit card services, S/ 12.2 million in fees from maintenance and mailing of accounts, transfer fees and commissions on debit card services, S/ 3.4 million in commissions from banking services, S/ 3.4 million in fees from indirect loans, and S/ 2.3 million in fees from collection services.

Fee income from financial services, net					
S/ million	3Q20	2Q21	3Q21	%chg QoQ	%chg YoY
<b>Income</b>					
Commissions from credit card services	68.2	70.8	88.5	24.9%	29.8%
Commissions from banking services	69.7	76.4	73.1	-4.3%	5.0%
Maintenance and mailing of accounts, transfer fees and commissions on debit card services	50.7	55.0	62.9	14.3%	24.2%
Fees from indirect loans	13.3	16.2	16.7	3.1%	25.5%
Collection services	11.4	12.8	13.7	7.5%	20.4%
Other	7.9	18.3	15.9	-13.1%	n.m.
<b>Total income</b>	<b>221.1</b>	<b>249.6</b>	<b>270.9</b>	<b>8.5%</b>	<b>22.5%</b>
<b>Expenses</b>					
Insurance	-24.3	-26.1	-25.5	-2.2%	4.9%
Fees paid to foreign banks	-4.0	-11.3	-9.0	-20.8%	n.m.
Other	-39.7	-49.2	-70.3	42.8%	77.3%
<b>Total expenses</b>	<b>-68.0</b>	<b>-86.6</b>	<b>-104.8</b>	<b>21.0%</b>	<b>54.1%</b>
<b>Fee income from financial services, net</b>	<b>153.1</b>	<b>162.9</b>	<b>166.1</b>	<b>1.9%</b>	<b>8.5%</b>

## OTHER INCOME

Other income decreased S/ 15.6 million QoQ, mainly explained by lower net gain on sale of financial investments, and on foreign exchange transactions and on financial assets at fair value through profit or loss.

Other income reduced S/ 3.4 million YoY due to a decrease in net gain on sale of financial investments, partially offset by higher net gain on foreign exchange transactions and on financial assets at fair value through profit or loss.

Other income					
S/ million	3Q20	2Q21	3Q21	%chg QoQ	%chg YoY
Net gain on foreign exchange transactions and on financial assets at fair value through profit or loss	71.0	107.8	105.1 <sup>(1)</sup>	-2.6%	48.0%
Net gain on sale of financial investments	28.3	6.5	-3.9	n.m.	n.m.
Other	20.4	17.5	15.1	-13.7%	-25.9%
<b>Total other income</b>	<b>119.7</b>	<b>131.9</b>	<b>116.3</b>	<b>-11.8%</b>	<b>-2.9%</b>

(1) Includes S/ 140.0 million of net gain on foreign exchange transactions and S/ -34.9 million of net gain (loss) on financial assets at fair value through profit or loss (derivatives).

## OTHER EXPENSES

Other expenses increased S/ 48.8 million QoQ, or 11.6%, and S/ 101.1 million YoY, or 27.5%, mainly as a result of higher administrative expenses, as well as higher salaries and employee benefits. On one hand, growth in administrative expenses was mainly related to higher marketing and credit card expenses. On the other hand, salaries and employee benefits grew due to higher employee profit sharing. It is worth mentioning that investments in digital ventures have also had a significant weight in the increase of total other expenses.

The efficiency ratio was 47.1% in 3Q21, compared to the 42.5% reported in 2Q21 and the 35.2% registered in 3Q20.

Other expenses					
S/ million	3Q20	2Q21	3Q21	%chg QoQ	%chg YoY
Salaries and employee benefits	-128.3	-157.4	-164.7	4.6%	28.3%
Administrative expenses	-173.0	-194.9	-227.9	16.9%	31.7%
Depreciation and amortization	-55.9	-58.0	-61.4	5.8%	9.9%
Other	-10.1	-9.2	-14.5	57.2%	42.6%
<b>Total other expenses</b>	<b>-367.3</b>	<b>-419.6</b>	<b>-468.4</b>	<b>11.6%</b>	<b>27.5%</b>
<b>Efficiency ratio</b>	<b>35.2%</b>	<b>42.5%</b>	<b>47.1%</b>	<b>460 bps</b>	<b>n.m.</b>

## REGULATORY CAPITAL

The ratio of regulatory capital to risk-weighted assets (RWA) was 16.3% as of September 30, 2021, below the 16.5% reported as of June 30, 2021 and the 17.0% registered as of September 30, 2020.

In 3Q21, regulatory capital increased 1.3% QoQ. Similarly, RWA grew 2.7% QoQ due to higher capital requirements for credit risk and operating risk. The higher RWA for credit risk were attributed to an increase of RWA for loans and a higher risk weight applied to intangible assets, as well as to higher RWA for financial investments.

The annual reduction in the total capital ratio was due to an 8.6% increase in RWA, partially offset by 4.1% growth in regulatory capital. The YoY increase in RWA was mostly attributed to higher capital requirements for credit risk and operating risk. RWA for credit risk grew due to higher RWA for loans, in addition to a higher risk weight applied to intangible assets by disposition of the SBS, with impact on the bank's increasing digital investments.



Regulatory capital increased YoY mainly as a result of the depreciation of the foreign exchange rate over the dollar-denominated subordinated debt, as well as the addition of S/ 166.9 million in capital, reserves and earnings with capitalization agreement during the last twelve months. These effects were partially compensated by the execution of an optional redemption of S/ 110.0 million local subordinated bonds in September 2021.

Also, it is worth mentioning that in June 2021, the SBS issued the Official Document No. 27358-2021 which refers to the Emergency Decree No. 037-2021, by which it established that, from April 2021 to March 2022, the minimum regulatory capital ratio requirement is reduced from 10% to 8%.

As of September 30, 2021, Interbank's capital ratio of 16.3% was significantly higher than its risk-adjusted minimum capital ratio requirement, established at 8.5%. As previously mentioned, the minimum regulatory capital ratio requirement was 8.0%, while the additional capital requirement for Interbank was 0.5% as of September 30, 2021. Furthermore, Core Equity Tier 1 (CET1) was 12.0% as of September 30, 2021, above the 11.4% reported as of September 30, 2020, mainly due to the accumulation of earnings with no capitalization agreement.

Regulatory capital					
S/ million	09.30.20	06.30.21	09.30.21	%chg 09.30.21 06.30.21	%chg 09.30.21 09.30.20
Tier I capital	5,932.3	6,098.5	6,097.4	0.0%	2.8%
Tier II capital	2,840.2	2,917.4	3,034.7	4.0%	6.8%
Total regulatory capital	8,772.6	9,015.8	9,132.1	1.3%	4.1%
Risk-weighted assets (RWA)	51,680.2	54,664.5	56,117.5	2.7%	8.6%
<b>Total capital ratio</b>	<b>17.0%</b>	<b>16.5%</b>	<b>16.3%</b>	<b>-20 bps</b>	<b>-70 bps</b>
<b>Tier I capital / RWA</b>	<b>11.5%</b>	<b>11.2%</b>	<b>10.9%</b>	<b>-30 bps</b>	<b>-60 bps</b>
<b>CET1</b>	<b>11.4%</b>	<b>11.5%</b>	<b>12.0%</b>	<b>50 bps</b>	<b>60 bps</b>

## Interseguro

### SUMMARY

Interseguro's profits reached S/ 13.4 million in 3Q21, a decrease of S/ 95.5 million QoQ and S/ 53.1 million YoY.

The quarterly performance was mainly due to a S/ 59.5 million reduction in other income, mostly related to a net loss on financial assets at fair value, in addition to a S/ 41.8 million decrease in total premiums earned minus claims and benefits, as well as a S/ 11.1 million increase in other expenses. These factors were partially offset by growth of S/ 25.3 million in net interest and similar income.

The annual decrease in net profit was mainly explained by reductions of S/ 38.9 million in other income and S/ 24.4 million in total premiums earned minus claims and benefits, as well as by an increase of S/ 27.0 million in other expenses and a S/ 9.5 million negative performance in translation result. These effects were partially compensated by a S/ 53.2 million increase in net interest and similar income.

Interseguro's ROAE was 5.3% in 3Q21, below the 43.2% reported in 2Q21 and the 35.7% reported in 3Q20.

Insurance Segment's P&L Statement					
S/ million	3Q20	2Q21	3Q21	%chg QoQ	%chg YoY
Interest and similar income	160.5	190.3	224.8	18.1%	40.0%
Interest and similar expenses	-20.7	-22.6	-31.8	40.6%	53.5%
<b>Net Interest and similar income</b>	<b>139.8</b>	<b>167.7</b>	<b>193.0</b>	<b>15.1%</b>	<b>38.0%</b>
Recovery (loss) due to impairment of financial investments	-2.5	-6.4	-8.3	28.1%	n.m.
<b>Net Interest and similar income after impairment loss</b>	<b>137.3</b>	<b>161.3</b>	<b>184.7</b>	<b>14.5%</b>	<b>34.5%</b>
Fee income from financial services, net	-1.5	0.3	-2.1	n.m.	35.2%
Other income	62.5	83.1	23.6	-71.6%	-62.2%
Total premiums earned minus claims and benefits	-63.3	-45.9	-87.7	90.9%	38.6%
Net premiums	139.6	225.0	254.9	13.3%	82.6%
Adjustment of technical reserves	9.5	-46.0	-108.8	n.m.	n.m.
Net claims and benefits incurred	-212.4	-225.0	-233.9	3.9%	10.1%
Other expenses	-63.9	-79.8	-90.9	13.9%	42.3%
<b>Income before translation result and income tax</b>	<b>71.2</b>	<b>119.0</b>	<b>27.7</b>	<b>-76.7%</b>	<b>-61.1%</b>
Translation result	-4.7	-10.1	-14.2	41.0%	n.m.
Income tax	-	-	-	n.m.	n.m.
<b>Profit for the period</b>	<b>66.5</b>	<b>108.9</b>	<b>13.4</b>	<b>-87.7%</b>	<b>-79.8%</b>
<b>ROAE</b>	<b>35.7%</b>	<b>43.2%</b>	<b>5.3%</b>		
<b>Efficiency ratio</b>	<b>9.5%</b>	<b>9.9%</b>	<b>13.7%</b>		

## RESULTS FROM INVESTMENTS

Results from Investments <sup>(1)</sup>					
S/ million	3Q20	2Q21	3Q21	%chg QoQ	%chg YoY
Interest and similar income	160.5	190.3	224.8	18.1%	40.0%
Interest and similar expenses	-9.2	-9.9	-17.0	71.3%	85.2%
<b>Net interest and similar income</b>	<b>151.3</b>	<b>180.4</b>	<b>207.8</b>	<b>15.2%</b>	<b>37.3%</b>
Recovery (loss) due to impairment of financial investments	-2.5	-6.4	-8.3	28.1%	n.m.
<b>Net Interest and similar income after impairment loss</b>	<b>148.9</b>	<b>174.0</b>	<b>199.5</b>	<b>14.7%</b>	<b>34.0%</b>
Net gain (loss) on sale of financial investments	25.7	8.6	18.2	n.m.	-29.1%
Net gain (loss) on financial assets at fair value through profit or loss	18.0	36.4	-25.9	n.m.	n.m.
Rental income	9.6	14.8	15.1	2.4%	58.0%
Gain on sale of investment property	-	-	-	n.m.	n.m.
Valuation gain (loss) from investment property	5.4	21.1	12.6	-40.1%	n.m.
Other <sup>(1)</sup>	-4.6	-1.0	-1.7	60.6%	-63.9%
<b>Other income</b>	<b>54.1</b>	<b>79.8</b>	<b>18.4</b>	<b>-76.9%</b>	<b>-65.9%</b>
<b>Results from investments</b>	<b>202.9</b>	<b>253.7</b>	<b>217.9</b>	<b>-14.1%</b>	<b>7.4%</b>

(1) Only includes transactions related to investments.

### NET INTEREST AND SIMILAR INCOME

Net interest and similar income related to investments was S/ 207.8 million in 3Q21, an increase of S/ 27.4 million, or 15.2%, QoQ, and S/ 56.5 million, or 37.3%, YoY.

The quarterly and annual performances were mainly explained by increases of S/ 34.5 million and S/ 64.3 million in interest and similar income, respectively, mostly attributed to a higher return of the fixed income portfolio.

### RECOVERY (LOSS) DUE TO IMPAIRMENT OF FINANCIAL INVESTMENTS

Loss due to impairment of financial investments was S/ 8.3 million in 3Q21, compared to losses of S/ 6.4 million in 2Q21 and S/ 2.5 million in 3Q20.

The quarterly and annual performances were mainly due to an additional provision for impairment on a fixed income investment that had been downgraded from A- to BBB+ as a result of the political uncertainty around Peru's new administration.

### OTHER INCOME

Other income related to investments was S/ 18.4 million in 3Q21, a decrease of S/ 61.4 million QoQ and S/ 35.7 million YoY.

The quarterly reduction was mainly due to decreases of S/ 62.3 million in net gain (loss) on financial assets at fair value, mostly related to negative mark-to-market, and S/ 8.5 million in valuation gain from investment property. These factors were partially compensated by growth of S/ 9.6 million in net gain on sale of financial investments.

The annual decrease was explained by reductions of S/ 43.9 million in net gain on financial assets at fair value and S/ 7.5 million in net gain on sale of financial

investments, partially offset by increases of S/ 7.2 million in valuation gain from investment property and S/ 5.5 million in rental income.

## TOTAL PREMIUMS EARNED MINUS CLAIMS AND BENEFITS

Total Premiums Earned Minus Claims And Benefits					
S/ million	3Q20	2Q21	3Q21	%chg QoQ	%chg YoY
Net premiums	139.6	225.0	254.9	13.3%	82.6%
Adjustment of technical reserves	9.5	-46.0	-108.8	n.m.	n.m.
Net claims and benefits incurred	-212.4	-225.0	-233.9	3.9%	10.1%
<b>Total premiums earned minus claims and benefits</b>	<b>-63.3</b>	<b>-45.9</b>	<b>-87.7</b>	<b>90.9%</b>	<b>38.6%</b>

Total premiums earned minus claims and benefits were S/ -87.7 million in 3Q21, a decrease of S/ 41.8 million QoQ and S/ 24.4 million YoY.

The quarterly result was explained by increases of S/ 62.8 million in adjustment of technical reserves and S/ 8.9 million in net claims and benefits incurred, partially offset by an increase of S/ 29.9 million in net premiums.

The annual performance was the result of increases of S/ 118.3 million in adjustment of technical reserves and S/ 21.5 million in net claims and benefits incurred, partially offset by a S/ 115.3 million growth in net premiums.

## NET PREMIUMS

Net Premiums by Business Line					
S/ million	3Q20	2Q21	3Q21	%chg QoQ	%chg YoY
Annuities	50.2	130.4	144.5	10.8%	n.m.
D&S	0.1	0.0	0.0	-7.0%	-23.6%
Individual Life	34.9	41.3	47.1	14.0%	34.9%
Retail Insurance	54.5	53.2	63.3	18.8%	16.1%
<b>Net Premiums</b>	<b>139.6</b>	<b>225.0</b>	<b>254.9</b>	<b>13.3%</b>	<b>82.6%</b>

Net premiums were S/ 254.9 million in 3Q21, an increase of S/ 29.9 million, or 13.3%, QoQ and S/ 115.3 million, or 82.6%, YoY.

The quarterly result was mainly due to growth of S/ 14.1 million in annuities, S/ 10.1 million in retail insurance premiums and S/ 5.8 million in individual life.

The annual performance in net premiums was mainly due to increases of S/ 94.3 million in annuities, S/ 12.2 million in individual life and S/ 8.8 million in retail insurance premiums.

It is worth mentioning that the overall growth in annuities was a result of better market conditions, while individual life premiums grew due to an improvement in the collection of premiums.

## ADJUSTMENT OF TECHNICAL RESERVES

Adjustment of Technical Reserves by Business Line					
S/ million	3Q20	2Q21	3Q21	%chg QoQ	%chg YoY
Annuities	22.4	-22.5	-85.7	n.m.	n.m.
Individual Life	-19.4	-25.2	-14.6	-42.3%	-25.1%
Retail Insurance	6.6	1.7	-8.6	n.m.	n.m.
<b>Adjustment of technical reserves</b>	<b>9.5</b>	<b>-46.0</b>	<b>-108.8</b>	<b>n.m.</b>	<b>n.m.</b>

Adjustment of technical reserves was S/ 108.8 million in 3Q21, an increase of S/ 62.8 million QoQ and S/ 118.3 million YoY.

The quarterly growth was mainly due to an increase of S/ 63.2 million in technical reserves for annuities, mostly attributed to (i) higher technical reserves for inflation-indexed annuities due to an increase in the inflation rate, and (ii) the effect of higher sales.

The annual growth was mainly explained by S/ 108.1 million higher technical reserves for annuities, mostly attributed to (i) higher technical reserves for inflation-indexed annuities due to an increase in the inflation rate, and (ii) the effect of higher sales. Additionally, the annual performance in the adjustment of technical reserves was also explained by S/ 15.2 million higher reserve requirements for retail insurance, partially offset by a S/ 4.8 million reduction in individual life.

## NET CLAIMS AND BENEFITS INCURRED

Net Claims and Benefits Incurred by Business Line					
S/ million	3Q20	2Q21	3Q21	%chg QoQ	%chg YoY
Annuities	-166.3	-180.4	-186.6	3.5%	12.2%
D&S	-0.1	-0.3	-0.8	n.m.	n.m.
Individual Life	-6.3	-11.9	-7.0	-41.2%	10.5%
Retail Insurance	-39.7	-32.4	-39.4	21.7%	-0.9%
<b>Net claims and benefits incurred</b>	<b>-212.4</b>	<b>-225.0</b>	<b>-233.9</b>	<b>3.9%</b>	<b>10.1%</b>

Net claims and benefits incurred reached S/ 233.9 million in 3Q21, an increase of S/ 8.9 million QoQ and S/ 21.5 million YoY.

The quarterly result was due to a S/ 7.0 million increase in retail insurance claims, mainly related to credit life insurance associated with COVID-19 mortality in Peru, and S/ 6.2 million higher annuity benefits, partially offset by a S/ 4.9 million decrease in individual life claims.

The annual performance was mainly explained by increases of S/ 20.3 million in annuity benefits and S/ 0.7 million in individual life claims.

## OTHER EXPENSES

Other Expenses					
S/ million	3Q20	2Q21	3Q21	%chg QoQ	%chg YoY
Salaries and employee benefits	-17.7	-22.7	-26.5	17.0%	50.2%
Administrative expenses	-9.3	-13.7	-16.4	20.0%	76.0%
Depreciation and amortization	-6.4	-6.3	-6.4	1.5%	0.2%
Expenses related to rental income	-0.3	-0.7	-1.5	n.m.	n.m.
Other	-30.1	-36.4	-40.0	9.8%	32.7%
<b>Other expenses</b>	<b>-63.9</b>	<b>-79.8</b>	<b>-90.9</b>	<b>13.9%</b>	<b>42.3%</b>

Other expenses increased S/ 11.1 million QoQ, or 13.9%, and S/ 27.0 million YoY, or 42.3%.

The quarterly result was mainly due to increases of S/ 3.8 million in salaries and employee benefits, S/ 3.6 million in other expenses, S/ 2.7 million in administrative expenses and S/ 0.8 million in expenses related to rental income.

The annual performance in other expenses was mainly due to growths of S/ 9.9 million in other expenses, S/ 8.8 million in salaries and employee benefits, and S/ 7.1 million in administrative expenses, mostly attributed to base effects after cost containment measures that were implemented during 2020 to deal with the COVID-19 pandemic.

# Inteligo

## SUMMARY

Inteligo's net profit in 3Q21 was S/ 183.7 million, an increase of S/ 94.1 million or more than two-fold QoQ, and S/ 73.2 million or 66.2% YoY.

The main driver of the solid performance in 3Q21 was the contribution of other income, which showed strong gains for the period, mainly associated with positive mark-to-market valuations on proprietary portfolio investments. Higher net fee income from financial services also supported the better results, which helped offset a pickup in other expenses.

From a business development perspective, Inteligo's prospection process continued to be effective alongside with political uncertainty around Peru's new administration, and continued to show positive results in terms of new account openings, higher deposits from clients and higher assets under management. Accordingly, Inteligo's AUM plus deposits grew 4.2% QoQ and 22.8% YoY as of September 30, 2021.

Consequently, Inteligo's ROAE was 56.7% in 3Q21, well above the already strong 30.4% reported in 2Q21 and in line with the 53.5% registered in 3Q20. Furthermore, the efficiency ratio was 16.2% in 3Q21.

Wealth Management Segment's P&L Statement					
S/ million	3Q20	2Q21	3Q21	%chg QoQ	%chg YoY
Interest and similar income	37.9	39.3	36.7	-6.5%	-3.2%
Interest and similar expenses	-12.8	-9.5	-10.6	11.3%	-17.4%
<b>Net interest and similar income</b>	<b>25.1</b>	<b>29.7</b>	<b>26.1</b>	<b>-12.3%</b>	<b>4.1%</b>
Impairment loss on loans, net of recoveries	0.0	0.0	-2.1	n.m.	n.m.
Recovery (loss) due to impairment of financial investments	-0.2	-0.9	0.1	n.m.	n.m.
<b>Net interest and similar income after impairment loss</b>	<b>24.8</b>	<b>28.8</b>	<b>24.1</b>	<b>-16.4%</b>	<b>-2.9%</b>
Fee income from financial services, net	40.1	49.1	50.4	2.8%	25.9%
Other income	75.2	52.3	146.6	n.m.	95.0%
Other expenses	-27.3	-33.9	-36.8	8.6%	34.7%
<b>Income before translation result and income tax</b>	<b>112.7</b>	<b>96.3</b>	<b>184.4</b>	<b>91.4%</b>	<b>63.5%</b>
Translation result	-0.2	-4.3	2.0	n.m.	n.m.
Income tax	-2.1	-2.4	-2.6	8.9%	25.6%
<b>Profit for the period</b>	<b>110.5</b>	<b>89.6</b>	<b>183.7</b>	<b>n.m.</b>	<b>66.2%</b>
<b>ROAE</b>	<b>53.5%</b>	<b>30.4%</b>	<b>56.7%</b>		
<b>Efficiency ratio</b>	<b>19.5%</b>	<b>25.5%</b>	<b>16.2%</b>		

## ASSETS UNDER MANAGEMENT & DEPOSITS

AUM reached S/ 23,586.1 million in 3Q21, a S/ 1,028.5 million or 4.6% increase QoQ and a S/ 3,706.2 million or 18.6% growth YoY. This was mainly a result of a higher foreign exchange rate between the comparing periods, as most AUM are denominated in dollars.

Client deposits were S/ 4,717.6 million in 3Q21, a S/ 122.0 million or 2.7% increase QoQ, also as a result of a higher foreign exchange rate between the comparing periods. On a YoY basis, client deposits increased S/ 1,552.7 million or 49.1%, mainly due to net new funds from clients amid the political uncertainty around Peru's new administration.

## NET INTEREST AND SIMILAR INCOME

Net interest and similar income					
S/ million	3Q20	2Q21	3Q21	%chg QoQ	%chg YoY
<b>Interest and similar income</b>					
Due from banks and inter-bank funds	1.4	1.0	2.1	n.m.	50.7%
Financial Investments	20.8	22.1	18.5	-16.3%	-10.8%
Loans	15.8	16.2	16.1	-0.2%	2.1%
<b>Total interest and similar income</b>	<b>37.9</b>	<b>39.3</b>	<b>36.7</b>	<b>-6.5%</b>	<b>-3.2%</b>
<b>Interest and similar expenses</b>					
Deposits and obligations	-11.2	-8.4	-9.5	12.8%	-15.7%
Due to banks and correspondents	-1.6	-1.1	-1.1	0.2%	-29.4%
<b>Total interest and similar expenses</b>	<b>-12.8</b>	<b>-9.5</b>	<b>-10.6</b>	<b>11.3%</b>	<b>-17.4%</b>
<b>Net interest and similar income</b>	<b>25.1</b>	<b>29.7</b>	<b>26.1</b>	<b>-12.3%</b>	<b>4.1%</b>

Inteligo's net interest and similar income was S/ 26.1 million in 3Q21, a decrease of S/ 3.6 million or 12.3% when compared with 2Q21, mainly attributable to a lower asset allocation to fixed income investments within the proprietary portfolio.

Net interest and similar income increased S/ 1.0 million YoY, or 4.1%, mainly as a consequence of the lower cost of funding caused by large liquidity inflows in non-interest bearing accounts.

## FEE INCOME FROM FINANCIAL SERVICES

Fee income from financial services, net					
S/ million	3Q20	2Q21	3Q21	%chg QoQ	%chg YoY
<b>Income</b>					
Brokerage and custody services	2.2	3.1	2.6	-18.6%	15.5%
Funds management	38.2	46.5	48.3	3.7%	26.4%
<b>Total income</b>	<b>40.4</b>	<b>49.7</b>	<b>50.8</b>	<b>2.3%</b>	<b>25.8%</b>
<b>Expenses</b>					
Brokerage and custody services	-0.1	-0.3	-0.2	-35.9%	48.8%
Others	-0.2	-0.3	-0.2	-35.3%	-16.7%
<b>Total expenses</b>	<b>-0.3</b>	<b>-0.6</b>	<b>-0.4</b>	<b>-35.7%</b>	<b>11.1%</b>
<b>Fee income from financial services, net</b>	<b>40.1</b>	<b>49.1</b>	<b>50.4</b>	<b>2.8%</b>	<b>25.9%</b>



Net fee income from financial services was S/ 50.4 million in 3Q21, an increase of S/ 1.3 million or 2.8% when compared to the previous quarter, mainly attributed to higher funds management fees due to an increased foreign exchange rate between periods. This was partially offset by sequentially lower assets under management at Interfondos, which were affected by the political uncertainty around Peru's new administration.

On a YoY basis, net fee income from financial services increased S/ 10.4 million, or 25.9%. This was mainly explained by an increase in fees from funds management, also supported by a higher foreign exchange rate.

## OTHER INCOME

Other income					
S/ million	3Q20	2Q21	3Q21	%chg QoQ	%chg YoY
Net gain on sale of financial investments	-6.3	0.3	8.8	n.m.	n.m.
Net trading gain (loss)	82.8	45.9	141.5	n.m.	70.8%
Other	-1.4	6.1	-3.7	n.m.	n.m.
<b>Total other income</b>	<b>75.2</b>	<b>52.3</b>	<b>146.6</b>	<b>n.m.</b>	<b>95.0%</b>

Inteligo's other income reached S/ 146.6 million in 3Q21, an increase of S/ 94.3 million QoQ and S/ 71.4 million YoY, mainly attributable to a strong boost in mark-to-market valuations on proprietary portfolio investments.

## OTHER EXPENSES

Other expenses					
S/ million	3Q20	2Q21	3Q21	%chg QoQ	%chg YoY
Salaries and employee benefits	-15.4	-20.0	-21.9	9.3%	42.3%
Administrative expenses	-8.6	-9.8	-10.4	6.2%	20.8%
Depreciation and amortization	-3.4	-3.7	-3.9	6.8%	16.0%
Other	0.0	-0.4	-0.6	49.3%	n.m.
<b>Total other expenses</b>	<b>-27.3</b>	<b>-33.9</b>	<b>-36.8</b>	<b>8.6%</b>	<b>34.7%</b>
<b>Efficiency ratio</b>	<b>19.5%</b>	<b>25.5%</b>	<b>16.2%</b>		

Other expenses reached S/ 36.8 million in 3Q21, an increase of S/ 2.9 million QoQ, or 8.6%, and S/ 9.5 million YoY, or 34.7%. This was mainly attributable to an increase in total headcount, in addition to the effect of a higher foreign exchange rate in certain cost components between the comparing periods.