

**Translation of consolidated financial statements originally issued in Spanish – Note 28**

**Intercorp Perú Ltd. and Subsidiaries**

**Interim consolidated financial statements as of June 30, 2020, December 31, 2019 and for the six-month periods ended June 30, 2020 and 2019**

# Translation of consolidated financial statements originally issued in Spanish – Note 28

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**Interim consolidated financial statements as of June 30, 2020, December 31, 2019 and for the six-month periods ended June 30, 2020 and 2019**

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## Translation of consolidated financial statements originally issued in Spanish – Note 28

### Intercorp Perú Ltd. and Subsidiaries

#### Interim consolidated statements of financial position

As of June 30, 2020 (unaudited) and December 31, 2019 (audited)

	Note	2020 S/(000)	2019 S/(000)		Note	2020 S/(000)	2019 S/(000)
<b>Assets</b>				<b>Liabilities</b>			
Cash and due from banks	4			Deposits and obligations	10	43,908,873	37,823,027
Cash and clearing		1,770,497	1,955,364	Inter-bank funds	4(e)	-	169,138
Deposits in the Central Reserve Bank of Peru		10,426,945	6,067,984	Due to banks and correspondents	11	11,707,830	6,726,260
Deposits in local and foreign banks		3,383,560	2,481,012	Bonds, notes and other obligations	12	13,631,910	13,000,767
Restricted funds		827,042	1,316,278	Due from customers on acceptances		16,577	139,685
		<u>16,408,044</u>	<u>11,820,638</u>	Insurance contract liabilities	13	11,708,247	11,338,810
				Accounts payable, provisions and other liabilities	9	8,589,047	8,378,783
				Deferred Income Tax liability, net		710,260	722,521
				<b>Total liabilities</b>		<u>90,272,744</u>	<u>78,298,991</u>
Inter-bank funds	4(e)	31,841	85,006				
Financial investments	5	21,591,470	19,198,405	<b>Equity, net</b>			
Loans, net	6	39,550,145	37,774,580	Equity attributable to Intercorp Perú Ltd.'s shareholders:	14		
Investment property	7	4,778,889	4,710,348	Capital stock		5,547,671	4,502,155
Inventories, net	8	2,506,700	2,397,306	Reserves		4,493,142	3,868,659
Property, furniture and equipment, net		10,277,594	10,272,996	Unrealized results		39,269	113,207
Due from customers on acceptances		16,577	139,685	Retained earnings		(132,337)	1,936,421
Accounts receivable and other assets, net	9	4,211,675	2,251,524			<u>9,947,745</u>	<u>10,420,442</u>
Goodwill, trademark and other intangible assets, net		4,566,915	4,549,598	Non-controlling interest		4,347,394	4,762,686
Deferred Income Tax asset, net		628,033	282,033			<u>14,295,139</u>	<u>15,183,128</u>
		<u>88,159,839</u>	<u>81,661,481</u>	<b>Total equity, net</b>			
						<u>104,567,883</u>	<u>93,482,119</u>
<b>Total assets</b>		<u>104,567,883</u>	<u>93,482,119</u>	<b>Total liabilities and equity net</b>			

The accompanying notes are an integral part of these Interim consolidated financial statements.

# Translation of consolidated financial statements originally issued in Spanish – Note 28

## Intercorp Perú Ltd. and Subsidiaries

### Interim consolidated statements of income

For the six-month periods ended June 30, 2020 and 2019

	Note	30.06.2020 S/(000)	30.06.2019 S/(000)
Interest and similar income	16	2,716,701	2,657,765
One-off impact from the modification of contractual cash flows due to the loan rescheduling schemes	16	(136,637)	-
Interest and similar expenses	16	<u>(1,027,041)</u>	<u>(1,057,176)</u>
<b>Net interest and similar income</b>		1,553,023	1,600,589
Impairment loss on loans, net of recoveries	6(d)	(1,760,572)	(480,246)
(Loss) recovery due to impairment on financial investments	5(c)	<u>(52,396)</u>	<u>2,674</u>
<b>Net interest and similar income after impairment loss</b>		(259,945)	1,123,017
Net sales from retail business	20	7,229,205	7,211,324
Cost of sales from retail business	20	(5,298,079)	(5,248,124)
Fee income from financial services, net	17	385,504	464,815
Net gain on foreign exchange transactions		241,441	77,125
Net gain on sale of financial investments		85,435	67,648
Gain from derecognition of financial assets at amortized cost	5(e)	-	8,474
Net (loss) gain on financial assets at fair value through profit or loss		(117,422)	42,737
Income from educational services		368,385	416,945
Net gain on investment property	7(b)	161,229	178,140
Other income	18	<u>44,499</u>	<u>46,674</u>
		3,100,197	3,265,758
<b>Insurance premiums and claims</b>	19		
Net premiums earned		239,238	194,355
Net claims and benefits incurred for life insurance contracts and others		<u>(362,591)</u>	<u>(338,149)</u>
		(123,353)	(143,794)
<b>Other expenses</b>			
Salaries and employee benefits		(1,336,451)	(1,319,525)
Administrative expenses		(1,072,056)	(1,182,943)
Depreciation and amortization		(549,785)	(496,621)
Other expenses	18	<u>(125,118)</u>	<u>(98,084)</u>
		(3,083,410)	(3,097,173)
<b>(Loss) income before translation result and Income Tax</b>		(366,511)	1,147,808
Translation result		(184,531)	78,969
Income tax	15(h)	<u>112,929</u>	<u>(382,649)</u>
<b>Net (loss) profit for the period</b>		<u>(438,113)</u>	<u>844,128</u>
<b>Attributable to:</b>			
Intercorp Perú's shareholders		(353,185)	583,086
Non-controlling interest		<u>(84,928)</u>	<u>261,042</u>
		(438,113)	844,128
<b>(Loss) earnings per share attributable to Intercorp Perú's shareholders (A and B classes) basic and diluted (stated in Soles)</b>	21	(2.37)	3.91
<b>Weighted average number of outstanding shares (A and B classes) (In thousands)</b>	21	<u>149,019</u>	<u>149,019</u>

The accompanying notes are an integral part of these Interim consolidated financial statements.

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## Intercorp Perú Ltd. and Subsidiaries

### Interim consolidated statements of other comprehensive income

For the six-month periods ended June 30, 2020 and 2019

	30.06.2020	30.06.2019
	S/(000)	S/(000)
<b>Net (loss) profit for the period</b>	<b>(438,113)</b>	<b>844,128</b>
<b>Other comprehensive income that will not be reclassified to the consolidated income statements in subsequent periods</b>		
(Losses) gains on equity instruments at fair value through other comprehensive income	(39,159)	6,208
Income Tax	<u>29</u>	<u>(212)</u>
<b>Total unrealized (loss) gain that will not be reclassified to the consolidated income statements</b>	<u>(39,130)</u>	<u>5,996</u>
<b>Other comprehensive income to be reclassified to the consolidated income statements in subsequent periods:</b>		
Net movement of debt instruments at fair value through other comprehensive income	(267,982)	919,768
Income Tax	<u>1,004</u>	<u>(7,302)</u>
	(266,978)	912,466
Net movement of insurance premiums reserve	<u>226,273</u>	<u>(676,231)</u>
Net movement of cash flow hedges	(68,702)	54,568
Income Tax	<u>1,211</u>	<u>(6,165)</u>
	(67,491)	48,403
Translation of foreign operations	<u>45,984</u>	<u>(21,316)</u>
<b>Total unrealized (loss) gain to be reclassified to the consolidated income statements in subsequent periods</b>	<u>(62,212)</u>	<u>263,322</u>
<b>Total other comprehensive (loss) income for the period, net of Income Tax</b>	<u>(539,455)</u>	<u>1,113,446</u>
<b>Attributable to:</b>		
Intercorp Peru's shareholders	(427,123)	780,618
Non-controlling interest	<u>(112,332)</u>	<u>332,828</u>
	<u>(539,455)</u>	<u>1,113,446</u>

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Intercorp Perú Ltd. and Subsidiaries

Interim consolidated statements of changes in equity

For the six-month periods ended June 30, 2020 and 2019

	Attributable to Intercorp Perú's shareholders												
	Number of shares	Unrealized results, net										Non-controlling interest	Total equity, net
		Issued (in thousands)	Capital stock S/(000)	Reserves S/(000)	Instruments that will not be reclassified to the consolidated income statements Equity instruments at fair value S/(000)	Instruments that will be reclassified to the consolidated income statements Debt instruments at fair value S/(000)	Insurance premiums reserves S/(000)	Cash flow hedges reserve S/(000)	Translation of foreign operations S/(000)	Other S/(000)	Retained earnings S/(000)		
<b>Balances as of January 1, 2019</b>	149,019	4,010,690	3,740,123	(7,530)	(167,140)	57,395	(7,216)	21,903	112	1,063,864	8,712,201	3,688,383	12,400,584
Net profit for the period	-	-	-	-	-	-	-	-	-	583,086	583,086	261,042	844,128
Other comprehensive income	-	-	-	1,095	691,303	(512,713)	34,230	(16,383)	-	-	197,532	71,786	269,318
<b>Total other comprehensive income</b>	-	-	-	1,095	691,303	(512,713)	34,230	(16,383)	-	583,086	780,618	332,828	1,113,446
Earnings capitalization, Note 14(a)	-	491,465	-	-	-	-	-	-	-	(491,465)	-	-	-
Transfer of retained earnings to reserves, Note 14(c)	-	-	58,536	-	-	-	-	-	-	(58,536)	-	-	-
Declared dividends, Note 14(a)	-	-	-	-	-	-	-	-	-	(98,940)	(98,940)	-	(98,940)
Dividends declared to non-controlling interest of Subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(194,289)	(194,289)
Capital contribution from non-controlling interest in Subsidiaries	-	-	-	-	-	-	-	-	-	-	-	31,681	31,681
Acquisition of non-controlling interest	-	-	-	-	-	-	-	-	-	(131,819)	(131,819)	(61,606)	(193,425)
Others	-	-	-	-	-	-	-	-	-	10,238	10,238	(9,934)	304
<b>Balance as of June 30, 2019</b>	<b>149,019</b>	<b>4,502,155</b>	<b>3,798,659</b>	<b>(6,435)</b>	<b>524,163</b>	<b>(455,318)</b>	<b>27,014</b>	<b>5,520</b>	<b>112</b>	<b>876,428</b>	<b>9,272,298</b>	<b>3,787,063</b>	<b>13,059,361</b>
<b>Balances as of January 1, 2020</b>	149,019	4,502,155	3,868,659	35,008	748,401	(652,426)	(25,348)	7,249	323	1,936,421	10,420,442	4,762,686	15,183,128
Net loss for the period	-	-	-	-	-	-	-	-	-	(353,185)	(353,185)	(84,928)	(438,113)
Other comprehensive income	-	-	-	(27,589)	(188,579)	159,532	(47,922)	30,620	-	-	(73,938)	(27,404)	(101,342)
<b>Total other comprehensive income</b>	-	-	-	(27,589)	(188,579)	159,532	(47,922)	30,620	-	(353,185)	(427,123)	(112,332)	(539,455)
Earnings capitalization, Note 14(a)	-	1,045,516	-	-	-	-	-	-	-	(1,045,516)	-	-	-
Transfer of retained earnings to reserves, Note 14(c)	-	-	624,483	-	-	-	-	-	-	(624,483)	-	-	-
Dividends declared to non-controlling interest of Subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(264,780)	(264,780)
Capital contribution from non-controlling interest in Subsidiaries	-	-	-	-	-	-	-	-	-	-	-	3,511	3,511
Others	-	-	-	-	-	-	-	-	-	(45,574)	(45,574)	(41,691)	(87,265)
<b>Balance as of June 30, 2020</b>	<b>149,019</b>	<b>5,547,671</b>	<b>4,493,142</b>	<b>7,419</b>	<b>559,822</b>	<b>(492,894)</b>	<b>(73,270)</b>	<b>37,869</b>	<b>323</b>	<b>(132,337)</b>	<b>9,947,745</b>	<b>4,347,394</b>	<b>14,295,139</b>

The accompanying notes are an integral part of these Interim consolidated financial statements.

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### Intercorp Perú Ltd. and Subsidiaries

#### Interim consolidated statements of cash flows

For the six-month periods ended June 30, 2020 and 2019

	<b>30.06.2020</b>	<b>30.06.2019</b>
	S/(000)	S/(000)
<b>Cash flows from operating activities</b>		
Net (loss) profit for the period	(438,113)	844,128
<b>Plus (minus) adjustments to net (loss) profit</b>		
Impairment loss on loans, net of recoveries	1,760,572	480,246
Depreciation and amortization	549,785	496,621
Deferred Income Tax	(341,401)	(6,890)
Net gain on sale of financial investments	(85,435)	(67,648)
Gain from derecognition of financial assets at amortized cost	-	(8,474)
Impairment loss (recovery) on financial investments	52,396	(2,674)
Net loss (gain) of financial assets at fair value through profit or loss	117,422	(42,737)
Gain for valuation of investment property	(39,281)	(6,119)
Translation result	184,531	(78,969)
Provision for impairment of inventories, net of recoveries	25,253	10,727
Net increase in accrued interest receivable	(28,220)	(17,219)
Net (decrease) increase in accrued interest payable	(1,929)	14,198
<b>Net changes in assets and liabilities</b>		
Net increase in loans	(3,507,917)	(1,977,673)
Net (increase) decrease of financial investments through profit or loss	(455,041)	301,588
Net increase in inventories	(134,647)	(129,382)
Net decrease (increase) in restricted funds	489,236	(134,617)
Net increase in deposits and obligations	6,085,846	2,032,622
Net (increase) decrease in other assets	(1,749,481)	489,395
Net increase in other liabilities	198,819	400,349
<b>Net cash provided by operating activities</b>	<u>2,682,395</u>	<u>2,597,472</u>

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### Interim consolidated statements of cash flows (continued)

For the six-month periods ended June 30, 2020 and 2019

	<b>30.06.2020</b>	<b>30.06.2019</b>
	S/(000)	S/(000)
<b>Cash flows from investing activities</b>		
Purchase of investments at fair value through other comprehensive income and at amortized cost	(2,160,604)	20,122
Purchase of investment property	(65,605)	(131,502)
Purchase of property, furniture and equipment	(443,503)	(657,460)
Purchase of intangible assets	(141,886)	(146,902)
Acquisition of Subsidiaries	-	(4,867)
<b>Net cash used in investing activities</b>	<u>(2,811,598)</u>	<u>(920,609)</u>
 <b>Cash flows from financing activities</b>		
Net increase in due to banks and correspondents	4,983,499	544,776
Net increase in bonds, notes and other obligations	631,143	35,752
Net decrease in inter-bank funds assets	53,165	264,900
Net (decrease) increase in inter-bank funds liabilities	(169,138)	50,013
Payment of dividends to shareholders	(26,284)	(49,649)
Payment of dividends to non-controlling interest	(264,780)	(194,289)
Capital contribution from non-controlling interest	3,511	31,681
Purchase of non-controlling interest of Subsidiaries	(5,271)	(193,425)
<b>Net cash provided by financing activities</b>	<u>5,205,845</u>	<u>489,759</u>
 <b>Net increase in cash and cash equivalents</b>	5,076,642	2,166,622
Cash and cash equivalents at the beginning of the year	<u>10,504,360</u>	<u>7,597,063</u>
<b>Cash and cash equivalents at the end of the period</b>	<u>15,581,002</u>	<u>9,763,685</u>

The accompanying notes are an integral part of these Interim consolidated financial statements.



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## Intercorp Perú Ltd. and Subsidiaries

### Notes to the Interim consolidated financial statements

As of June 30, 2020 and December 31, 2019

#### 1. Business activity and other relevant events -

##### 1.1 Business activity

Intercorp Perú Ltd. (henceforth “Intercorp Perú” or “the Company”) is a limited liability holding company incorporated in November 1997 in The Commonwealth of The Bahamas. Intercorp Perú is the holding company of the group of Subsidiaries of the denominated “Intercorp Group” (or “the Group”), thus coordinating their policies and management. Intercorp Perú as a holding company also maintains certain investments in all types of securities.

The Company’s legal address is Sassoon House Shirley Street & Victoria Avenue, Nassau, The Bahamas. Management and its administrative offices are located at Av. Carlos Villarán 140, Urb. Santa Catalina, La Victoria, Lima, Peru.

The operations of Intercorp Perú and its Subsidiaries are concentrated mainly in Peru, but it also maintains operations in The Bahamas, Panama, Ecuador, Colombia, Bolivia, Mexico and Spain, see Note 2. Develops activities in the financial, insurance, retail, pharma, real estate and educational businesses. The relevant activities and data of the Subsidiaries as of June 30, 2020, and December 31, 2019, and for six month periods ended June 30, 2020 and 2019, see Note 2.

The interim consolidated financial statements as of June 30, 2020 approved by the Board of Directors on August 25, 2020. The annual audited consolidated financial statements of Intercorp and Subsidiaries as of December 31, 2019, were approved by the Board of Directors on May 26, 2020.

##### 1.2 COVID-19 global pandemic -

In December 2019, a new coronavirus strain (Covid-19) was first identified in Wuhan, China, later it was declared as a pandemic by the World Health Organization, which has resulted in travel restrictions and trade slowdowns. In Perú, on March 15, 2020, the Government, through Supreme Decree No.044-2020, declared a National lockdown ordering the closing of the national borders, compulsory social confinement, the lockdown of businesses deemed non-essential (exceptions were production, distribution and commercialization of food and pharmaceuticals, financial services and healthcare), among others. As of the date of this report, the National lockdown has been extended until August 31, 2020.

Within this context, the Ministry of Economy and Finance (henceforth “MEF”), the Central Reserve Bank of Peru (henceforth “BCRP”) and the Superintendence of Banking, Insurance and Private Pension Fund Administrators (henceforth “SBS”), activated extraordinary measures aimed to alleviate the financial and economic impact of Covid-19, in particular on customers of the financial systems (due to the lockdown of certain economic sectors).

Furthermore, with the purpose of securing the continuity of the payments chain, the Government implemented the program “Reactiva Perú”. Through this program, the Peruvian State guarantees the loans granted by Entities of the Financial System to micro, small, medium and large companies so that they can access to working capital funding at low interest rates and can be able to comply with their short-term obligations with their workers and suppliers of goods and services. The maximum maturity term of these loans is 36 months, including periods of grace of up to 12 months, as well as a maximum amount of S/10,000,000 per loan per company, depending on their sales volume.

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## Notes to the Interim consolidated financial statements (continued)

As of June 30, 2020, the Group has had access to funding for approximately S/84,300,000 within “Reactiva Perú”, which is presented in the caption “Bonds, notes and other obligations” in the consolidated statements of financial position.

Regarding the reactivation of the economic activities, through Supreme Decree No. 080-2000-PCM the Government approved the Program of “Resumption of Activities”, which comprises 4 phases. Each phase includes a group of economic activities that are allowed to resume according to a schedule set up by the Government, taking into consideration criteria on public health criteria (course of the pandemic, healthcare capacity and diagnosis degree), domestic mobility (related to possible increases in contagion risk), social dimension and economic activity, as summarized below:

Phase 1: began in May 2020 and comprises the resumption of some activities in mining and manufacturing (large-scale mining, industrial fishing, glass industry, paper industry, metal-mechanic, etc.), construction (Government projects, sanitation works, etc.), services and tourism (delivery and carry-out services in restaurants, notaries, building and house maintenance, telecommunications, etc.) and commerce (agricultural products and e-commerce for household goods and related).

Phase 2: began in June 2020 and comprises the resumption of some activities in agriculture and mining. In addition, by the middle of said month, an extension of resuming activities included shopping malls and department stores.

Phase 3: began in July 2020 and comprises the resumption of shops in general (with 50 percent capacity), restaurants and related services (except bars and with 40 percent capacity); and national transportation of people and cargo, among others.

As of the date of this report, Phase 4 is pending of approval and implementation.

Intercorp’s management closely monitors the economic situation and is focused on securing the operativity of all its Subsidiaries, as well as strengthening their liquidity and solvency position. On the other hand, the well-being of people is one of Intercorp’s main priorities. Hence, employees are subject to specific safety protocols which include social distancing, hygiene practices, health monitoring, home office implementation and strong communication.

Following is the detail of the main measures enacted by the Government or regulatory entities, which have had impact on each of the business segments:

### Financial business –

The main measures implemented in the financial system are related to facilities for loan rescheduling (payment deferrals), suspension of counting of past due days, partial withdrawal of severance indemnities and launching of credit programs guaranteed by the Peruvian Government, such as “Reactiva Perú”.

As of June 30, 2020, Interbank holds loans of the “Reactiva Perú” program for approximately S/3,833 million, which are recorded in “Loans, net” of the consolidated statements of financial position.

### Retail business –

As aforementioned, since the Declaration of State of Emergency, shopping malls were partially closed, with the exception of stores linked to essential services such as: supermarkets, drugstores and banks.

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## Notes to the Interim consolidated financial statements (continued)

With the extension of activities of Phase 2 of the “Resumption of Activities”, the reopening of shopping malls was allowed. However, the resumption of operations of tenants has been subject to Government requirements related to the application of biosecurity measures and capacity restrictions, among other limits.

### Educational business –

Through Vice-Ministerial Resolutions No. 093-2020-MINEDU and No. 095-2020-MINEDU, the Government enacted the suspension of in-person classes, for all educational levels, and authorized the rendering of the service via non-attendance or remote means for the year 2020, as long as the Nacional State of Emergency and Health Emergency remain in effect.

### 1.3 Initial Public Offering of Intercorp Financial Services Inc.

On July 3, 2019, following the approval by the Board, Intercorp Financial Services, Subsidiary of Intercorp, filed with the Securities and Exchange Commission of the United States of America (“SEC”), a Registration Statement under Form F-1 of the Securities Exchange Act of 1933 of the United States of America, in relation with a proposal of an Initial Public Offering of IFS’ (The Offering).

On July 18, 2019, IFS announced the Initial Public Offering of approximately 9,000,000 common shares at a price of US\$46.00 per share with sellers being: (i) IFS, (ii) Interbank, (iii) Intercorp Perú Ltd., and (iv) a non-related shareholder. Also, IFS granted the underwriters an option for a period of 30 days to purchase up to an aggregate of 1,350,000 additional new common shares.

As part of the Offering, IFS sold 2,418,754 common shares held as treasury stock (including shares sold by Interbank), and 1,150,000 new common shares to be issued. Intercorp Perú sold 2,531,246 shares, and the non-related shareholder sold 3,000,000 shares. Also, the underwriters exercised the purchase option over 1,186,841 new common shares.

In this sense, Intercorp Perú and Subsidiaries jointly sold 7,286,841 shares at US\$46.00 per share. The sale value amounted to approximately US\$335,195,000 (before issuance expenses).

The total impact of the Offering over Intercorp Perú’s consolidated net equity, after discounting the issuance expenses, amounted to S/1,053,215,000, which is mainly explained by:

- Effects recorded in the net equity attributable to the Intercorp Peru’s shareholders for S/495,013,000, which are mainly composed of:
  - (i) Issuance of 2,336,841 shares by IFS for an amount of S/336,950,000; its effect on the equity attributable to Intercorp Perú amounts to S/237,964,000 and was recorded by adding “Retained earnings.”
  - (ii) Sale of 2,418,754 treasury shares by IFS, including shares sold by Interbank, for a total amount of S/347,175,000; its effect on the equity attributable to Intercorp Perú amounts to S/245,185,000 and was recorded by increasing “Retained earnings.”
  - (iii) Dilution of Intercorp Perú Ltd’s direct and indirect ownership percentage in IFS due to effects resulting from the Offering; its effect on the equity attributable to Intercorp Perú amounts to S/195,590,000 and was recorded by reducing “Retained earnings.”

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## Notes to the Interim consolidated financial statements (continued)

- (iv) Sale of 2,531,246 shares of IFS, which generated a profit of S/207,454,000 net of the investment cost amounting to S/160,802,000, which was recorded in “Retained earnings”.
- Effects recorded in the non-controlling net equity amounting to S/558,202,000, which corresponds to the non-controlling ownership percentage recognized as a result of the Offering.

### 1.4 Acquisition of Corporación Educativa Hispanoamericana, S.C. -

In June 2019, Intercorp’s Subsidiaries, Transformando la Educación de México, S.A de C.V. and Servicios Administrativos Transformando la Educación de México, S.C., acquired 100 percent of the shares of Corporación Educativa Hispanoamericana, S.C., an entity incorporated in Mexico which operates a private educational institution “Comunidad Educativa Hispanoamericana” for approximately S/5,034,000 (equivalent to MXN 32,759,000), adjusted price in March 2020 (S/5,815,000 equivalent to MXN 33,130,000 as of December 31, 2019).

The acquisition of Corporation Educativa Hispanoamericana S.C. was recorded in accordance with IFRS 3 “Business Combinations”, applying the purchase accounting method. The impacts of said acquisition did not generate significant effects in the Company’s consolidated financial statements.

## 2. Organization of Intercorp Peru Group

Below is the information about the entities that are part of Intercorp Group:

### 2.1 Financial and insurance entities

Intercorp Financial Services Inc. -

It is a limited liability holding, incorporated in September 2006 in the Republic of Panama, in order to group the companies of Intercorp Group engaged in financial and insurance businesses.

As of June 30, 2020 and December 31, 2019, the Company holds directly and indirectly 70.62 percent of the issued and outstanding capital stock of IFS. It is worth mentioning that the percentage of indirect participation over IFS’ issued capital stock is held by Intercorp Perú through its Subsidiaries IFH Capital Corp. and Intercorp Capital Investments Inc., in which Intercorp Perú holds 100 percent of both their capital stock and, at the same time, each of these Subsidiaries hold 8.44 percent of IFS’ capital stock as of June 30, 2020 and December 31, 2019.

Likewise, as of June 30, 2020 and December 31, 2019, IFS holds 99.30 percent of the outstanding capital stock of Banco Internacional del Perú S.A.A. - Interbank (henceforth “Interbank”), 99.84 percent of the outstanding capital stock of Interseguro Compañía de Seguros S.A. (henceforth “Interseguro”), and 100 percent of Inteligo Group Corp. (henceforth “Inteligo”). The operations of Interbank, Interseguro are concentrated in Peru, while the operations of Inteligo and Subsidiaries (Inteligo Sociedad Agente de Bolsa S.A., Inteligo Bank Ltd. and Interfondos) are concentrated in Peru and Panama.

The Subsidiaries of IFS and their economic activities are presented below:

- (a) Banco Internacional del Perú S.A.A. - Interbank and Subsidiaries -  
Interbank is incorporated in Peru and is authorized to operate as a universal bank by the SBS, in accordance with Peruvian legislation. Interbank's operations are governed by the General Act of the Financial and Insurance System and Organic Act of the SBS – Act No. 26702 (henceforth “Banking and Insurance Act”), which

# Translation of consolidated financial statements originally issued in Spanish – Note 28

## Notes to the Interim consolidated financial statements (continued)

establishes the requirements, rights, obligations, restrictions and other operating conditions that Peruvian financial and insurance entities must comply with in Peru.

As of June 30, 2020 and December 31, 2019, Interbank operates 233 and 255 offices, respectively, and a branch established in the Republic of Panama. Regarding said branch, on April 23, 2019, Interbank's Board approved its voluntary closing. As of the date of this report, there is no specific date for the completion of said process.

Additionally, it holds 100 percent of the shares of the following Subsidiaries:

<b>Entity</b>	<b>Activity</b>
Internacional de Títulos Sociedad Titulizadora S.A. - Intertítulos S.T. Compañía de Servicios Conexos Expressnet S.A.C.	Manages securitization funds. Services related to credit card transactions or products related to the brand "American Express".
Inversiones Huancavelica S.A.	Real estate activities. This entity was absorbed by Banco Internacional del Perú S.A.A. through a process of merging by absorption, which was authorized by the SBS in September 2019.
Contacto Servicios Integrales de Créditos y Cobranzas S.A.	Collection services. This entity was absorbed by Banco Internacional del Perú S.A.A. through a process of merging by absorption, which was authorized by the SBS in September 2019.

- (b) **Interseguro Compañía de Seguros S.A. –**  
Interseguro is incorporated in Peru and its operations are governed by the Banking and Insurance Act. It is authorized by the SBS to issue life and general risk insurance contracts.

As of June 30, 2020 and December 31, 2019, Interseguro maintains contributions in Patrimonio Fideicometido D.S.093-2002-EF, Interproperties Perú (henceforth "Patrimonio Fideicometido – Interproperties Perú"), a structured entity, incorporated in April 2008, in which several investors (related parties to the Group) contributed investment properties. Each investor or investors have ownership of and specific control over the contributed investment property. For accounting purposes and under IFRS 10 "Consolidated Financial Statements" the assets included in said structure are considered "silos", because they are ring-fenced parts of the wider structured entity (the Patrimonio Fideicometido - Interproperties Perú). Intercorp Group has ownership and decision-making power over these properties and the Group has the exposure or rights to their returns; therefore, the Group consolidates the silos containing the investment properties that it controls.

- (c) **Inteligo Group Corp. and Subsidiaries –**  
Inteligo Group Corp. is an entity incorporated in the Republic of Panama. As of June 30, 2020 and December 31, 2019, it holds 100 percent of the shares of the following Subsidiaries:

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### Notes to the Interim consolidated financial statements (continued)

<b>Entity</b>	<b>Activity</b>
Inteligo Bank Ltd.	It is incorporated in The Commonwealth of the Bahamas and has a branch established in the Republic of Panama that operates under an international license issued by the Superintendencia of Banks of the Republic of Panama. Its main activity is to provide private and institutional banking services, mainly to Peruvian citizens.
Inteligo Sociedad Agente de Bolsa S.A.	Brokerage firm incorporated in Peru.
Inteligo Perú Holding S.A.C.	Financial holding company incorporated in Peru in December 2018. As of June 30, 2020 and December 31, 2019, it holds 99.99 percent interest in Interfondos S.A. Sociedad Administradora de Fondos. Interfondos S.A. Sociedad Administradora de Fondos Manages mutual funds and investment funds.
Inteligo USA, Inc.	Incorporated in the United States of America in January 2019 and provides investment consultancy and related services.

- (d) **Negocios e Inmuebles S.A. and Holding Retail Perú S.A. -**  
These entities were acquired by IFS as part of the purchase of Seguros Sura and Hipotecaria Sura, in 2017. As of June 30, 2020 and December 31, 2019, as a result of the merger between Interseguro and Seguros Sura, both companies hold 8.50 percent of Interseguro's capital stock.
- (e) **San Borja Global Opportunities S.A.C. -**  
Its corporate purpose is the marketing of products and services through Internet, telephony or related.
- (f) **Hipotecaria Sura Empresa Administradora Hipotecaria S.A. -**  
As of December 31, 2019, this company has been extinguished. It was incorporated in Peru and was regulated by the SBS. Its main activity was the granting of mortgage loans. It disbursed its last loans in 2015.

#### 2.2. Retail and real estate businesses -

- (i) **Intercorp Retail Inc. -**  
It is a limited liability holding company incorporated in the Republic of Panama in December 2010, in order to group the entities of Intercorp Group engaged in the retail business in Peru. As of June 30, 2020 and December 31, 2019, the Company holds 100 percent of its capital stock.

In June 2019, Intercorp Retail Inc. acquired shares of HPSA Corp. for approximately US\$24 million and of IFH Retail Corp. for approximately US\$34 million. After these acquisitions, Intercorp Retail Inc. increased its shareholding from 65.01 percent to 74.99 percent in HPSA Corp., and from 78.35 percent to 84.28 percent in IFH Retail Corp.

As of June 30, 2020 and December 31, 2019, the Company holds 100 percent of the capital stock of Intercorp Retail Inc., which holds the following Subsidiaries:

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## Notes to the Interim consolidated financial statements (continued)

Entity	Activity
<p>InRetail Perú Corp. (As of June 30, 2020 and December 31, 2019, Intercorp Retail Inc. holds 59.04 percent of its outstanding capital stock. Also, Intercorp Perú, through its Subsidiaries, holds 70.85 and 70.80 percent (directly and indirectly) of InRetail Perú Corp.'s outstanding capital stock as of June 30, 2020 and December 31, 2019, respectively)</p>	<p>Holding incorporated in the Republic of Panama in January 2011, which holds 100 percent of the capital stock of the following Subsidiaries, which operate several businesses:</p> <p>(a) Shopping malls: Developed by InRetail Real Estate Corp., owner of Patrimonio en Fideicomiso InRetail Shopping Malls, which in turn is owner of (i) Real Plaza S.R.L. and (ii) Patrimonio en Fideicomiso - D.S. No. 093-2002-EF-Interproperties Holding and Patrimonio en Fideicomiso -D.S. No. 093-2002-EF Interproperties Holding II, equity trusts which are special-purpose entities; see description in paragraph 2.2(v);</p> <p>(b) Patrimonio en Fideicomiso Inretail Consumer: Equity trust incorporated in August 2014, which develops the following retail businesses:</p> <p>(i) Supermarkets: Developed by Supermercados Peruanos S.A. and Subsidiaries, a company that, as of June 30, 2020 and December 31, 2019, operates stores under the trademarks "Plaza Veá", "Plaza Veá Súper", "Vivanda", "Mass" and "Economax";</p> <p>(ii) Pharma: Developed by InRetail Pharma S.A. (formerly Eckerd Perú) and Subsidiaries, a company that, as of June 30, 2020 and December 31, 2019, operates under the trademark "Inkafarma".</p> <p>In January 2018, InRetail Pharma S.A. through its Subsidiary IR Pharma S.A.C. (currently merged with InRetail Pharma) acquired the 100 percent of Quicorp S.A. and Subsidiaries, which operate under the trademarks "Mifarma" and "BTL".</p> <p>(c) IR Management S.R.L., company dedicated to the administration of personnel and operations of the aforementioned equity trusts.</p>
<p>IFH Retail Corp. (As of June 30, 2020 and December 31, 2019, Intercorp Retail Inc. holds 84.28, of its capital stock)</p>	<p>Holding incorporated in the Republic of Panama in September 2006. As of June 30, 2020 and December 31, 2019, holds 13.74 and 22.63 percent of Tiendas Peruanas S.A. and Subsidiaries, respectively; see Note 2.2(ii), a company engaged in the retail business through department stores under the trademark "Oechsle" and 96 percent of Financiera OH! S.A., as of June 30, 2020 and December 31, 2019, which provides financial support to the companies of Intercorp Group dedicated to the retail business.</p>
<p>HPSA Corp.</p>	<p>Holding incorporated in the Republic of Panama, owner of Homecenters Peruanos S.A. and Subsidiary, a company engaged in the</p>

## Translation of consolidated financial statements originally issued in Spanish – Note 28

### Notes to the Interim consolidated financial statements (continued)

<b>Entity</b>	<b>Activity</b>
(As of June 30, 2020 and December 31, 2019, Intercorp Retail Inc. holds 74.99 percent, of its capital stock.	operation of the business of home improvement stores under the trademark “Promart”.
Lince Global Opportunities Corp. (As of June 30, 2020 and December 31, 2019, Intercorp Retail Inc. holds 100 percent of its capital stock)	Holding incorporated in the Republic of Panama in December 2010, which holds 98.79 percent of the capital stock of Inmobiliaria Milenia S.A., which is engaged in the real estate business.

(ii) **Callao Global Opportunities -**

Subsidiary of Intercorp Perú, incorporated in 2011 as a limited liability holding company in the Republic of Panama. As of June 30, 2020 and December 31, 2019, it holds 76.18 percent of the capital stock of Tiendas Peruanas S.A. and Subsidiaries.

On the other hand, as indicated in Note 2.2(i), as of June 30, 2020 and December 31, 2019, Intercorp Perú holds 84.28 percent of IFH Retail Corp., through Intercorp Retail; which, in turn, holds 13.74 and 22.63 percent, respectively, of Tiendas Peruanas S.A. As of June 30, 2020 and December 31, 2019, therefore the joint shareholding of Intercorp Perú in Tiendas Peruanas, through IFH Retail Corp. and Callao Global Opportunities, is equivalent to 99.27 and 98.81 percent of its capital stock, respectively.

(iii) **Intercorp Investments Perú Inc. -**

It is a limited liability holding company incorporated in September 2006 in the Republic of Panama. As of June 30, 2020 and December 31, 2019, the Company holds 100 percent of its capital stock. Intercorp Investments Perú Inc. is the sole shareholder of Horizonte Global Opportunities Corp., a holding company incorporated in the Republic of Panama, owner of Horizonte Global Opportunities Perú S.A.C., whose sole asset is a land lot located in the district of Independencia in Lima.

(iv) **Urbi Propiedades S.A. -**

As of June 30, 2020 and December 31, 2019, the Company holds 100 percent of the capital stock of this entity, incorporated in Peru in 1998, engaged in real estate management and in the provision of structuring and real estate project management.

As of June 30, 2020 and December 31, 2019, Urbi holds 100 percent of the following Subsidiaries:

<b>Entity</b>	<b>Activity</b>
Alameda Colonial S.A.	Incorporated in Lima in May 2006, to build apartments under the Government’s program “Mi Vivienda”.
Domus Hogares del Norte S.A.	Incorporated in Lima in June 2009, to develop real estate projects.
Urbi Solutions S.A.C.	Incorporated in Lima in June 2014, to engage in the construction of real estate projects.



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## Notes to the Interim consolidated financial statements (continued)

- (v) Patrimonio en Fideicomiso – D.S. No. 093-2002-EF, Interproperties Holding and Interproperties Holding II - In September 2011 and May 2012, Patrimonio en Fideicomiso – D.S. No. 093-2002-EF, Interproperties Holding and Patrimonio en Fideicomiso – D.S. No. 093-2002-EF, Interproperties Holding II (henceforth and collectively “Interproperties Holding”) were incorporated with the purpose of creating autonomous equity trusts, independent from each investor constituted as originator.

Through these equity trusts, several Subsidiaries of Intercorp Perú perform investments in real estate projects whose returns back (i) the certificates of participation issued, and (ii) the compliance with other obligations assumed directly or through third parties in order to obtain the resources that are necessary to perform said investments. As of June 30, 2020, and December 31, 2019, the company that consolidates financial information with Intercorp Perú and that holds 100 percent of the participations in Interproperties Holding is InRetail Perú Corp.

Through these equity trusts, Intercorp Group holds the ownership of the property where the shopping malls called “Real Plaza” operate. As of June 30, 2020 and December 31, 2019, the main shopping malls are located in different cities of Peru.

- (vi) Intercorp Re Inc. -  
It is a limited liability holding incorporated in August 2015 in the Republic of Panama. As of June 30, 2020 and December 31, 2019, the Company holds 100 percent of its capital stock and, in turn, Intercorp Re Inc. is the sole shareholder of Inteligo Real Estate Corp., a holding company incorporated in the Republic of Panama, owner of Inteligo Real Estate Perú S.A.C.

### 2.3 Educational business -

- (i) NG Education Holdings Corp. -  
It is a limited liability holding company incorporated in January 2011 in the Republic of Panama, whose purpose is to group the Subsidiaries of Intercorp Group engaged in the educational business in Peru.

As of June 30, 2020 and December 31, 2019, Intercorp Perú holds 100 percent of its participation of Class A shares and 51.47 percent of Class B shares of NG Education Holdings Corp.

NG Education Holdings Corp. mainly holds the following Subsidiaries:

<b>Entity</b>	<b>Activity</b>
Colegios Peruanos S.A. (As of June 30, 2020 and December 31, 2019, NG Education Holdings Corp. holds 33.99 percent of its capital stock).	As of June 30, 2020, it operates 63 schools under the trademark “Innova Schools” (54 schools as of December 31, 2019).
NG Education S.A.C (As of June 30, 2020 and December 31, 2019, NG Education Holdings Corp. holds 48.67 percent of its capital stock)	Holding incorporated in Peru in November 2011. As of June 30, 2020 and December 31, 2019, NG Education S.A.C. holds 100 percent of the following Subsidiaries: (a) Universidad Tecnológica del Perú S.A.C.: Incorporated in Lima in February 1998. It has the following 2 business units: UTP University and Post-Graduate

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### Notes to the Interim consolidated financial statements (continued)

School. As of June 30, 2020 and December 31, 2019, UTP holds 100 percent of the following Subsidiaries:

- (i) Corriente Alterna S.A.C.: School of artistic education that provides the career of Visual Arts and has 1 premise in Lima.
- (ii) Instituto Superior Tecnológico Corriente Alterna S.A.C.: As of the date of this report, it is not operating.
- (iii) IDAT S.A.C.: Institute that offers professional technical degrees, with 8 premises located in Lima and other Peruvian provinces, as of June 30, 2020 and December 31, 2019.

(b) Promotora de la Universidad Tecnológica de Chiclayo S.A.C.: An entity with operations in Peru which as of June 30, 2020 and December 31, 2019, has 1 premise.

(ii) NG Education Holdings II Corp.-

It is a limited liability holding company incorporated in October 2013 in the Republic of Panama. As of June 30, 2020 and December 31, 2019, Intercorp Perú holds 50 percent of the capital stock of NG Education Holdings II Corp., which in turn owns the following Subsidiaries:

<b>Entity</b>	<b>Activity</b>
Servicios Educativos Perú S.A.C. (As of June 30, 2020 and December 31, 2019, NG Education Holdings II Corp. holds 100 percent of its capital stock)	Company incorporated in Perú in October 2013. As of June 30, 2020 and December 31, 2019, it holds 100 percent of the capital stock of Servicios Educativos Empresariales S.A.C., incorporated in Lima in February 2012. As of June 30, 2020 and December 31, 2019, operates 9 premises under the trademark "Zegel-IPAE" and 2 premises in construction located in Arequipa and Lima.

(iii) NG Education Holdings III Corp. -

It is a limited liability holding company incorporated in July 2013 in the Republic of Panama. As of June 30, 2020 and December 31, 2019, Intercorp Perú holds 85.31 percent of its capital stock and, in turn, at the same dates, it holds 16.52 percent of the capital stock of Colegios Peruanos S.A.

(iv) Intercorp Education Services, S.L. -

It is a limited liability holding company incorporated in November 2017 in Spain. As of June 30, 2020 and December 31, 2019, Intercorp Perú holds 100 percent of its capital stock. This Subsidiary has 55 percent of the capital stock of Transformando la Educación en México S.L. de C.V., which, at the same time, holds 99.99 percent of the capital stock of Servicios Administrativos Transformando la Educación en México, S.C. The latter operates under the brand "Innova Schools" and is headquartered in Mexico.

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### Notes to the Interim consolidated financial statements (continued)

In June 2019, Transformando la Educación en México S.L. de C.V. and Servicios Administrativos Transformando la Educación en México S.C. acquired 100 percent of the shares of Corporación Educativa Hispanoamericana S.C., a company established in Mexico and dedicated to the educational sector. See Note 1.4.

(v) Intercorp Education Services Colombia; S.L. -

It is a limited liability holding company incorporated in February 2020 in Spain. As of June 30, 2020, Intercorp Perú holds 100 percent of its capital stock. This Subsidiary has 55 percent of the capital stock of Colegios Colombianos Holding S.A.S.; which, at the same time, holds 100 percent of the capital stock of Colegios Colombianos S.A.S., which was incorporated in Colombia and, as of the date of this report, has not started operations to the public.

2.4. Other entities -

As of June 30, 2020 and December 31, 2019, the Company holds 100 percent of the capital stock of the following Subsidiaries:

<b>Entity</b>	<b>Activity</b>	<b>Constitution</b>
San Miguel Global Opportunities S.A.C.	Real estate business	Peru
Intercorp Management S.A.C.	Administrative services	Peru
Puente de San Miguel Arcángel S.A.	Holding	Republic of Panama
Centro Cívico S.A.	Real estate business	Peru
La Punta Global Opportunities Corp.	Specialized investments	Republic of Panama
Urbi Proyectos S.A.	Real estate projects	Peru
Beacon Healthcare S.A.C.	Holding	Peru
Centros de Salud Peruanos S.A.C.	Health sector	Peru
Escuela Peruana de Educación S.A.C.	Education	Peru
Colectivo 23 S.A.C.	Education	Peru
IFH Capital Corp.	Financial Intermediation	Republic of Panama
Intercorp Capital Investment Inc.	Financial Intermediation	Republic of Panama
Inversiones Río Nuevo S.A.C. - In liquidation	Real estate business	Peru
Ronepeto S.A. - In liquidation	Real estate business	Peru

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Notes to the Interim consolidated financial statements (continued)

The following table presents the financial information of the main Subsidiaries, before eliminations and adjustments for consolidation purposes with Intercorp Perú, as of June 30, 2020, and December 31, 2019; and for the six-month periods ended June 30, 2020 and 2019:

Subsidiary	Total assets		Total liabilities		Net equity		Net profit (loss)	
	As of June 30, 2020	As of December 31, 2019	As of June 30, 2020	As of December 31, 2019	As of June 30, 2020	As of December 31, 2019	For the six-month periods ended June 30	
	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	2020	2019
Intercorp Financial Services Inc. and Subsidiaries	81,779,794	71,562,293	73,942,986	62,658,845	7,836,808	8,903,448	(312,409)	702,838
Intercorp Retail Inc. and Subsidiaries	19,884,030	19,451,980	14,367,529	13,768,195	5,516,501	5,683,785	31,747	242,272
NG Education Holdings Corp. and Subsidiaries	3,003,117	2,698,812	2,174,808	1,831,630	828,309	867,182	(39,919)	19,972
Urbi Propiedades S.A. and Subsidiaries	577,443	533,551	139,818	119,326	437,625	414,225	23,277	(10,837)
La Punta Global Opportunities Corp.	339,391	322,680	-	-	339,391	322,680	16,712	21,046
NG Education Holdings II Corp. and Subsidiaries	262,971	232,322	149,521	111,433	113,450	120,889	(7,511)	(4,428)
Intercorp Investments Perú Inc. and Subsidiaries	136,062	134,402	33,154	34,249	102,908	100,153	917	(4,526)
Beacon Healthcare S.A.C. and Subsidiary	142,974	139,573	80,988	79,453	61,986	60,120	(6,142)	(3,120)
San Miguel Global Opportunities S.A.C.	134,899	134,054	29,082	32,652	105,817	101,402	765	8,272
Callao Global Opportunities Corp.	123,777	116,234	-	-	123,777	116,234	(58,167)	(11,431)
Intercorp Education Services S.L. and Subsidiaries	90,103	96,958	8,956	8,494	81,147	88,464	(468)	(4,881)
NG Education Holdings III Corp.	52,120	56,886	6	6	52,114	56,880	(5,327)	(1,584)
Others	22,886	21,369	10,235	8,562	12,651	12,807	(34,114)	(21,255)

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## Notes to the Interim consolidated financial statements (continued)

### 3. Significant accounting principles and practices

#### 3.1 Basis of presentation

The Interim consolidated financial statements as of June 30, 2020 and December 31, 2019, and for the six-month periods ended June 30, 2020 and 2019 have been prepared in accordance with IAS 34 “Interim Financial Reporting”.

The Interim consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group’s consolidated audited financial statements as of December 31, 2019 and 2018 (henceforth “Annual Consolidated Financial Statements”).

The Interim consolidated financial statements have been prepared on a historical cost basis, except for investment property, derivative financial instruments, financial investments at fair value through profit or loss and through other comprehensive income, which have been measured at fair value. The Interim consolidated financial statements are presented in Soles, which is the functional currency of the Group, and all values are rounded to the nearest thousand (S/ (000)), except when otherwise indicated.

The preparation of the Interim consolidated financial statements, in conformity with the International Financial Reporting Standards (henceforth “IFRS”) as issued by the International Accounting Standards Board (IASB), requires Management to make estimations and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of significant events in the notes to the Interim consolidated financial statements.

In that sense, estimates and criteria are continuously assessed and are based on historical experience, as well as other factors, including expectations of future events that are believed to be reasonable under the current circumstances. Existing circumstances and assumptions about future developments, however, may change due to markets’ behavior or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur. Actual results could differ from those estimates. The most significant estimates comprised in the accompanying Interim consolidated financial statements are related to the calculation of the impairment of the portfolio of loan and financial investments, the measurement of the fair value of the financial investments and investment property, the assessment of the impairment of goodwill, the liabilities for insurance contracts and measurement of the fair value of derivative financial instruments; also, there are other estimates such as the estimated useful life of intangible assets, property, furniture and equipment, and the estimation of deferred Income Tax.

#### 3.2 Basis of consolidation -

The Interim consolidated financial statements of the Group comprise the financial statements of Intercorp Peru Ltd. and its Subsidiaries. The method adopted by Intercorp to consolidate its Subsidiaries is described in Note 4.3 to the Annual Consolidated Financial Statements. There were no changes in the composition of Intercorp Group in the reported period.

#### 3.3 Regulations issued by the SBS -

As indicated in Note 1(b), with the purpose of facilitating the payment of debt of the clients of the financial entities affected by the outbreak of Covid-19, the SBS issued the following Multiple Official Letters:

##### 3.3.1 Regulations related to loan portfolio

- (a) Multiple Official Letters No.10997-2020-SBS, No.11150-2020-SBS, No.11170-2020-SBS and No.13195-2020-SBS issued on March 13, 2020, March 16, 2020, March 20, 2020, and May 19, 2020, respectively. Through these Multiple Official Letters, the SBS established the following exceptional measures applicable to loan portfolio:

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### Notes to the Interim consolidated financial statements (continued)

- The financial system entities are enabled to modify the contractual conditions of loans without presenting them as refinanced provided that the entire term is not extended for more than six months from the original term. Also, debtors must have a maximum past due of 15 days as of February 29, 2020.
  - In the case of loans to retail clients with modified contractual conditions, the associated interest can continue to be recognized on an accrual basis. However, if the debtor changes its situation to past due after the establishment of new loan terms, the financial entity must reverse the cumulative interest of said loan, proportionally, in a six-month period.
  - For loans to non-retail clients with modified contractual conditions, the associated interest must be recognized by the cash flow method. Cumulative and not collected interest related to these loans must be reversed starting on the modification date.
  - For debtors with past due loans of more than 15 days as of February 29, 2020, the calculation of past due days will be suspended during the National lockdown.
  - If a debtor presents past due payments after the contractual modifications, said loan will be deemed as refinanced loan, following the general criteria of the current regulation.
  - According to Multiple Official Letter No.11150-2020-SBS, the scope of the aforementioned facilities shall be determined by each entity of the financial system, after analyzing the level of impact in their respective loan portfolio.
  - Financial entities are able to record, as preventive and responsible manner, necessary voluntary provisions that allow them to deal with risk increasing in the loan portfolio, at the moment they materialize.
- (b) Multiple Official Letter No.13805-2020-SBS, issued on May 29, 2020: Amended the following regulations:  
Multiple Official Letters No.10997-2020-SBS, No.11150-2020-SBS and No. 11170-2020-SBS (see Note 3.3.1 (a)); and additionally, amended Multiple Official Letters No. 12679-2020 and No. 13195-2020, issued on May 5, 2020, and May 19, 2020, respectively. The main amendments were the following:
- (i) Financial entities can unilaterally reprogram loans until June 30, 2020, provided the compliance of certain criteria included in said Multiple Official Letter.
  - (ii) The loan rescheduling term ranges from 6 to 12 months with respect to the original term.
  - (iii) For contractual modifications made since the date of the regulation, and only for purposes of the National lockdown, the debt shall be deemed as current if it is past due for a maximum of 30 calendar days.

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## Notes to the Interim consolidated financial statements (continued)

- (iv) The suspension of counting of past due days, applicable to past due loans of more than 15 days as of February 29, 2020, shall be effective for the duration of the National lockdown, as well as the accounting situation of said loans. Also, in the case of loans that as of February 29, 2020, have been past due between 15 and 60 days, said suspension shall be effective until the end of the month following that of the lifting of the National lockdown.

In application of the regulations issued by the SBS and summarized in previous paragraphs, Interbank has reprogramed loans for approximately S/12,700 millions and has modified their respective payment schedules. Thus, the present value of the loans has decreased by S/137 millions, which are presented by reducing the interest income of the loan portfolio; see Note 16.

### 3.3.2 Resolution No.1264-2020-SBS, issued on March 26, 2020

This Resolution establishes that in the modifications of the contractual conditions indicated in the Multiple Official Letters mentioned in Note 3.3.1, it shall not increase the regulatory capital requirement for the non-revolving consumer loans and mortgage loans. Likewise, said Resolution authorizes the financial entities to use the additional regulatory capital for the component of the economic cycle.

### 3.3.3 Resolution No.1264-2020-SBS, issued on March 26, 2020

On April 3, 2020, the BCRP issued the Circular Letter No.0014-2020-BCRP, which establishes the characteristics and procedures of the repurchase agreements of loan portfolio guaranteed by the Peruvian Government. At the selling date, the bank receives the domestic currency (sale amount) and, at the same operation, is obliged to repurchase said portfolio (repurchase amount). The BCRP shall disburse 80 percent of the funds in the bank's current account it holds at the BCRP and the remaining part in a restricted account also held by the bank at the BCRP.

## 4. Cash and due from banks

- (a) The detail of cash and due from banks is as follows:

	<b>30.06.2020</b>	<b>31.12.2019</b>
	S/(000)	S/(000)
Cash and clearing (b)	1,770,497	1,955,364
Deposits in the Central Reserve Bank of Peru – BCRP (b)	10,420,982	6,061,774
Deposits in banks (c)	3,383,560	2,481,012
Accrued interest	5,963	6,210
	<hr/>	<hr/>
	15,581,002	10,504,360
Restricted funds (d)	827,042	1,316,278
	<hr/>	<hr/>
<b>Total</b>	<b>16,408,044</b>	<b>11,820,638</b>

Cash and cash equivalents presented in the consolidated statement of cash flows do not include the restricted funds and accrued interest.

## Translation of consolidated financial statements originally issued in Spanish – Note 28

### Notes to the Interim consolidated financial statements (continued)

- (b) In accordance with rules in force, Interbank and Financiera OH! (henceforth “Financiera”) are required to maintain a legal reserve in order to honor its obligations with the public. This reserve may be comprised of funds kept in Interbank, in Financiera and in the BCRP.

The legal reserve funds maintained in the BCRP are non-interest bearing, except for the part that exceeds the minimum reserve required that accrued interest at an annual rate established by the BCRP. As of June 30, 2020, the excess in foreign currency accrued interest at an annual average rate of 0.01 percent (1.25 percent as of December 31, 2019). During 2020 and 2019, Interbank and the Financiera did not maintain excess reserves in national currency.

In Management’s opinion, Interbank and the Financiera have complied with the requirements established by the rules in force related to the computation of the legal reserve.

- (c) Deposits in domestic banks and abroad are mainly in Soles and US Dollars, they are freely available and accrue interest at market rates.
- (d) The Group maintains restricted funds related to:

	<b>30.06.2020</b>	<b>31.12.2019</b>
	S/(000)	S/(000)
Repurchase agreements with BCRP (*)	664,373	1,208,506
Derivative financial instruments, Note 9(b)	128,274	57,816
Others	34,395	49,956
<b>Total</b>	<u>827,042</u>	<u>1,316,278</u>

- (\*) As of June 30, 2020, correspond to deposits maintained in the BCRP which guarantee loans amounting to S/647,500,000 (guaranteed loans amounting to S/1,205,200,000 as of December 31, 2019); see Note 11(a).

- (e) Inter-bank funds -  
Corresponds to loans made among financial institutions with maturity, in general, being less than 30 days. As of June 30, 2020, Inter-bank funds assets accrue interest at an annual rate of 0.25 percent in foreign currency (Inter-bank funds assets accrue interest at an annual rate of 2.26 percent in national currency and Inter-bank funds liabilities accrue interest at an annual rate of 2.25 percent in national currency and 1.75 percent in foreign currency, as of December 31, 2019) and do not have specific guarantees.



## Translation of consolidated financial statements originally issued in Spanish – Note 28

### Notes to the Interim consolidated financial statements (continued)

#### 5. Financial investments

(a) This caption is made up as follows:

	<b>30.06.2020</b>	<b>31.12.2019</b>
	S/(000)	S/(000)
Debt instruments at fair value through other comprehensive income (b)	15,696,175	13,930,357
Investments at amortized cost (d)	2,498,394	2,160,775
Investments at fair value through profit or loss (c)	2,267,747	2,044,738
Equity instruments at fair value through other comprehensive income (e)	<u>842,465</u>	<u>839,762</u>
<b>Total financial investments</b>	<u>21,304,781</u>	<u>18,975,632</u>
Accrued income -		
Debt instruments at fair value through other comprehensive income (b)	234,217	176,562
Investments at amortized cost (d)	<u>52,472</u>	<u>46,211</u>
<b>Total</b>	<u>21,591,470</u>	<u>19,198,405</u>

Translation of consolidated financial statements originally issued in Spanish – Note 28

Notes to the Interim consolidated financial statements (continued)

(b) Following is the detail of debt instruments measured at fair value through other comprehensive income:

	Unrealized gross amount				Maturity	Annual effective interest rates			
	Amortized	Gains	Losses (c)	Estimated		S/		US\$	
	cost			fair value		Min	Max	Min	Max
As of June 30, 2020	S/(000)	S/(000)	S/(000)	S/(000)	%	%	%	%	
Corporate, leasing and subordinated bonds (*)	7,955,325	518,070	(188,525)	8,284,870	Set-20 / Jul-97	(0.17)	14.06	0.79	50.20
Peruvian Sovereign Bonds	5,149,964	292,265	(2,226)	5,440,003	Set-23 / Feb-55	0.86	5.50	-	-
Negotiable Certificates of Deposit issued by BCRP	889,695	6,076	(1)	895,770	Jul-20 / Mar-23	0.25	3.04	-	-
Bonds guaranteed by the Peruvian Government	588,992	50,831	-	639,823	Oct-24 / Jul-34	1.50	3.77	3.22	4.67
Global Bonds of the Republic of Peru	280,009	939	-	280,948	Jul-25 / Jan-26	-	-	1.71	1.72
Global Bonds of the Republic of Colombia	155,029	42	(310)	154,761	Jul-21 / Feb-24	-	-	1.73	2.48
<b>Total</b>	<b>15,019,014</b>	<b>868,223</b>	<b>(191,062)</b>	<b>15,696,175</b>					
Accrued interest				234,217					
<b>Total</b>				<b>15,930,392</b>					

  

	Unrealized gross amount				Maturity	Annual effective interest rates			
	Amortized	Gains	Losses (c)	Estimated		S/		US\$	
	cost			fair value		Min	Max	Min	Max
As of December 31, 2019	S/(000)	S/(000)	S/(000)	S/(000)	%	%	%	%	
Corporate, leasing and subordinated bonds (*)	7,494,157	637,757	(12,300)	8,119,614	Jan-20 / Jan-114	0.71	21.76	2.26	10.73
Peruvian Sovereign Bonds	3,213,581	330,856	(242)	3,544,195	Aug-24 / Feb-55	1.59	5.31	-	-
Negotiable Certificates of Deposit issued by BCRP	1,481,962	1,533	(2)	1,483,493	Jan-20 / Jun-21	2.15	3.04	-	-
Bonds guaranteed by the Peruvian Government	626,087	42,153	(167)	668,073	Oct-24 / Jul-34	2.24	4.14	3.61	5.14
Global Bonds of the Republic of Colombia	114,431	551	-	114,982	Jul-21 / Mar-23	-	-	2.24	2.46
<b>Total</b>	<b>12,930,218</b>	<b>1,012,850</b>	<b>(12,711)</b>	<b>13,930,357</b>					
Accrued interest				176,562					
<b>Total</b>				<b>14,106,919</b>					

(\*) As of June 30, 2020 and December 31, 2019, Inteligo holds corporate bonds from different entities for approximately S/293,654,000 and S/440,409,000, respectively, which guarantee loans with Credit Suisse First Boston and Bank J. Safra Sarasin.

## Translation of consolidated financial statements originally issued in Spanish – Note 28

### Notes to the Interim consolidated financial statements (continued)

(b.1) The Group has determined that the unrealized losses on debt instruments as of June 30, 2020, and December 31, 2019, not related to credit risk, are of temporary nature. As of June 30, 2020 and December 31, 2019, the detail of the unrealized losses of the debt instruments classified as at fair value through other comprehensive income is as follows:

Issuer	30.06.2020			31.12.2019			Maturity as of June 30, 2020	Risk rating as of June 30, 2020 (***)
	Amortized cost	Unrealized gross gain	Unrealized gross loss	Amortized cost	Unrealized gross gain	Unrealized gross loss		
	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)		
Corporación Financiera de Desarrollo S.A.	298,540	15,216	(6,399)	374,631	30,197	(1,438)	2029-2046	AA (**)
Rutas de Lima	295,019	-	(124,859)	285,047	46,465	-	2036-2039	Less than de B- (*)
Orazul Energy Egenor SCA	204,520	-	(5,154)	22,069	68	-	2027	BB (*)
Línea Amarilla S.A.C.	174,326	-	(5,215)	174,049	14,284	-	2037	AA (**)
Votorantim	146,139	-	(11,664)	98,907	2,330	-	2041	BBB- (*)
Latam Airlines	13,805	-	(10,175)	22,356	614	-	2024	Less than de B- (*)
Instruments with individual losses lower than S/4 million	6,371,221	292,307	(27,596)	4,883,248	393,088	(11,273)	-	-
<b>Total</b>	<b>7,503,570</b>	<b>307,523</b>	<b>(191,062)</b>	<b>5,860,307</b>	<b>487,046</b>	<b>(12,711)</b>		

(\*) Instrument rated abroad.

(\*\*) Instrument rated in Peru.

(\*\*\*) Corresponds to the instrument's rating with the largest unrealized loss.

## Translation of consolidated financial statements originally issued in Spanish – Note 28

### Notes to the Interim consolidated financial statements (continued)

(b.2) On the other hand, the allowance for expected credit losses for debt instruments measured at fair value through other comprehensive income amounting to S/91,353,000 and S/34,743,000 as of June 30, 2020 and December 31, 2019, respectively.

(c) The composition of financial instruments at fair value through profit or loss is as follows:

	<b>30.06.2020</b>	<b>31.12.2019</b>
	S/(000)	S/(000)
<b>Equity instruments</b>		
Local and foreign mutual funds and investment funds participations	1,739,574	1,527,172
BioPharma Credit PLC	125,581	132,054
Royalty Pharma	100,139	117,682
Others	221,459	211,948
<b>Debt instruments</b>		
Corporate, leasing and subordinated bonds	80,994	55,882
<b>Total</b>	<b>2,267,747</b>	<b>2,044,738</b>

(d) As of June 30, 2020, and December 31, 2019, the investments at amortized cost are comprised of Peruvian Sovereign Bonds for S/2,550,866,000 and S/2,206,986,000, respectively, including accrued interest. These investments present low credit risk and their expected credit loss is insignificant.

As of June 30, 2020 these investments have maturity dates that range from September 2023 to August 2037, have accrued interest at effective annual rates ranging from 4.29 percent and 5.20 percent (as of December 31, 2019, these investments have maturity dates that range from September 2023 to August 2037, have accrued interest at effective annual rates ranging from 4.29 percent and 6.26 percent), and estimated fair value amounting to approximately S/2,739,861,000 and S/2,328,303,000, as of June 30, 2020 and December 31, 2019, respectively.

During the year 2019, the Government of the Republic of Peru performed public offerings to buyback certain sovereign bonds, with the purpose of renewing its debt and funding its fiscal deficit. Considering the purpose of this offering, following such offering, there would be no outstanding sovereign bonds of the repurchased issuances. In the event that some bonds remained outstanding, they would become illiquid on the market. In that sense, Interbank took part of these public offerings and sold to the Government of the Republic of Peru sovereign bonds classified as investments at amortized cost for approximately S/340,518,000, generating a gain amounting to S/8,474,000, which was recorded within the caption "Gain from derecognition of financial investments at amortized cost" of the interim consolidated statement of income. Notwithstanding the aforementioned, with the purpose of maintaining its asset management strategy, the Bank purchased simultaneously other sovereign bonds of the Republic of Peru for approximately S/340,432,000, and classified them as investments at amortized cost. In Management's opinion and pursuant to IFRS 9, said transaction is congruent with the Group's business model because although said sales were significant, they were infrequent and were performed with the sole purpose of facilitating the debt renewal and the funding of the fiscal deficit of the Republic of Peru.

## Translation of consolidated financial statements originally issued in Spanish – Note 28

### Notes to the Interim consolidated financial statements (continued)

As of June 30, 2020 and December 31, 2019, Interbank keeps loans with the BCRP that are guaranteed with these sovereign bonds of the Republic of Peru, classified as restricted, for approximately S/1,987,831,000 and S/762,347,000, respectively; see Note 11.

- (e) The composition of equity instruments measured at fair value through other comprehensive income is as follows:

	<b>30.06.2020</b>	<b>31.12.2019</b>
	S/(000)	S/(000)
BioPharma Credit PLC	343,582	336,338
Ishares diverse countries (ETF)	105,228	140,198
Luz del Sur S.A.A.	92,425	87,984
Engie- Energía Perú S.A.	82,238	90,670
Ferreycorp S.A.A.	67,848	83,013
Credicorp	55,843	18,030
Others	95,301	83,529
<b>Total</b>	<b>842,465</b>	<b>839,762</b>

- (f) As explained in more detail, in Note 34.1 of the Annual Consolidated Financial Statements, the Group rates its financial assets into Stage 1, Stage 2 and Stage 3, as described below:

- Stage 1: When the financial assets are first recognized, the Group recognizes an allowance based on 12 months ECLs. Stage 1 also includes financial assets whose credit risk has improved and the loan has been reclassified from Stage 2.
- Stage 2: When a financial asset has shown a significant increase in credit risk since origination, the Group records an allowance for the lifetime ECLs. Stage 2 also includes financial assets whose credit risk has improved and the financial asset has been reclassified from Stage 3.
- Stage 3: Financial assets considered credit -impaired. The Group records an allowance for the lifetime financial asset.

## Translation of consolidated financial statements originally issued in Spanish – Note 28

### Notes to the Interim consolidated financial statements (continued)

Below are the debt instruments measured at fair value through other comprehensive income and at amortized cost according to the stages indicated by IFRS 9 as of June 30, 2020 and December 31, 2019:

Debt instruments measured at fair value through other comprehensive income and at amortized cost	30.06.2020			
	Stage 1	Stage 2	Stage 3	Total
	S/(000)	S/(000)	S/(000)	S/(000)
Corporate, leasing and subordinated bonds	8,079,684	201,556	3,630	8,284,870
Peruvian Sovereign Bonds	7,938,397	-	-	7,938,397
Negotiable Certificates of Deposit issued by BCRP	895,770	-	-	895,770
Bonds guaranteed by the Peruvian Government	639,823	-	-	639,823
Global Bonds of the Republic of Colombia	154,761	-	-	154,761
Global Bonds of the Republic of Peru	280,948	-	-	280,948
<b>Total</b>	<b>17,989,383</b>	<b>201,556</b>	<b>3,630</b>	<b>18,194,569</b>

Debt instruments measured at fair value through other comprehensive income and at amortized cost	31.12.2019			
	Stage 1	Stage 2	Stage 3	Total
	S/(000)	S/(000)	S/(000)	S/(000)
Corporate, leasing and subordinated bonds	7,786,439	333,175	-	8,119,614
Peruvian Sovereign Bonds	5,704,970	-	-	5,704,970
Negotiable Certificates of Deposit issued by BCRP	1,483,493	-	-	1,483,493
Bonds guaranteed by the Peruvian Government	668,073	-	-	668,073
Global Bonds of the Republic of Colombia	114,982	-	-	114,982
<b>Total</b>	<b>15,757,957</b>	<b>333,175</b>	<b>-</b>	<b>16,091,132</b>

## Translation of consolidated financial statements originally issued in Spanish – Note 28

### Notes to the Interim consolidated financial statements (continued)

#### 6. Loans, net

(a) This caption is made up as follows:

	<b>30.06.2020</b>	<b>31.12.2019</b>
	S/(000)	S/(000)
<b>Direct loans</b>		
Loans	32,876,807	28,489,561
Credit cards	6,160,817	6,806,208
Leasing	1,133,692	1,324,380
Discounted notes	437,119	684,334
Factoring	250,262	343,852
Advances and overdrafts	87,860	87,373
Refinanced loans	264,704	268,451
Past due and under legal collection loans	1,042,776	1,033,902
	<u>42,254,037</u>	<u>39,038,061</u>
<b>Plus (minus)</b>		
Accrued interest from performing loans	392,751	364,531
Unearned interest and interest collected in advance	(100,423)	(41,683)
Impairment allowance for loans (d.1)	(2,996,220)	(1,586,329)
	<u>39,550,145</u>	<u>37,774,580</u>
<b>Total direct loans, net</b>		
	<u>4,040,046</u>	<u>4,061,099</u>

(b) The classification of the direct loan portfolio is as follows:

	<b>30.06.2020</b>	<b>31.12.2019</b>
	S/(000)	S/(000)
	(*)	
Commercial loans	20,203,691	16,634,838
Consumer loans	13,706,747	14,443,141
Mortgage loans	7,348,638	7,206,445
Small and micro-business loans	994,961	753,637
	<u>42,254,037</u>	<u>39,038,061</u>
<b>Total</b>		

(\*) As of June 30, 2020, the balance of the direct loan portfolio includes disbursements made by Interbank within the “Reactiva Perú” program for approximately S/3,833 million, out of which S/3,452 million were granted to clients of its commercial portfolio and S/381 million to clients of its small and micro- business portfolio.

Translation of consolidated financial statements originally issued in Spanish – Note 28

Notes to the Interim consolidated financial statements (continued)

(c) The following table shows the credit quality and maximum exposure to credit risk of direct loans based on the Group's internal credit rating as of June 30, 2020 and December 31, 2019. The amounts presented do not consider impairment.

	30.06.2020				31.12.2019			
	Stage 1 S/(000)	Stage 2 S/(000)	Stage 3 S/(000)	Total S/(000)	Stage 1 S/(000)	Stage 2 S/(000)	Stage 3 S/(000)	Total S/(000)
<b>Total direct loans, see (c.1)</b>								
<b>Not impaired</b>								
High grade	29,837,327	1,244,123	-	31,081,450	28,307,333	271,745	-	28,579,078
Standard grade	4,931,693	1,287,373	-	6,219,066	4,999,921	556,165	-	5,556,086
Sub-standard grade	705,376	1,122,685	-	1,828,061	470,377	1,088,254	-	1,558,631
Past due but not impaired	1,028,679	850,691	-	1,879,370	1,508,943	859,429	-	2,368,372
<b>Impaired</b>								
Individually impaired	-	-	7,691	7,691	-	-	8,444	8,444
Collectively impaired	-	-	1,238,399	1,238,399	-	-	967,450	967,450
<b>Total direct loans</b>	<b>36,503,075</b>	<b>4,504,872</b>	<b>1,246,090</b>	<b>42,254,037</b>	<b>35,286,574</b>	<b>2,775,593</b>	<b>975,894</b>	<b>39,038,061</b>

	30.06.2020				31.12.2019			
	Stage 1 S/(000)	Stage 2 S/(000)	Stage 3 S/(000)	Total S/(000)	Stage 1 S/(000)	Stage 2 S/(000)	Stage 3 S/(000)	Total S/(000)
<b>Indirect loans</b>								
<b>Not impaired</b>								
High grade	3,590,031	268,746	-	3,858,777	3,692,162	62,860	-	3,755,022
Standard grade	97,062	44,721	-	141,783	108,515	118,463	-	226,978
Sub-standard grade	10	7,314	-	7,324	7,597	41,095	-	48,692
<b>Impaired</b>								
Individually impaired	-	-	22,607	22,607	-	-	22,607	22,607
Collectively impaired	-	-	9,555	9,555	-	-	7,800	7,800
<b>Total indirect loans</b>	<b>3,687,103</b>	<b>320,781</b>	<b>32,162</b>	<b>4,040,046</b>	<b>3,808,274</b>	<b>222,418</b>	<b>30,407</b>	<b>4,061,099</b>



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Notes to the Interim consolidated financial statements (continued)

(c.1) The following tables show the credit quality and maximum exposure to credit risk for each classification of the direct loan portfolio:

Commercial loans	30.06.2020				31.12.2019			
	Stage 1 S/(000)	Stage 2 S/(000)	Stage 3 S/(000)	Total S/(000)	Stage 1 S/(000)	Stage 2 S/(000)	Stage 3 S/(000)	Total S/(000)
<b>Not impaired</b>								
High grade	15,046,157	918,313	-	15,964,470	11,942,618	53,449	-	11,996,067
Standard grade	2,367,567	765,615	-	3,133,182	2,605,473	127,347	-	2,732,820
Sub-standard grade	42,786	182,674	-	225,460	132,707	401,991	-	534,698
Past due but not impaired	440,896	221,109	-	662,005	1,069,813	102,267	-	1,172,080
<b>Impaired</b>								
Individually impaired	-	-	7,691	7,691	-	-	8,444	8,444
Collectively impaired	-	-	210,883	210,883	-	-	190,729	190,729
<b>Total commercial loans</b>	<b>17,897,406</b>	<b>2,087,711</b>	<b>218,574</b>	<b>20,203,691</b>	<b>15,750,611</b>	<b>685,054</b>	<b>199,173</b>	<b>16,634,838</b>

  

Consumer loans	30.06.2020				31.12.2019			
	Stage 1 S/(000)	Stage 2 S/(000)	Stage 3 S/(000)	Total S/(000)	Stage 1 S/(000)	Stage 2 S/(000)	Stage 3 S/(000)	Total S/(000)
<b>Not impaired</b>								
High grade	8,712,982	315,950	-	9,028,932	10,155,000	176,899	-	10,331,899
Standard grade	1,537,905	488,823	-	2,026,728	1,768,328	339,381	-	2,107,709
Sub-standard grade	420,748	752,542	-	1,173,290	307,838	480,921	-	788,759
Past due but not impaired	307,314	514,969	-	822,283	201,928	532,093	-	734,021
<b>Impaired</b>								
Collectively impaired	-	-	655,514	655,514	-	-	480,753	480,753
<b>Total consumer loans</b>	<b>10,978,949</b>	<b>2,072,284</b>	<b>655,514</b>	<b>13,706,747</b>	<b>12,433,094</b>	<b>1,529,294</b>	<b>480,753</b>	<b>14,443,141</b>

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Notes to the Interim consolidated financial statements (continued)

Mortgage loans	30.06.2020				31.12.2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)
<b>Not impaired</b>								
High grade	5,441,888	2,598	-	5,444,486	5,676,737	21,775	-	5,698,512
Standard grade	796,074	19,356	-	815,430	550,656	65,662	-	616,318
Sub-standard grade	232,046	140,811	-	372,857	25,855	190,605	-	216,460
Past due but not impaired	279,685	112,744	-	392,429	225,687	201,506	-	427,193
<b>Impaired</b>								
Collectively impaired	-	-	323,436	323,436	-	-	247,962	247,962
<b>Total mortgage loans</b>	<b>6,749,693</b>	<b>275,509</b>	<b>323,436</b>	<b>7,348,638</b>	<b>6,478,935</b>	<b>479,548</b>	<b>247,962</b>	<b>7,206,445</b>

  

Small and micro-business loans	30.06.2020				31.12.2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)
<b>Not impaired</b>								
High grade	636,300	7,262	-	643,562	532,978	19,622	-	552,600
Standard grade	230,147	13,579	-	243,726	75,464	23,775	-	99,239
Sub-standard grade	9,796	46,658	-	56,454	3,977	14,737	-	18,714
Past due but not impaired	784	1,869	-	2,653	11,515	23,563	-	35,078
<b>Impaired</b>								
Collectively impaired	-	-	48,566	48,566	-	-	48,006	48,006
<b>Total small and micro-business loans</b>	<b>877,027</b>	<b>69,368</b>	<b>48,566</b>	<b>994,961</b>	<b>623,934</b>	<b>81,697</b>	<b>48,006</b>	<b>753,637</b>

  

	30.06.2020				31.12.2019			
<b>Total direct loans</b>	<b>36,503,075</b>	<b>4,504,872</b>	<b>1,246,090</b>	<b>42,254,037</b>	<b>35,286,574</b>	<b>2,775,593</b>	<b>975,894</b>	<b>39,038,061</b>

Translation of consolidated financial statements originally issued in Spanish – Note 28

Notes to the Interim consolidated financial statements (continued)

(d) During the six-months period ended June 30, 2020, the impairment loss for direct and indirect loans amounted to S/1,752,788,000 and S/7,784,000, respectively. Following is the movement of the allowance for expected credit loss for direct and indirect loans:

(d.1) Direct loans:

Direct loans	30.06.2020					30.06.2019					31.12.2019
	Commercial S/(000)	Consumer S/(000)	Mortgage S/(000)	Small and micro- business S/(000)	Total S/(000)	Commercial S/(000)	Consumer S/(000)	Mortgage S/(000)	Small and micro-business S/(000)	Total S/(000)	Total S/(000)
<b>Expected credit loss at the beginning of period balances</b>	146,250	1,249,454	121,682	68,943	1,586,329	194,213	1,112,086	114,610	69,343	1,490,252	1,490,252
<b>Loss due to impairment of direct credits (*)</b>	61,631	1,574,771	45,768	70,618	1,752,788	22,219	444,965	6,179	23,445	496,808	1,026,737
Write-offs (**)	(14,308)	(390,216)	(999)	(19,453)	(424,976)	(7,725)	(472,290)	(1,108)	(25,313)	(506,436)	(1,097,321)
Recovery of written-off loans	534	57,686	-	1,936	60,156	567	77,520	-	1,778	79,865	171,831
Foreign exchange effect (***)	14,636	1,946	5,080	261	21,923	(1,796)	(4,205)	(1,092)	(91)	(7,184)	(5,170)
<b>Expected credit loss at the end of period balances</b>	<b>208,743</b>	<b>2,493,641</b>	<b>171,531</b>	<b>122,305</b>	<b>2,996,220</b>	<b>207,478</b>	<b>1,158,076</b>	<b>118,589</b>	<b>69,162</b>	<b>1,553,305</b>	<b>1,586,329</b>

(d.2) Indirect loans:

	30.06.2020	30.06.2019	31.12.2019
	S(000)	S(000)	S(000)
<b>Expected credit loss at the beginning of period balances</b>	39,694	62,051	62,051
<b>Loss due to impairment of indirect credits (*)</b>	7,784	(16,562)	(21,932)
Foreign exchange effect (***)	786	(616)	(425)
<b>Expected credit loss at the end of period balances</b>	<b>48,264</b>	<b>44,873</b>	<b>39,694</b>

(\*) As of June 30, 2020, the increase in loan impairment loss, net of recoveries, corresponds to greater provision requirements, mainly in the consumer loan portfolio related to adjustments performed in the calculation model of expected credit loss; see Note 1(b).

(\*\*) The Group writes off financial assets that are still subject to collection activities. In this regard, the Group seeks to recover the amounts legally owed in full, but have been written off because there is no reasonable expectation of recovery.

(\*\*\*) Corresponds mainly to the effect of the exchange rate and the variation of the value of money over time.

## Translation of consolidated financial statements originally issued in Spanish – Note 28

### Notes to the Interim consolidated financial statements (continued)

#### 7. Investment property

(a) This caption is made up as follows:

	30.06.2020	31.12.2019		Valuation methodology
	S/(000)	S/(000)	Acquisition or construction year	As of June 30, 2020 and December 31, 2019
<b>Land -</b>				
Miraflores - Lima	519,115	486,391	2010	Appraisal
San Martín de Porres - Lima	324,177	303,695	2015	Appraisal
San Isidro - Lima	244,794	239,152	2009	Appraisal
Ate Vitarte - Lima	114,574	114,574	2008	Appraisal
Others	263,505	267,706	-	Appraisal
	<u>1,466,165</u>	<u>1,411,518</u>		
<b>Built investment property -</b>				
<b>"Real Plaza" Shopping Malls</b>				
Puruchuco - Lima	563,943	543,464	2008	DCF / Appraisal
Chiclayo	181,168	178,551	2005	DCF
Primavera - Lima	176,406	177,527	2009	DCF
Centro Comercial San Isidro - Lima	162,334	159,961	2010	DCF
Trujillo	155,225	155,964	2007	DCF
Piura	134,665	135,869	2010	DCF
Pucallpa	72,555	72,439	2014	DCF
Cajamarca	71,551	71,762	2013	DCF
Pro - Lima	53,914	54,398	2008	DCF
Others	146,628	146,597	-	DCF
	<u>1,718,389</u>	<u>1,696,532</u>		
<b>Built on leased land -</b>				
Salaverry - Lima	337,259	340,355	2014	DCF
Cuzco	186,653	167,208	2013	DCF
Centro Cívico - Lima	125,748	124,476	2007 / 2014	DCF
Huancayo	97,038	100,854	2008	DCF
Huánuco	59,821	60,043	2012	DCF
Villa María del Triunfo - La Curva - Lima	55,908	56,939	2013 / 2016	DCF
Juliaca	53,948	54,867	2010	DCF
Others	192,656	211,397	-	DCF
	<u>1,109,031</u>	<u>1,116,139</u>		
<b>Buldings -</b>				
Orquídeas - San Isidro - Lima	160,832	168,787	2017	DCF
Ate Vitarte - Lima	106,414	82,925	2006	DCF
Chorrillos - Lima	66,291	71,680	2017	DCF
Centro Urbano Nuevo Chimbote	39,878	49,898	2019	DCF
Others	111,889	112,869	-	
	<u>485,304</u>	<u>486,159</u>		
<b>Total</b>	<u>4,778,889</u>	<u>4,710,348</u>		

DCF: Discounted cash flow.

(i) As of June 30, 2020 and December 31, 2019, there are no liens on any investment property.

## Translation of consolidated financial statements originally issued in Spanish – Note 28

### Notes to the Interim consolidated financial statements (continued)

- (b) The net gain on investment property for the six-month periods ended June 30, 2020 and 2019, consists of the following:

	<b>30.06.2020</b>	<b>30.06.2019</b>
	S/(000)	S/(000)
Gain on valuation of investment property	39,281	5,477
Income from rental of investment property	121,948	172,021
Gain on sale of investment property	-	642
<b>Total</b>	<u>161,229</u>	<u>178,140</u>

- (c) The movement of investment property is as follows:

	<b>30.06.2020</b>	<b>30.06.2019</b>
	S/(000)	S/(000)
<b>Beginning of period balances</b>	4,710,348	4,072,977
Additions	65,605	148,807
Sales	-	(17,305)
Gain on valuation, net	39,281	5,477
Transfers to "Property, furniture and equipment, net"	(36,345)	(13,483)
<b>Ending balances</b>	<u>4,778,889</u>	<u>4,196,473</u>
<b>Balance as of December 31, 2019</b>		<u>4,710,348</u>

- (d) Fair value measurement – Investment property - Valuation techniques

The valuation techniques to estimate the fair value and the main assumptions used are described in Note 8 "Investment property" of the 2019 Annual Consolidated Financial Statements.

## Translation of consolidated financial statements originally issued in Spanish – Note 28

### Notes to the Interim consolidated financial statements (continued)

#### 8. Inventories, net

(a) This caption is made up as follows:

	<b>30.06.2020</b>	<b>31.12.2019</b>
	S/(000)	S/(000)
Inventories from retail activities, net (b)	2,486,263	2,376,636
Inventories from real estate activities, net	20,437	20,670
<b>Total</b>	<u>2,506,700</u>	<u>2,397,306</u>

(b) The table below presents the balance of inventories from retail activities:

	<b>30.06.2020</b>	<b>31.12.2019</b>
	S/(000)	S/(000)
Inventories	2,394,148	2,262,557
Finished goods	73	189
Raw material	15,583	15,204
In-transit inventories	112,956	111,347
Miscellaneous supplies	7,675	6,053
	<u>2,530,435</u>	<u>2,395,350</u>
<b>Minus:</b>		
Allowance for obsolescence of inventories (b.1)	<u>(44,172)</u>	<u>(18,714)</u>
	<u>2,486,263</u>	<u>2,376,636</u>

## Translation of consolidated financial statements originally issued in Spanish – Note 28

### Notes to the Interim consolidated financial statements (continued)

(b.1) The movement of the allowance for impairment of inventories by retail activities is as follows:

	<b>30.06.2020</b> S/(000)	<b>30.06.2019</b> S/(000)
<b>Beginning of period balances</b>	18,714	16,364
Provision for the period	27,206	13,383
Recoveries	(1,953)	(2,656)
Translation	205	(63)
<b>End of period balances</b>	<u>44,172</u>	<u>26,098</u>
<b>Balance as of December 31, 2019</b>		<u>18,714</u>

The allowance for impairment of inventories is determined based on rotation levels, discounts for clearance sales and other characteristics based on periodical assessments performed by Management of Intercorp Peru and Subsidiaries. In Management's opinion, this provision covers adequately the risk of impairment of inventories as of June 30, 2020 and December 31, 2019.

## Translation of consolidated financial statements originally issued in Spanish – Note 28

### Notes to the Interim consolidated financial statements (continued)

#### 9. Accounts receivable and other assets, net; accounts payable, provisions and other liabilities

(a) These captions are comprised of the following:

	30.06.2020 S/(000)	31.12.2019 S/(000)
<b>Accounts receivable and other assets</b>		
<b>Financial Instruments</b>		
Rights related to Subordinated Bonds 2030, Note 12(c)	1,061,400	-
Trade accounts receivable, net	775,085	720,048
Accounts receivable related to derivative financial instruments (b)	697,950	351,689
Other accounts receivable	472,697	455,315
Accounts receivable from the sale of investments	351,157	74,373
Assets for technical reserves for claims and premiums by reinsurers	67,255	77,430
Operations in process	53,445	46,087
Others	49,557	43,861
<b>Total</b>	<b>3,528,546</b>	<b>1,768,803</b>
<b>Non-financial Instruments</b>		
Recoverable taxes	290,654	159,513
Deferred charges	200,859	151,205
Value-Added Tax credit – IGV	89,218	62,960
Investments in associates	74,110	76,987
Public works tax deduction	3,292	7,178
Others	24,996	24,878
	683,129	482,721
<b>Total</b>	<b>4,211,675</b>	<b>2,251,524</b>



## Translation of consolidated financial statements originally issued in Spanish – Note 28

### Notes to the Interim consolidated financial statements (continued)

	<b>30.06.2020</b>	<b>31.12.2019</b>
	S/(000)	S/(000)
<b>Accounts payable, provisions and other liabilities</b>		
<b>Financial instruments</b>		
Trade accounts payable	3,357,251	3,748,212
Liability for leases	2,120,305	2,130,379
Liability for contract with investment component	521,202	465,542
Other accounts payable	422,939	460,308
Workers' profit sharing and salaries payable	388,013	384,384
Accounts payable related to derivative financial instruments (b)	467,527	222,752
Operations in process	155,637	134,837
Accounts payable for acquisitions of investments	500,580	95,486
Allowance for indirect loan losses, Note 6(d.2)	48,264	39,694
Accounts payable to reinsurers and coinsurers	4,954	7,326
	<hr/>	<hr/>
	7,986,672	7,688,920
	<hr/>	<hr/>
<b>Non-financial instruments</b>		
Taxes payable	446,593	496,840
Deferred income	84,150	121,854
Provision for other contingencies	64,411	61,300
Others	7,221	9,869
	<hr/>	<hr/>
	602,375	689,863
	<hr/>	<hr/>
<b>Total</b>	<b>8,589,047</b>	<b>8,378,783</b>
	<hr/>	<hr/>

Translation of consolidated financial statements originally issued in Spanish – Note 28

Notes to the Interim consolidated financial statements (continued)

(b) The following table presents, as of June 30, 2020, and December 31, 2019, the fair value of derivative financial instruments recorded as assets or liabilities, including their notional amounts.

As of June 30, 2020	Assets S/(000)	Liabilities S/(000)	Notional amount S/(000)	Effective part recognized in other comprehensive income during the year S/(000)	Maturity	Hedged Instruments	Caption of the consolidated statements of financial position
<b>Derivatives held for trading -</b>							
Forward exchange contracts	48,276	105,248	7,156,199	-	Between July 2020 and September 2021	n/a	n/a
Interest rate swaps	239,452	244,098	5,551,999	-	Between November 2020 and June 2036	n/a	n/a
Currency swaps	61,732	47,339	2,087,997	-	Between July 2020 and February 2027	n/a	n/a
Cross currency swaps	-	66,271	208,240	-	January 2023	n/a	n/a
Options	-	297	35,036	-	Between July 2020 and March 2021	n/a	n/a
	<u>349,460</u>	<u>463,253</u>	<u>15,039,471</u>	<u>-</u>			
<b>Derivatives held as hedges -</b>							
<b>Cash flow hedges:</b>							
Call Spreads (*)	104,357	-	1,416,400	(30,111)	May 2023	Senior note not guaranteed	Bonds, notes and other obligations
Call Spreads (*)	96,804	-	1,049,459	(55,434)	April 2028	Senior note not guaranteed	Bonds, notes and other obligations
Cross currency swaps (CCS)	113,765	-	1,560,258	5,951	January 2023	Senior bonds	Bonds, notes and other obligations
Cross currency swaps (CCS)	33,564	-	530,700	7,939	October 2027	Senior bonds	Bonds, notes and other obligations
Interest rate swaps (IRS)	-	1,515	141,520	305	November 2020	Due to banks	Due to banks and correspondents
Interest rate swaps (IRS)	-	1,376	88,450	(81)	December 2020	Due to banks	Due to banks and correspondents
Interest rate swaps (IRS)	-	1,383	88,450	(79)	December 2020	Due to banks	Due to banks and correspondents
	<u>348,490</u>	<u>4,274</u>	<u>4,875,237</u>	<u>(71,510)</u>			
	<u>697,950</u>	<u>467,527</u>	<u>19,914,708</u>	<u>(71,510)</u>			

Translation of consolidated financial statements originally issued in Spanish – Note 28

Notes to the Interim consolidated financial statements (continued)

As December 31, 2019	Assets S/(000)	Liabilities S/(000)	Notional amount S/(000)	Effective part recognized in other comprehensive income during the year S/(000)	Maturity	Hedged Instruments	Caption of the consolidated statements of financial position
<b>Derivatives held for trading -</b>							
Forward exchange contracts	95,961	45,723	9,306,501	-	Between January 2020 and January 2021	-	-
Interest rate swaps	81,517	75,071	4,238,142	-	Between November 2020 and December 2029	-	-
Currency swaps	30,438	36,428	1,727,922	-	Between January 2020 and September 2026	-	-
Cross currency swaps	-	50,523	195,056	-	January 2023	-	-
Options	34	126	22,153	-	Between January 2020 and December 2020	-	-
	<u>207,950</u>	<u>207,871</u>	<u>15,489,774</u>	<u>-</u>			
<b>Derivatives held as hedges -</b>							
<b>Cash flow hedges:</b>							
Call Spreads (*)	63,508	-	1,326,800	8,983	May 2023	Senior note not guaranteed	Bonds, notes and other obligations
Call Spreads (*)	67,405	-	1,160,950	19,135	April 2028	Senior note not guaranteed	Bonds, notes and other obligations
Cross currency swaps (CCS)	12,826	8,227	1,461,474	(31,211)	January 2023	Senior bonds	Bonds, notes and other obligations
Cross currency swaps (CCS)	-	2,821	497,100	(19,694)	October 2027	Senior bonds	Bonds, notes and other obligations
Interest rate swaps (IRS)	-	1,085	82,850	(287)	December 2020	Due to banks	Due to banks and correspondents
Interest rate swaps (IRS)	-	1,080	82,850	(289)	December 2020	Due to banks	Due to banks and correspondents
Interest rate swaps (IRS)	-	1,668	132,560	(285)	November 2020	Due to banks	Due to banks and correspondents
Cross currency swaps (CCS) (ii)	-	-	-	1,097	-	-	-
	<u>143,739</u>	<u>14,881</u>	<u>4,744,584</u>	<u>(22,551)</u>			
	<u>351,689</u>	<u>222,752</u>	<u>20,234,358</u>	<u>(22,551)</u>			

(\*) The call spread contracts were settled during 2018 with JP Morgan Chase & Co. and Citibank N.A. for a total reference value of US\$350,000,000 and US\$400,000,000, respectively; and were agreed in order to reduce the exchange rate risk exposure caused by the part of foreign currency debt issued by InRetail Shopping Malls and InRetail Pharma S.A., in April and May 2018. In addition, the purchase price paid for such derivative financial instruments (premium) was financed in installments, generating a liability, whose total balance as of June 30, 2020, and December 31, 2019, amounts approximately to S/113,229,000 and S/114,577,000; respectively, see Note 11(a).

(i) As of June 30, 2020 and December 31, 2019, certain derivative financial instruments required the establishment of collateral deposits; see Note 4(d).

(ii) For the designated hedging derivatives mentioned in the table above, changes in fair values of hedging instruments completely offset the changes in fair values of hedged items; therefore, there has been no hedge ineffectiveness in 2020 and 2019. During the year 2019, two hedges were discontinued for a total nominal value of US\$20,000,000 because of the early redemption of the senior bonds denominated "5.750% Senior Notes due 2020".

(iii) Derivatives held for trading are traded mainly to satisfy clients' needs. The Group may also take positions with the expectation of profiting from favorable movements in prices or rates. Also, this caption includes any derivatives which do not comply with IFRS 9 hedge accounting requirements.

## Translation of consolidated financial statements originally issued in Spanish – Note 28

### Notes to the Interim consolidated financial statements (continued)

#### 10. Deposits and obligations

(a) This caption is made up as follows:

	<b>30.06.2020</b>	<b>31.12.2019</b>
	S/(000)	S/(000)
Time deposits	13,904,456	13,230,965
Saving deposits	15,232,361	11,384,464
Demand deposits	12,803,680	11,110,811
Compensation for service time	1,963,723	2,090,832
Other obligations	4,653	5,955
<b>Total</b>	<b>43,908,873</b>	<b>37,823,027</b>

(b) Interest rates applied to deposits and obligations are determined based on the market interest rates.

(c) As of June 30, 2020, and December 31, 2019, out of total deposits and obligations, approximately S/ 12,956,386,000 and S/ 11,047,236,000, respectively, are covered by the Peruvian Deposit Insurance Fund.

#### 11. Due to banks and correspondents

(a) This caption is comprised of the following:

	<b>30.06.2020</b>	<b>31.12.2019</b>
	S/(000)	S/(000)
<b>By type</b>		
BCRP (b), Note 4(b), 5(e)	5,474,054	1,897,568
Loans received from Peruvian entities	3,398,356	2,485,231
Promotional credit lines	1,431,013	1,422,067
Loans received from foreign entities	1,171,150	673,170
Loans for purchase of derivative financial instruments, Note 9(b)(*)	113,229	114,577
Loans received from third parties	65,266	76,956
	<b>11,653,068</b>	<b>6,669,569</b>
Interest and commissions payable	54,762	56,691
	<b>11,707,830</b>	<b>6,726,260</b>
<b>By term</b>		
Short term	5,269,286	3,545,597
Long term	6,438,544	3,180,663
<b>Total</b>	<b>11,707,830</b>	<b>6,726,260</b>

## Translation of consolidated financial statements originally issued in Spanish – Note 28

### Notes to the Interim consolidated financial statements *(continued)*

- (b) Interbank took part in the auction of funds for the “Reactiva Perú” program, Note 1(b). As of June 30, 2020, the amount recorded as debt to the BCRP amounts to approximately S/3,833 million.
  
- (b) As of June 30, 2020 and December 31, 2019, some of the Bank loans agreements include standard covenants regarding capital ratios, financial ratios, disposal of assets and transactions among companies under certain conditions, the use of funds and other issues administratives.

In the opinion of Management and its legal advisors, all covenants have been met by the Group regarding its due to banks and correspondents as of June 30, 2020 and December 31, 2019.

Translation of consolidated financial statements originally issued in Spanish – Note 28

Notes to the Interim consolidated financial statements (continued)

12. Bonds, notes and other obligations

(a) This caption is comprised of the following:

Issuance	Issuer	Annual interest rate	Interest payment	Maturity	Amount issued S/(000)	30.06.2020 S/(000)	31.12.2019 S/(000)
<b>Local issuances</b>							
<b>Subordinated bonds</b>							
Third (A series)	Interbank	3.5% + VAC (*)	Semi-annually	2023	S/110,000	91,000	91,000
Eighth (A series)	Interbank	6.91%	Semi-annually	2022	S/137,900	137,109	136,908
						<u>228,109</u>	<u>227,908</u>
<b>Subordinated bonds – second program</b>							
Second (A series)	Interbank	5.81%	Semi-annually	2023	S/150,000	149,853	149,827
Third (A series)	Interbank	7.50%	Semi-annually	2023	US\$50,000	176,640	165,426
						<u>326,493</u>	<u>315,253</u>
<b>Subordinated bonds – third program</b>							
First – single series	Interseguro	6.00%	Semi-annually	2029	US\$20,000	70,760	66,280
Second – single series	Interseguro	4.34%	Semi-annually	2029	US\$20,000	70,760	66,280
						<u>141,520</u>	<u>132,560</u>
<b>Corporate bonds – first program</b>							
First (A series)	Financiera OH!	7.69%	Quarterly	2021	S/120,000	119,871	119,788
First (B series)	Financiera OH!	6.97%	Quarterly	2021	S/99,419	99,293	99,237
Second (A series)	Financiera OH!	6.28%	Quarterly	2021	S/100,000	99,833	99,777
Second (B series)	Financiera OH!	5.84%	Quarterly	2022	S/60,000	59,863	59,830
Third (A series)	Financiera OH!	6.41%	Quarterly	2023	S/95,885	95,617	95,575
						<u>474,477</u>	<u>474,207</u>
<b>Corporate bonds – second program</b>							
Fifth (A series)	Interbank	3.41% + VAC (*)	Semi-annually	2029	S/ 150,000	150,000	150,000
						<u>150,000</u>	<u>150,000</u>
<b>Securitized bonds</b>							
First issue (A and B series)	Colegios Peruanos	Between 3.25%-10%	Semi-annually	2035	S/66,000	37,910	32,992
Second issue (A series)	Colegios Peruanos	Between 4%-12%	Semi-annually	2035	S/50,000	46,369	47,000
Third issue (A series)	Colegios Peruanos	7.53%	Semi-annually	2037	S/70,000	69,454	69,427
Fourth issue (A series)	Colegios Peruanos	5.97%	Semi-annually	2034	S/230,000	227,142	226,992
First A class (1 series)	Homecenter Peruanos	6.59%	Quarterly	2025	S/100,000	91,094	95,055
						<u>471,969</u>	<u>471,466</u>

Translation of consolidated financial statements originally issued in Spanish – Note 28

Notes to the Interim consolidated financial statements (continued)

<u>Issuance</u>	<u>Issuer</u>	<u>Annual interest rate</u>	<u>Interest payment</u>	<u>Maturity</u>	<u>Amount issued</u>	<u>30.06.2020</u>	<u>31.12.2019</u>
					S/(000)	S/(000)	S/(000)
<b>Negotiable certificates of deposit</b>							
Negotiable certificates of deposit	Financiera OH!	3.50%	Annually	2020	S/191,300	69,910	-
Negotiable certificates of deposit	Financiera OH!	Between 3.50% and 5.10%	Annually	2020	S/281,300	-	271,887
Negotiable certificates of deposit	Interbank	4.28%	Annually	2020	S/150,000	-	148,603
						69,910	420,490
<b>Total local issuances</b>						<b>1,862,478</b>	<b>2,191,884</b>
<b>International Issuances</b>							
Corporate bonds	Interbank	3.38%	Semi-annually	2023	US\$484,895	1,665,354	1,549,877
Corporate bonds	Interbank	3.25%	Semi-annually	2026	US\$400,000	1,402,926	1,313,259
Senior notes not guaranteed	InRetail Pharma	5.38%	Semi-annually	2023	US\$400,000	1,401,496	1,310,706
Senior bonds	Intercorp Perú	3.88%	Semi-annually	2029	US\$325,000	1,074,476	1,010,136
Senior notes not guaranteed	InRetail Shopping Malls	5.75%	Semi-annually	2028	US\$350,000	1,164,014	1,087,035
Subordinated bonds	Interbank	4.00%	Semi-annually	2030	US\$300,000	1,060,993	-
Subordinated bonds	Interbank	6.63%	Semi-annually	2029	US\$300,000	1,057,640	990,216
Senior bonds	Intercorp Financial Services	4.13%	Semi-annually	2027	US\$300,000	1,033,231	969,794
Senior notes not guaranteed	InRetail Pharma	6.44%	Semi-annually	2025	S/385,800	383,872	383,707
Corporate bonds	Interbank	5.00%	Semi-annually	2026	S/312,400	311,243	311,185
Senior notes not guaranteed	InRetail Shopping Malls	6.56%	Semi-annually	2028	S/313,500	306,805	306,718
Senior bonds	Intercorp Perú	7.66%	Semi-annually	2030	S/301,500	298,374	298,265
Senior bonds	Intercorp Perú	5.78%	Semi-annually	2029	S/300,000	296,199	296,045
Senior notes not guaranteed	InRetail Shopping Malls	7.88%	Semi-annually	2034	S/141,000	89,738	90,307
Junior subordinated notes	Interbank	8.50%	Semi-annually	2070	US\$200,000	-	660,992
<b>Total International Issuances</b>						<b>11,546,361</b>	<b>10,578,242</b>
<b>Total local and International Issuances</b>						<b>13,408,839</b>	<b>12,770,126</b>
Interest payable						223,071	230,641
<b>Total</b>						<b>13,631,910</b>	<b>13,000,767</b>

(\*) The Spanish term "Valor de actualización constante" is referred indexed amounts.

## Translation of consolidated financial statements originally issued in Spanish – Note 28

### Notes to the Interim consolidated financial statements (continued)

- (b) The international issuances are listed at the Luxembourg Stock Exchange. On the other hand, local and international issuances include standard clauses of compliance with financial ratios, the use of funds and other administrative matters.

As of June 30, 2020 and December 31, 2019, the international issuances maintain standard clauses mainly related to periodic reporting of financial information. In the opinion of Management and its legal advisors, these clauses have been met by the Group as of June 30, 2020 and December 31, 2019.

- (c) On the other hand, on June 30, 2020, Interbank issued subordinated bonds called “4.00% Subordinated Notes due 2030” for an amount of US\$300,000,000, under Rule 144A and Regulation S of the U.S. Securities Act of 1933 of the United States of America, proceeds from this placement amounted to S/1,061,400,000 and were received on July 8, 2020, see Note 9(a).

#### 13. Insurance contract liabilities

- (a) This caption is comprised of the following:

	<b>30.06.2020</b>	<b>31.12.2019</b>
	S/(000)	S/(000)
Technical reserves for insurance premiums (b)	11,507,560	11,135,635
Technical reserves for claim	200,687	203,175
	<u>11,708,247</u>	<u>11,338,810</u>
<b>By term</b>		
Short term	991,382	948,316
Long term	<u>10,716,865</u>	<u>10,390,494</u>
<b>Total</b>	<u>11,708,247</u>	<u>11,338,810</u>



## Translation of consolidated financial statements originally issued in Spanish – Note 28

### Notes to the Interim consolidated financial statements (continued)

(b) The movement of technical reserves for insurance premiums disclosed by type of insurance for the six-month periods ended June 30, 2020 and 2019, is as follows:

	30.06.2020					30.06.2019				
	Annuities S/(000)	Retirement, disability and survival annuities S/(000)	Life insurance S/(000)	General insurance S/(000)	Total S/(000)	Annuities S/(000)	Retirement, disability and survival annuities S/(000)	Life insurance S/(000)	General insurance S/(000)	Total S/(000)
<b>Beginning of period balances</b>	9,653,420	779,455	661,687	41,073	11,135,635	8,665,894	715,217	586,166	39,683	10,006,960
Insurance subscriptions	110,354	-	1,055	30,371	141,780	157,702	-	2,463	34,825	194,990
Acquisition of Mapfre (*)	-	-	292,499	-	292,499	-	-	-	-	-
Interest rate effect	(206,353)	(16,277)	(3,643)	-	(226,273)	642,214	34,017	-	-	676,231
Time passage adjustments	(79,673)	(4,006)	39,659	(24,640)	(68,660)	(82,519)	18,726	64,137	(34,188)	(33,844)
Maturities and recoveries	-	-	(22,130)	-	(22,130)	-	-	(20,465)	-	(20,465)
Exchange differences	214,945	-	39,564	200	254,709	(104,151)	-	(14,072)	(21)	(118,244)
<b>End of period balances</b>	<b>9,692,693</b>	<b>759,172</b>	<b>1,008,691</b>	<b>47,004</b>	<b>11,507,560</b>	<b>9,279,140</b>	<b>767,960</b>	<b>618,229</b>	<b>40,299</b>	<b>10,705,628</b>
<b>Balance as of December 31, 2019</b>						<b>9,653,420</b>	<b>779,455</b>	<b>661,687</b>	<b>41,073</b>	<b>11,135,635</b>

(\*) In December 2019, the SBS authorized the transfer of a net equity block from Mapfre Peru Vida, which was made effective on January 2, 2020. The final value of the loan portfolio transfer resulted in a price adjustment in favor of Mapfre for a total amount of S/9,534,000, which were disbursed by Interseguro in cash.

(c) In Management's opinion, these balances reflect the exposure of life and general insurance contracts as of June 30, 2020, and December 31, 2019, in accordance with IFRS 4.

(d) As of June 30, 2020 and December 31, 2019, the main assumptions used in the estimation of retirement, disability and survival annuities and individual life reserves are the following:

Type	Mortality table	Technical rates	
		30.06.2020	31.12.2019
Annuities	SPP-S-2017, SPP-I-2017	4.69% in US\$	4.54% in US\$
	with improvement factor	2.10% in S/ VAC	1.89% in S/ VAC
	for mortality	5.23% in adjusted S/	5.10% in adjusted S/
Retirement, disability and survival	SPP-S-2017, SPP-I-2017	2.10% in S/ VAC	1.89% in S/ VAC
	with improvement factor	-	-
	for mortality	-	-
Individual life insurance contracts (included linked insurance contracts)	CSO 80 adjusted	4.00 - 5.00%	4.00 - 5.00%

## Translation of consolidated financial statements originally issued in Spanish – Note 28

### Notes to the Interim consolidated financial statements (continued)

The sensitivity of the estimates used by the Group to measure its insurance risks is represented primarily by life insurance risks; the main variables as of June 30, 2020 and December 31, 2019, are the interest rates and the mortality tables. The Group has assessed the changes of the reserves related to its most significant life insurance contracts included in the reserves of annuities, retirement, disability and survival of +/- 100 basis points (bps) in the interest rates and of +/- 500 bps of the mortality factors, being the results as follows:

Variables	30.06.2020			31.12.2019		
	Reserve S/(000)	Variation of the reserve		Reserve S/(000)	Variation of the reserve	
		Amount S/(000)	Percentage %		Amount S/(000)	Percentage %
<b>Annuities</b>						
<b>Portfolio in S/ and US Dollars - Basis amount</b>						
Changes in interest rate: + 100 bps	8,705,228	(987,465)	(10.19)	8,646,725	(1,006,695)	(10.43)
Changes in interest rate: - 100 bps	10,901,962	1,209,269	12.48	10,890,170	1,236,750	12.81
Changes in mortality table at 105%	9,594,086	(98,608)	(1.02)	9,554,268	(99,152)	(1.03)
Changes in mortality table at 95%	9,796,140	103,446	1.07	9,757,493	104,073	1.08
<b>Retirements, disability and survival</b>						
<b>Portfolio in S/ - Basis amount</b>						
Changes in interest rate: + 100 bps	671,305	(87,866)	(11.57)	687,451	(92,004)	(11.80)
Changes in interest rate: - 100 bps	868,733	109,562	14.43	894,614	115,159	14.77
Changes in mortality table at 105%	749,073	(10,098)	(1.33)	769,044	(10,411)	(1.34)
Changes in mortality table at 95%	769,788	10,617	1.40	790,403	10,948	1.40

## Translation of consolidated financial statements originally issued in Spanish – Note 28

### Notes to the Interim consolidated financial statements (continued)

#### 14. Equity

##### (a) Capital stock and dividend distribution

As of June 30, 2020, and December 31, 2019, the Company's capital stock was represented by 14,901,892 Class A shares and 134,117,024 Class B shares. Both classes have the same economic rights. The difference between them is that Class A shares grant the right to choose the majority of the Board of Directors' members (5 directors), while Class B shares can choose one director.

The shareholding structure of the Company as of June 30, 2020, and December 31, 2019 is presented below:

Shareholder	Total ownership %
<b>Class "A" shares:</b>	
International Financial Holding Inc.	7.73
Southern Hill Corp.	2.27
<b>Class "B" shares:</b>	
Bank of New York-ADR Programs	39.78
International Financial Holding Inc.	21.79
Shetland Securities Inc.	16.37
Southern Hill Corp.	10.60
Others	1.46
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	100.00
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The General Shareholders' Meeting held on April 7, 2020, agreed to capitalize approximately S/1,045,516,000 charged to retained earnings. In the same meeting, the nominal value per share was modified from US\$10 to US\$12, while the number of shares was kept the same.

The General Shareholders' Meeting held on April 1, 2019, agreed to capitalize approximately S/491,465,000 charged to retained earnings. Likewise, it was agreed to distribute dividends for US\$30,000,000 (equivalent to S/98,940,000), which will be paid in four equal installments (US\$7,500,000) from June 2019 to March 2020. In the same meeting, the nominal value per share was modified from US\$9 to US\$10, while the number of shares was kept the same.

##### (b) Intercorp Group's regulatory capital –

Intercorp Perú must meet certain capital requirements as well as global and concentration limits set out by the Regulation on Consolidated Supervision of Financial and Mixed Conglomerates, approved on September 29, 2010, by the SBS through Resolution No. 11823-2010, as amended. As of June 30, 2020 and December 31, 2019, the Company has met the aforementioned requirements and supplementary requirements made by SBS at those dates.

##### (c) Reserves

The General Shareholders' Meeting held on April 7, 2020, agreed to constitute reserves for S/324,483,000 charged to retained earnings.

## Translation of consolidated financial statements originally issued in Spanish – Note 28

### Notes to the Interim consolidated financial statements (continued)

In accordance with agreements adopted in Board Sessions held on February 19, 2020 and March 16, 2020, the Company recorded reserves charged to retained earnings for S/200,000,000 and S/100,000,000, respectively.

The General Shareholders' Meeting held on April 1, 2019, agreed to constitute reserves for S/58,536,000 charged to retained earnings.

(d) Unrealized result

The unrealized results are derived from the fluctuation of financial instruments measured at fair value through other comprehensive income and from the exchange difference caused by transfers from subsidiaries located abroad, whose functional currency is different from that of the Company.

#### 15. Tax situation

- (a) Intercorp Perú and its Subsidiaries incorporated and domiciled in The Bahamas and Republic of Panama (see Note 3), are not subject to any Income Tax or any taxes on capital gains, equity or property. The Subsidiaries of the Company incorporated and domiciled in countries different to the mentioned before are subject to the Tax legislation of the country where they operate; see paragraph (b).

On the other hand, Peruvian life insurance companies are exempted from income taxes when it comes to income from assets related to technical reserves for the payment of Annuities and Retirement, disability and survival annuities of the Private Pension Fund Management System.

In Peru, all gains from Peruvian sources are subject to income tax, which is directly obtained by the direct or indirect sale of shares or participations representing the capital of legal entities domiciled in the country. For that purpose, an indirect sale shall be considered to have occurred when shares of stock or ownership interests of a legal entity are sold and this legal entity is not domiciled in the country and, in turn, is the holder – whether directly or through other legal entity or entities – of shares or ownership interests of one or more legal entities domiciled in the country, provided that certain conditions established by law occur.

In this sense, the Income Tax Act establishes that a case of indirect transfer of shares occurs when, in any of the twelve (12) months prior to the sale, the market value of the shares or ownership interests of the domiciled legal entity is equivalent to 50 percent or more of the market value of the shares or ownership interests of the non-domiciled legal entity. In addition, as a concurrent condition, it is also established that an indirect transfer occurs when, in any 12-month period, shares or ownership interests that represent 10 percent or more of the capital stock of a non-domiciled legal entity are transferred.

- (b) Intercorp Perú's Subsidiaries established in Peru are subject to Peruvian taxes, therefore, they must evaluate its tax burden based on their separate financial statements. The income tax rate as of June 30, 2020 and December 31, 2019, was 29.5 percent on the taxable income.
- (c) The Company's Subsidiaries are subject to the tax regime of the country in which they operate; and pay taxes on the basis of their separate financial statements. As of June 30, 2020 and December 31, 2019, the applicable Income Tax rates on the taxable income in the main countries where the Company and its Subsidiaries operate are presented below.

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### Notes to the Interim consolidated financial statements (continued)

	Tax rates
	2020 - 2019
	%
Spain	25
Peru	29.5
Ecuador	25
Colombia	33
Bolivia	25
Mexico	30

According to current legislation as of June 30, 2020 and December 31, 2019, in some countries, cash dividends for non-domiciled shareholders are taxable for Income Tax with to the following rates:

	Tax rates
	2020 - 2019
	%
Spain (*)	-
Peru	5
Ecuador	10
Colombia	7.5
Bolivia	12.5

(\*) The distribution of dividends from Spain to The Bahamas is not subjected to this tax.

- (d) The Tax Authority is legally entitled to review and dispute tax returns for up to four years subsequent to the date at which they are filed. It also has the legally entitled to challenge the income tax calculated for subsidiaries on their tax return.

Given the possible interpretations that the Tax Authority may have for the current legal regulations, it is not possible to determine as of the corresponding date if future revisions will result or not in additional liabilities for Subsidiaries of Intercorp Group, therefore, if eventual tax revisions result in higher taxes, they will be applied to the profit or loss of the fiscal year in which they are determined. However, Management and its legal advisors believe that the determination of higher taxes would not have a significant impact on the separate financial statements as of June 30, 2020 and December 31, 2019.

- (d.1) Financial and insurance entities -

Interbank -

In April 2004, June 2006, February 2007, June 2007, November 2007, October 2008 and December 2010, Interbank received a number of Tax Determination and Tax Penalty notices corresponding mainly to the Income Tax determination for the fiscal years 2000 to 2006. As a result, claims and appeals were filed and subsequent contentious administrative proceedings were started, with the exception of Income Tax 2006, which is still pending in the Tax Court.

## Translation of consolidated financial statements originally issued in Spanish – Note 28

### Notes to the Interim consolidated financial statements (continued)

Regarding the tax litigations followed by Interbank related to the annual Income Tax returns for the years 2000 to 2006, the most relevant matter subject to discrepancy with SUNAT corresponds to whether the “interest in suspense” are subject to Income Tax or not. In this sense, the Bank considers that the interest in suspense do not constitute accrued income, in accordance with the SBS’s regulations, which is also supported by rulings by the Permanent Constitutional and Social Law Chamber of the Supreme Court issued in August 2009 and a recent pronouncement in June 2019.

Notwithstanding the foregoing, in February 2018, the Third Transitory Chamber of Constitutional and Social Law of the Supreme Court issued a ruling regarding a third bank that impacted the original estimation regarding the degree of contingency for this discrepancy. Subsequently, in June 2019, the Permanent Chamber of Constitutional and Social Law of the Supreme Court, in a case followed with another financial entity, ruled in favor of the tax treatment over the interest in suspense followed by said entity; which is consistent with the tax treatment followed by Interbank. On March 12, 2020, the Permanent Chamber of Constitutional and Social Law of the Supreme Court published on the website of the Judiciary its ruling regarding Interbank’s Income Tax for the year 2003, declaring groundless the cassation appeals filed by SUNAT and the Ministry of Economy and Finance (“MEF”, by its Spanish acronym), thus reaffirming the position held by the Bank regarding that interest in suspense does not constitute taxable income. Lastly, on July 6, 2020, the Permanent Chamber of Constitutional and Social Law of the Supreme Court has formally notified the aforementioned ruling.

From the tax and legal analysis performed, reinforced by the aforementioned recent ruling by the Permanent Chamber of Constitutional and Social Law of the Supreme Court, Interbank’s Management and its external legal advisors consider that it exists sufficient technical support for the prevalence of Interbank’s position, in relation with the tax periods under resolution process; thus, it has not been recorded any provision for this contingency as of June 30, 2020 and December 31, 2019.

The tax liability requested for this concept and other minor contingencies as of June 30, 2020, without considering the effects of the ruling by the Permanent Chamber of Constitutional and Social Law of the Supreme Court published on March 12, 2020, amounted to approximately S/306,000,000, out of which S/34,000,000 corresponded to taxes and the difference to fines and interest arrears (as of December 31, 2019 amounted to approximately S/303,000,000, out of which S/34,000,000 corresponded to taxes and the difference to fines and interest arrears); however, it is estimated that once SUNAT performs the resettlements of the Income Tax, including the effects of said ruling, the requested amount will diminish significantly.

On the other hand, on February 3, 2017, SUNAT closed the audit process corresponding to the Income Tax for the year 2010. Interbank paid the debt under protest and filed a claim procedure. Subsequently, on November 6, 2018, SUNAT closed again the audit process corresponding to the Income Tax 2010, which had been reopened due to invalidity; Interbank filed a claim procedure and afterwards a tax appeal. Currently, the appeal is pending resolution by the Tax Court.

On February 14, 2018, SUNAT notified Interbank of the beginning of the partial audit process for the third category Income Tax corresponding to the year 2014. Subsequently, on September 7, 2018, SUNAT closed said partial audit process and did not determine any additional settlement of said tax.

## Translation of consolidated financial statements originally issued in Spanish – Note 28

### Notes to the Interim consolidated financial statements (continued)

On January 14, 2019, Interbank was notified of the Determination and Penalty Resolutions corresponding to the audit of the Income Tax for the fiscal year 2013. As of June 30, 2020 and December 31, 2019, the tax debt requested by SUNAT amounts to approximately S/52,000,000 and S/50,000,000, respectively (including taxes, penalties and moratorium interest). The main concept observed was the deduction of loan write-offs without proof by the SBS.

To date, Interbank's Management has submitted the respective complaints to the resolutions indicated above. In the opinion of Management and its legal advisors, any eventual additional tax would not be significant for the financial statements as of June 30, 2020 and December 31, 2019.

On April 26, 2019, SUNAT notified Interbank about the commencement of the definitive audit process on Income Tax withholdings of non-domiciled entities corresponding to the year 2018. To date, said audit is under process.

On September 11, 2019, SUNAT notified Interbank about the commencement of the definitive audit process on the Income Tax corresponding to the year 2014. To date, said audit is under process.

On December 12, 2019, SUNAT notified Interbank about the commencement of the definitive audit process on the Income Tax corresponding to the year 2015. To date, said audit is under process.

Lastly, to date, SUNAT is auditing Interbank's 2012 taxable period. In the opinion of Management and its legal advisors, any eventual additional tax settlement would not be significant for the financial statements as of June 30, 2020 and December 31, 2019.

#### Interseguro –

On January 4, 2019, Interseguro was notified through a Tax Determination notice about the partial audit of the Income Tax for non-domiciled entities for Sura corresponding to January 2015. The tax debt requested by SUNAT amounts to approximately S/19,000,000. On January 30, 2019, the Company filed an appeal against the Resolution of Determination claimed by SUNAT. Considering that this debt corresponds to a period prior to the acquisition of Seguros Sura by the Group and according to the conditions of the purchase and sale agreement of this entity, this debt, if confirmed after the legal actions that Management is to file, would be assumed by the sellers.

In the opinion of Management and its legal advisors, any eventual additional tax settlement would not be significant for the financial statements as of June 30, 2020 and December 31, 2019.

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### Notes to the Interim consolidated financial statements (continued)

(d.2) Retail and real estate -

Supermercados Peruanos S.A. has been audited by SUNAT on its Income Tax returns and its monthly IGTV returns for the years 2004 to 2013. Said audits resulted in Determination Resolutions generating higher tax payments, fines and interest for an approximate total of S/138,220,000 as of June 30, 2020 (S/139,000,000 as of December 31, 2019). The resolutions issued for the years 2004 to 2013 have been challenged and these cases are pending resolution by the Tax Court.

Eckerd Amazonía S.A.C., during 2005 and 2006, was audited on its monthly IGTV for taxable years from January 2003 to June 2005. The main objections are related to the lack of knowledge of the exoneration of the IGTV provided by the Act of Promotion and Investment of the Amazon Region. In the opinion of Management and its legal advisors, the Company expects to obtain a favorable result in the appeal procedures it has filed. As of June 30, 2020 and December 31, 2019, the total contingency of the Company amounts to S/17,558,000.

Mifarma S.A.C. (formerly Farmacias Peruanas S.A.C.) filed an appeal against SUNAT for resolutions with alleged omissions in the determination of the tax base for the profits of 2001, 2003, 2008, 2009, 2011, 2012, 2013, 2014 and 2015, as well as the IGTV of the year 2001, for a total of approximately S/28,154,000 as of June 30, 2020 and December 31, 2019. Management and its legal advisors do not consider it necessary to constitute additional provisions to those that are already recorded as of June 30, 2020, for these processes.

Química Suiza S.A.C. maintains claims for tax processes related to the Income Tax of the years 2012, 2013, 2014 and 2015, amounting to S/4,550,000. In the opinion of Management and its legal advisors, said processes should be solved favorably. Thus, in Management's opinion, it is not necessary to record additional liabilities for these concepts as of June 30, 2020, and December 31, 2019.

Albis S.A.C. maintains tax processes related to the Income Tax of the years 2002, 2005, 2009, 2010 and 2011, amounting to S/5,799,000. In the opinion of Management and its legal advisors, said processes should be solved favorably. Thus, in Management's opinion, it is not necessary to record additional liabilities for these concepts as of June 30, 2020, and December 31, 2019.

- (e) Regarding the determination of the Income Tax, transfer prices of transactions with related companies and companies located in non-cooperating countries or territories or with low or zero taxation, or with legal persons or permanent establishments whose profits, income or earnings from such contracts are subject to a preferential fiscal regime, must be supported with documentation and information about valuation methods and criteria considered for its determination. Based on the analysis of the Company's and its Subsidiaries' operations, Management and its legal advisors believe that, as a result of the application of these standards, there will not be significant contingencies for the Subsidiaries domiciled in Peru as of June 30, 2020 and December 31, 2019.

Through Legislative Decree No. 1312, published on December 31, 2016, the formal obligations for entities included within the scope of application of transfer pricing were modified, thus incorporating three new informative affidavits: (i) Local Report; (ii) Master Report; and (iii) Country Report. The first went into effect from 2017 for the operations that occurred during 2016, while the validity of the latest two started in 2018 for the operations occurred since the fiscal year 2017.



## Notes to the Interim consolidated financial statements (continued)

- (f) Through Legislative Decree No.1381, published on August 24, 2018, it was incorporated in the Income Tax Act the concept of “non-cooperating” countries or territories and preferential tax regimes to which are imposed the defensive measures already existing for countries and territories with low or zero taxation.

In this regard, it is important to emphasize that, at present, Interbank maintains a branch in Panama, a country that is considered “non-cooperating”, in accordance with the Legislative Decree No. 1381. Notwithstanding the aforementioned, as detailed in Note 3.1(a) to the date of this report, said branch is under voluntary closing and liquidation process.

- (g) In July 2018, Act No. 30823 was published, whereby the Congress delegated power to the Executive Branch to legislate on various issues, including tax and financial matters. In this sense, the main tax regulations issued are the following:

(i) Beginning on January 1, 2019, the treatment applicable to royalties and remuneration for services rendered by non-domiciled persons was modified, eliminating the obligation to pay the amount equivalent to the withholding due to the accounting record of the cost or expense. Now the Income Tax is withheld at the payment or accreditation of the compensation. In order for said cost or expense to be deductible for the local company, the remuneration must have been paid or credited up to the filing date of the annual tax return for the Income Tax (Legislative Decree No. 1369).

(ii) The rules that regulate the obligation of legal persons and/or legal entities to inform the identification of their final beneficiaries (Legislative Decree No. 1372) were established. These rules are applicable to legal entities domiciled in the country, in accordance with the provisions of Article 7 of the Income Tax Act, and legal entities established in the country. The obligation covers non-domiciled legal entities and legal entities established abroad, provided that: a) they have a branch, agency or other permanent establishment in the country; b) the natural or juridical person who manages the autonomous patrimony or the investment funds from abroad, or the natural or juridical person who has the status of protector or administrator, is domiciled in the country; c) any of the parts of a consortium is domiciled in the country. This obligation will be fulfilled through the presentation to SUNAT of an informative report, which must contain the information of the final beneficiary and be submitted, in accordance with the regulations and within the deadlines established by Superintendence Resolution issued by SUNAT.

(iii) The Tax Code was amended regarding the application of the general anti-avoidance rule (Rule XVI of the Preliminary Title of the Tax Code - Legislative Decree No. 1422).

As part of this amendment, a new assumption of joint and several liability is envisaged, when the tax debtor is subject to the application of the measures provided by Rule XVI in the event that tax evasion cases are detected; in such case, the joint and several liability shall be attributed to the legal representatives provided that they have collaborated with the design or approval or execution of actions or situations or economic relations viewed as evasion in Rule XVI. In the case of companies that have a Board of Directors, it is up to this corporate body to define the tax strategy of the entity, having to decide on the approval or not of actions, situations or economic relations to be carried out within the framework of tax planning, this power being non-delegable. The actions, situations and economic relations carried out within the framework of tax planning and implemented at the date of entry into force of Legislative Decree No. 1422 (September 14, 2018) and which continue to have effect, must be evaluated by the Board of Directors of the legal entity for the purpose of ratification or modification until

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### Notes to the Interim consolidated financial statements (continued)

March 29, 2019, without prejudice to the fact that the management or other administrators of the Company and its Subsidiaries have approved the aforementioned actions, situations and economic relations.

Likewise, it has been established that the application of Rule XVI, regarding the re-characterization of tax evasion cases, will take place in the final inspection procedures in which actions, events or situations produced since July 19, 2012, are reviewed.

- (iv) Amendments to the Income Tax Act were included, effective as of January 1, 2019, to improve the tax treatment applicable to the following (Legislative Decree No. 1424):
- Income from the indirect transfer of shares representing participations of legal persons domiciled in the country. Among the most relevant changes is the inclusion of a new indirect sale assumption, which is configured when the total amount of the shares of the domiciled legal entity whose indirect disposal is made is equal to or higher than 40,000 Tax Units.
  - Permanent establishments of sole proprietorship, companies and entities of any nature incorporated abroad. For this purpose, new cases of permanent establishment have been included, among them, when the rendering of services in the country occurs, with respect to the same project, service or related one, for a period that exceeds 183 calendar days in total within any 12-month period.
  - The regime of credits against Income Tax for taxes paid abroad, to be included in the indirect credit (corporate tax paid by foreign subsidiaries) as credit applicable against the Income Tax of domiciled legal persons, in order to avoid the double economic imposition.
  - The deduction of interest expenses for the determination of corporate Income Tax. In the years 2019 and 2020, it shall be applicable the debt limit set at up to three times the net equity as of December 31 of the previous year will be applicable, both to loans with related parties, and to loans with third parties contracted as of September 14, 2018. Beginning in 2021, the limit for the deduction of financial expenses shall be equivalent to 30 percent of the entity's EBITDA.
- (v) Regulations have been established for the accrual of income and expenses for tax purposes as of January 1, 2019 (Legislative Decree No. 1425). Until 2018, there was no normative definition of this concept, so in many cases accounting rules were used for its interpretation. In general terms, with the new criterion, for the purpose of determining the Income Tax, it shall be considered whether the substantial events for the generation of the income or expense agreed upon by the parties have occurred, provided they are not subject to a subsequent condition, in which case the recognition shall take place when it is fulfilled and when collection or payment established is to take place shall not be taken into account; and, if the determination of the consideration depends on a future action or event, the total or part of the corresponding income or expense will be deferred until that action or event occurs.

## Translation of consolidated financial statements originally issued in Spanish – Note 28

### Notes to the Interim consolidated financial statements (continued)

- (h) Intercorp Group's Subsidiaries calculate the period's Income Tax expense using the best estimate of the weighted average tax rate. The table below presents the amounts reported in the Interim consolidated statements of income for the six month periods ended June 30, 2020 and 2019:

	For the six-month periods ended June 30	
	2020	2019
	S/(000)	S/(000)
Current – Expense	228,472	389,539
Deferred – (Income) expense	(341,401)	(6,890)
	<u>(112,929)</u>	<u>382,649</u>

## Translation of consolidated financial statements originally issued in Spanish – Note 28

### Notes to the Interim consolidated financial statements (continued)

#### 16. Interest and similar income; Interest and similar expenses

(a) This caption is comprised of the following:

	For the six-month periods ended June 30	
	2020 S/(000)	2019 S/(000)
<b>Interest and similar income</b>		
Interest on loan portfolio	2,214,021	2,130,486
Interest on investments at fair value through other comprehensive income	373,184	368,190
Interest on investments at amortized cost	54,160	44,291
Dividends on financial instruments	42,588	47,298
Interest on due from banks and inter-bank funds	30,195	66,897
Others	2,553	603
<b>Sub-Total</b>	<b>2,716,701</b>	<b>2,657,765</b>
One-off impact from the modification of contractual cash flows due to the loan rescheduling schemes (*)	(136,637)	-
<b>Interest and similar income, net</b>	<b>2,580,064</b>	<b>2,657,765</b>
<b>Interest and similar expenses</b>		
Interest and fees on deposits and obligations	(370,057)	(374,047)
Interest on bonds, notes and other obligations	(326,324)	(347,885)
Interest and fees on obligations with financial institutions	(181,441)	(191,816)
Interest on leases	(74,118)	(70,298)
Deposit insurance fund premium	(26,570)	(22,176)
Time value of Call Spreads premium	(13,361)	(7,524)
Result from hedging transactions	(4,609)	(9,977)
Others	(30,561)	(33,453)
<b>Total</b>	<b>(1,027,041)</b>	<b>(1,057,176)</b>

(\*) Corresponds to lower income generated by the modification of contractual cash flows due to customer loans rescheduling, see Note 3.3.1.

## Translation of consolidated financial statements originally issued in Spanish – Note 28

### Notes to the Interim consolidated financial statements (continued)

#### 17. Fee income from financial services, net

This caption is comprised of the following:

	For the six-month periods ended June 30	
	2020 S/(000)	2019 S/(000)
<b>Income</b>		
Maintenance and mailing of accounts, transfer fees and commissions on credit and debit card	258,130	337,981
Commissions for banking services	96,330	99,019
Funds management	75,110	69,224
Fees from indirect loans	24,087	27,731
Collection services fees	17,481	18,840
Brokerage and custody services fees	3,868	3,519
Others	18,807	21,425
<b>Total</b>	<b>493,813</b>	<b>577,739</b>
<b>Expenses</b>		
Credit cards	(53,391)	(56,715)
Debtor's life insurance premiums	(28,896)	(19,704)
Fees paid to foreign banks	(6,186)	(8,085)
Brokerage and custody services	(273)	(300)
Others	(19,563)	(28,120)
<b>Total</b>	<b>(108,309)</b>	<b>(112,924)</b>
<b>Net</b>	<b>385,504</b>	<b>464,815</b>

## Translation of consolidated financial statements originally issued in Spanish – Note 28

### Notes to the Interim consolidated financial statements (continued)

#### 18. Other income and expenses

This caption is comprised of the following:

	For the six-month periods ended June 30	
	2020 \$/ (000)	2019 \$/ (000)
<b>Other income</b>		
Income from lease	15,713	19,549
Other technical income from insurance operations	4,835	5,402
Services rendered to third parties	1,259	1,517
Income from investments in associates	1,110	8,254
Others	21,582	11,952
<b>Total other income</b>	<b>44,499</b>	<b>46,674</b>
<b>Other expenses</b>		
Provision for accounts receivable	(49,640)	(30,526)
Commissions from insurance activities	(15,749)	(11,047)
Donations	(15,205)	(2,881)
Sundry technical insurance expenses	(9,824)	(21,529)
Provision for sundry risks	(5,353)	(3,246)
Expenses related to rental income	(577)	(1,247)
Administrative and tax penalties	(129)	(1,269)
Others	(28,641)	(26,339)
<b>Total other expenses</b>	<b>(125,118)</b>	<b>(98,084)</b>

Translation of consolidated financial statements originally issued in Spanish – Note 28

Notes to the Interim consolidated financial statements (continued)

19. Net premiums earned

(b) For the six-month periods ended June 30, 2020, and 2019, this caption is comprised of the following:

	Premiums assumed		Adjustment of technical reserves		Gross premiums earned (*)		Premiums ceded to reinsurers		Net premiums earned	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)
<b>Life insurance</b>										
Annuities	109,091	151,784	(30,682)	(40,549)	78,409	111,235	-	-	78,409	111,235
Group life	73,504	66,113	(4)	(309)	73,500	65,804	(2,415)	(2,579)	71,085	63,225
Individual life	64,246	66,447	(19,140)	(43,217)	45,106	23,230	(2,198)	(2,243)	42,908	20,987
Retirement (disability and survival)	4,492	8,469	4,006	(53,358)	8,498	(44,889)	(238)	(2,513)	8,260	(47,402)
Others	1	-	571	(2,718)	572	(2,718)	-	-	572	(2,718)
<b>Total life insurance</b>	<b>251,334</b>	<b>292,813</b>	<b>(45,249)</b>	<b>(140,151)</b>	<b>206,085</b>	<b>152,662</b>	<b>(4,851)</b>	<b>(7,335)</b>	<b>201,234</b>	<b>145,327</b>
<b>Total general insurance</b>	<b>44,113</b>	<b>50,220</b>	<b>(5,998)</b>	<b>(1,072)</b>	<b>38,115</b>	<b>49,148</b>	<b>(111)</b>	<b>(120)</b>	<b>38,004</b>	<b>49,028</b>
<b>Total general</b>	<b>295,447</b>	<b>343,033</b>	<b>(51,247)</b>	<b>(141,223)</b>	<b>244,200</b>	<b>201,810</b>	<b>(4,962)</b>	<b>(7,455)</b>	<b>239,238</b>	<b>194,355</b>

(\*) Includes the annual variation of technical reserves and unearned premiums.

(b) The caption of net claims and benefits incurred for life insurance contracts and others is comprised of the following:

	Gross claims and benefits		Ceded claims and benefits		Net insurance claims and benefits	
	2020	2019	2020	2019	2020	2019
	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)
<b>Life insurance</b>						
Annuities	(303,663)	(291,453)	-	-	(303,663)	(291,453)
Group life	(22,002)	(23,414)	1,256	(234)	(20,746)	(23,648)
Individual life	(5,673)	(3,621)	802	1,823	(4,871)	(1,798)
Retirement (disability and survival)	(23,514)	(6,733)	4,264	(5,167)	(19,250)	(11,900)
Others	(5,416)	(586)	(685)	(137)	(6,101)	(723)
<b>General insurance</b>	<b>(7,965)</b>	<b>(8,529)</b>	<b>5</b>	<b>(98)</b>	<b>(7,960)</b>	<b>(8,627)</b>
	<b>(368,233)</b>	<b>(334,336)</b>	<b>5,642</b>	<b>(3,813)</b>	<b>(362,591)</b>	<b>(338,149)</b>

# Translation of consolidated financial statements originally issued in Spanish – Note 28

## Notes to the Interim consolidated financial statements (continued)

### 20. Gross profit from retail business

(a) This caption is comprised of the following:

	For the six-month periods ended June 30	
	2020	2019
	S/(000)	S/(000)
Net sales	7,229,205	7,211,324
Cost of sales	(5,298,079)	(5,248,124)
<b>Total</b>	<b>1,931,126</b>	<b>1,963,200</b>

### 21. (Loss) earnings per share

The following table presents the calculation of the weighted average number of shares and the basic and diluted earnings per share, determined and calculated based on the earnings attributable to the Group:

	Outstanding shares (in thousands)	Shares used in calculation (in thousands)	Effective days in the year	Weighted average number of shares (in thousands)
<b>2019</b>				
Balance as of January 1	149,019	149,019	180	149,019
<b>Balance as of June 30</b>	<b>149,019</b>	<b>149,019</b>		<b>149,019</b>
<b>Net earnings attributable to Intercorp Perú S/(000)</b>				<b>583,086</b>
<b>Basic and diluted net earnings per share attributable to Intercorp (Soles)</b>				<b>3.91</b>
<b>2020</b>				
Balance as of January 1	149,019	149,019	180	149,019
<b>Balance as of June 30</b>	<b>149,019</b>	<b>149,019</b>		<b>149,019</b>
<b>Net loss attributable to Intercorp Perú S/(000)</b>				<b>(353,185)</b>
<b>Basic and diluted net loss per share attributable to Intercorp (Soles)</b>				<b>(2.37)</b>



## Translation of consolidated financial statements originally issued in Spanish – Note 28

### Notes to the Interim consolidated financial statements (continued)

#### 22. Transactions with shareholders, related parties and affiliated entities

- (a) The table below presents the main transactions with shareholders, related parties and affiliated companies as of June 30, 2020 and December 31, 2019:

	30.06.2020	31.12.2019
	S/(000)	S/(000)
<b>Assets</b>		
<b>Financial Instruments at fair value through profit or loss</b>		
Investment funds - NG Capital Partners II	336,805	320,126
Mutual funds - Interfondos S.A.	126,657	7,379
Participations - Royalty Pharma	100,139	117,682
Investment funds - NG Capital Partners I	21,529	19,717
Corporate bonds - San Miguel Industrias Pet	-	270
Loans, net (c)	279,123	266,192
Accounts receivable related to derivative financial instruments	4,287	817
<b>Liabilities</b>		
Deposits and obligations	74,548	222,322
Loans payable (b)	44,000	19,000
Accounts payable related to derivative financial instruments	-	344
<b>Off-balance sheet accounts</b>		
Indirect loans (c)	54,626	93,779
<b>For the six-month periods ended June 30</b>		
	<b>2020</b>	<b>2019</b>
	S/(000)	S/(000)
<b>Income (expenses)</b>		
Interest and similar income	9,646	12,985
Interest and similar expenses	(674)	(829)
Income from investment property rental	9,368	14,696
Administrative expenses	(16,201)	(13,082)
Others	18,552	16,055

- (b) As of June 30, 2020 and December 31, 2019, Colegios Peruanos has payable loans with mutual funds managed by Interfondos SAFM, a related company, which accrue interest at market rates and have current maturities.

## Translation of consolidated financial statements originally issued in Spanish – Note 28

### Notes to the Interim consolidated financial statements (continued)

- (c) As of June 30, 2020 and December 31, 2019, the detail of loans is the following:

	2020			2019		
	Direct	Indirect	Total	Direct	Indirect	Total
	Loans	Loans		Loans	Loans	
S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	
Associates	279,123	54,626	333,749	266,192	93,779	359,971
	279,123	54,626	333,749	266,192	93,779	359,971

- (d) As of June 30, 2020 and December 31, 2019, the directors, executives and employees of the Intercorp Group have been involved, directly and indirectly, in credit transactions with certain subsidiaries of the Group, as permitted by Peruvian law, which regulates and limits on certain transactions with employees, directors and officers of financial entities. As of June 30, 2020 and December 31, 2019, direct loans to employees, directors and officers amounted to S/212,440,000 and S/236,937,000, respectively; said loans are repaid monthly and bear interest at market rates.

There are no loans to the Company's directors and key personnel guaranteed with shares of any Subsidiary.

- (e) The Group's key personnel compensations for the six-month periods ended June 30, 2020 and 2019, are presented below:

	For the six-month periods ended June 30	
	2020	2019
	S/(000)	S/(000)
Salaries	41,600	43,616
Board of Directors' compensation	1,360	649
<b>Total</b>	<b>42,960</b>	<b>44,265</b>

- (f) In Management's opinion, transactions with related companies have been performed under standard market conditions and within the limits permitted by the SBS. Taxes generated by these transactions and the taxable base used for computing them are those customarily used in the industry and they are determined according to the tax rules in force.

## Notes to the Interim consolidated financial statements *(continued)*

### **23. Business segments**

The Chief Operating Decision Maker (CODM) of Intercorp Group is the General Manager (CEO). The Group has six operating segments: (i) Banking, (ii) Insurance, (iii) Wealth management, (iv) Food retail, (v) Pharma and (vi) Shopping malls, based on products and services.

#### **Banking -**

Mainly loans, credit facilities, deposits and demand deposits.

#### **Insurance -**

Provides annuities and conventional life insurance products, as well as other retail insurance products.

#### **Wealth management -**

Provides brokerage and investment management services. Inteligo serves mainly Peruvian citizens.

#### **Food retail -**

Engaged in the retail sale of consumer products, through chain stores at a national level.

#### **Pharma -**

Provides pharmaceutical products, cosmetics, nutritional medical products and other items intended for the protection and recovery of health through its chain of drugstores. Also provides manufacturing, distribution and marketing services to the drugstores.

#### **Shopping malls -**

It is engaged in the management and administration of shopping malls consisting of department stores, medium stores and sales booths; some shopping malls include cinema complexes and entertainment areas.

The consolidated entities monitor the operating results of their business units separately for the purpose of making decisions on the distribution of resources and performance assessment. Segments performance is evaluated based on operating profit or loss, and it is measured consistently with operating profit or loss in the consolidated financial statements.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

No revenue from transactions with a single external customer or counterparty exceeded 10 percent of the Company's total revenues in the six-month periods ended June 30, 2020 and 2019.

## Translation of consolidated financial statements originally issued in Spanish – Note 28

### Notes to the Interim consolidated financial statements (continued)

The following table presents the Group's financial information by business segments for the six-month periods ended June 30, 2020 and 2019:

	30.06.2020							Total consolidated
	Banking	Insurance	Wealth management	Shopping Malls	Food retail	Pharma	Holding, others and consolidation adjustments	
	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)
<b>Total income (**)</b>								
Third party	2,405,570	636,267	82,289	89,970	828,925	1,045,184	831,294	5,919,499
Inter-segment	(24,544)	-	1,269	(55,284)	(15,108)	(1,038)	94,705	-
<b>Total income</b>	<b>2,381,026</b>	<b>636,267</b>	<b>83,558</b>	<b>34,686</b>	<b>813,817</b>	<b>1,044,146</b>	<b>925,999</b>	<b>5,919,499</b>
Interest and similar income	2,026,884	318,466	74,369	14,465	983	5,814	275,720	2,716,701
One-off impact from the modification of contractual cash flows due to the loan rescheduling schemes	(136,637)	-	-	-	-	-	-	(136,637)
Interest and similar expenses (**)	(576,639)	(43,324)	(28,053)	(74,836)	(70,621)	(95,652)	(137,916)	(1,027,041)
<b>Net interest and similar income</b>	<b>1,313,608</b>	<b>275,142</b>	<b>46,316</b>	<b>(60,371)</b>	<b>(69,638)</b>	<b>(89,838)</b>	<b>137,804</b>	<b>1,553,023</b>
Impairment loss on loans, net of recoveries	(1,603,139)	-	(27)	-	-	-	(157,406)	(1,760,572)
Recovery (Loss) due to impairment on financial investments	(35)	(45,229)	(7,132)	-	-	-	-	(52,396)
<b>Net interest and similar income after impairment loss</b>	<b>(289,566)</b>	<b>229,913</b>	<b>39,157</b>	<b>(60,371)</b>	<b>(69,638)</b>	<b>(89,838)</b>	<b>(19,602)</b>	<b>(259,945)</b>
Net sales from retail business	-	-	-	67,216	3,233,842	3,342,560	585,587	7,229,205
Cost of sales from retail business	-	-	-	(71,981)	(2,426,762)	(2,346,622)	(452,714)	(5,298,079)
Fee income from financial services, net	303,375	(2,303)	83,444	-	-	-	988	385,504
Income from educational services	-	-	-	-	-	-	368,385	368,385
Net gain on investment property (***)	-	25,864	-	80,090	16,609	39,766	(1,100)	161,229
Net gain on exchange operations	241,441	-	-	-	-	-	-	241,441
Net gain on sale of financial investments	67,759	58,166	(40,490)	-	-	-	-	85,435
Net gains (losses) on financial assets at fair value through profit or loss	(111,488)	(9,114)	(32,489)	180	50	-	35,439	(117,422)
Other income (**)	14,236	5,923	(2,545)	-	4,203	3,664	19,018	44,499
	515,323	78,536	7,920	75,505	827,942	1,039,368	555,603	3,100,197
<b>Insurance premiums and claims</b>								
Net premiums earned	-	239,265	-	-	-	-	(27)	239,238
Net claims and benefits incurred for life insurance contracts and others	-	(362,591)	-	-	-	-	-	(362,591)
	-	(123,326)	-	-	-	-	(27)	(123,353)
<b>Other expenses</b>								
Salaries and employee benefits	(296,012)	(36,027)	(35,719)	(11,515)	(214,843)	(381,157)	(361,178)	(1,336,451)
Selling and administrative expenses	(320,246)	(17,942)	(18,125)	(4,145)	(314,686)	(199,402)	(197,510)	(1,072,056)
Depreciation and amortization	(114,211)	(12,810)	(7,520)	(6,772)	(129,230)	(175,433)	(103,809)	(549,785)
Other expenses	(21,625)	(61,385)	(109)	(2,486)	(5,476)	(2,012)	(32,025)	(125,118)
	(752,094)	(128,164)	(61,473)	(24,918)	(664,235)	(758,004)	(694,522)	(3,083,410)
<b>Income before translation result and Income Tax</b>	<b>(526,337)</b>	<b>56,959</b>	<b>(14,396)</b>	<b>(9,784)</b>	<b>94,069</b>	<b>191,526</b>	<b>(158,548)</b>	<b>(366,511)</b>
Translation result	(1,819)	(20,060)	(5,635)	(11,526)	(49,651)	(25,235)	(70,605)	(184,531)
Income Tax	181,908	-	(2,015)	6,367	(17,911)	(55,488)	68	112,929
<b>Net profit for the period</b>	<b>(346,248)</b>	<b>36,899</b>	<b>(22,046)</b>	<b>(14,943)</b>	<b>26,507</b>	<b>110,803</b>	<b>(229,085)</b>	<b>(438,113)</b>
<b>Attributable to:</b>								
Intercorp Perú shareholders	(346,248)	36,899	(22,046)	(14,943)	26,507	110,803	(144,157)	(353,185)
Non-controlling interest	-	-	-	-	-	-	(84,928)	(84,928)
	(346,248)	36,899	(22,046)	(14,943)	26,507	110,803	(229,085)	(438,113)

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Notes to the Interim consolidated financial statements (continued)

	30.06.2019							
	Banking	Insurance	Wealth management	Shopping Malls	Food retail	Pharma	Holding, others and consolidation adjustments	Total consolidated
	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)
<b>Total income (**)</b>								
Third party	2,606,473	564,904	197,886	198,369	756,878	1,042,696	750,672	6,117,878
Inter-segment	(37,080)	-	(736)	(64,871)	(57,880)	(36,717)	197,284	-
<b>Total income</b>	<b>2,569,393</b>	<b>564,904</b>	<b>197,150</b>	<b>133,498</b>	<b>698,998</b>	<b>1,005,979</b>	<b>947,956</b>	<b>6,117,878</b>
Interest and similar income	1,984,136	308,960	84,531	14,816	1,447	7,785	256,090	2,657,765
Interest and similar expenses (**)	(622,280)	(35,681)	(29,284)	(71,062)	(71,034)	(99,309)	(128,526)	(1,057,176)
<b>Net interest and similar income</b>	<b>1,361,856</b>	<b>273,279</b>	<b>55,247</b>	<b>(56,246)</b>	<b>(69,587)</b>	<b>(91,524)</b>	<b>127,564</b>	<b>1,600,589</b>
Impairment loss on loans, net of recoveries	(379,296)	-	(59)	-	-	-	(100,891)	(480,246)
Recovery (Loss) due to impairment on financial investments	56	2,777	(159)	-	-	-	-	2,674
<b>Net interest and similar income after impairment loss</b>	<b>982,616</b>	<b>276,056</b>	<b>55,029</b>	<b>(56,246)</b>	<b>(69,587)</b>	<b>(91,524)</b>	<b>26,673</b>	<b>1,123,017</b>
Net sales from retail business	-	-	-	79,910	2,762,861	3,363,820	1,004,733	7,211,324
Cost of sales from retail business	-	-	-	(80,474)	(2,072,136)	(2,358,684)	(736,830)	(5,248,124)
Fee income from financial services, net	393,936	(1,951)	76,023	(84)	23,946	2,143	(29,198)	464,815
Income from educational services	-	-	-	-	-	-	416,945	416,945
Net gain on investment property (***)	-	43,278	-	184,201	42,503	28,511	(120,353)	178,140
Net gain on exchange operations	77,125	-	-	-	-	-	-	77,125
Net gain on sale of financial investments	21,457	8,100	38,090	-	-	-	1	67,648
Gain from derecognition of financial assets at amortized cost	8,474	-	-	-	-	-	-	8,474
Net gains (losses) on financial assets at fair value through profit or loss	35,800	5,823	1,645	-	-	-	(531)	42,737
Other income (**)	85,545	6,330	(2,403)	-	(1,743)	(879)	(40,176)	46,674
	622,337	61,580	113,355	183,553	755,431	1,034,911	494,591	3,265,758
<b>Insurance premiums and claims</b>								
Net premiums earned	-	194,355	-	-	-	-	-	194,355
Net claims and benefits incurred for life insurance contracts and others	-	(338,141)	-	-	-	-	(8)	(338,149)
	-	(143,786)	-	-	-	-	(8)	(143,794)
<b>Other expenses</b>								
Salaries and employee benefits	(325,883)	(36,088)	(30,291)	(12,365)	(190,707)	(370,828)	(353,363)	(1,319,525)
Selling and administrative expenses	(330,257)	(24,453)	(18,718)	(4,386)	(319,553)	(227,519)	(258,057)	(1,182,943)
Depreciation and amortization	(110,159)	(11,886)	(6,341)	(5,773)	(115,978)	(164,010)	(82,474)	(496,621)
Other expenses	(20,276)	(72,657)	(216)	1,466	(7,177)	(2,433)	3,209	(98,084)
	(786,575)	(145,084)	(55,566)	(21,058)	(633,415)	(764,790)	(690,685)	(3,097,173)
<b>Income before translation result and Income Tax</b>	<b>818,378</b>	<b>48,766</b>	<b>112,818</b>	<b>106,249</b>	<b>52,429</b>	<b>178,597</b>	<b>(169,429)</b>	<b>1,147,808</b>
Translation result	(3,446)	13,000	2,321	3,587	17,415	11,172	34,920	78,969
Income Tax	(215,035)	-	(3,460)	(32,971)	(29,381)	(58,865)	(42,937)	(382,649)
<b>Net profit for the period</b>	<b>599,897</b>	<b>61,766</b>	<b>111,679</b>	<b>76,865</b>	<b>40,463</b>	<b>130,904</b>	<b>(177,446)</b>	<b>844,128</b>
<b>Attributable to:</b>								
Intercorp Perú shareholders	599,897	61,766	111,679	76,865	40,463	130,904	(438,488)	583,086
Non-controlling interest	-	-	-	-	-	-	261,042	261,042
	599,897	61,766	111,679	76,865	40,463	130,904	(177,446)	844,128

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Notes to the Interim consolidated financial statements (continued)

	30.06.2020							
	Banking	Insurance	Wealth management	Food retail	Pharma	Shopping Malls	Holding, others and consolidation adjustments	Total Consolidated
	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)
<b>Total assets</b>	63,002,062	14,164,688	4,292,272	5,119,100	5,642,127	5,291,027	7,056,607	104,567,883
<b>Total liabilities</b>	57,285,435	13,498,173	3,534,609	4,006,276	4,922,690	2,835,738	4,189,823	90,272,744

  

	31.12.2019							
	Banking	Insurance	Wealth management	Food retail	Pharma	Shopping Malls	Holding, others and consolidation adjustments	Total Consolidated
	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)
<b>Total assets</b>	53,019,361	13,917,641	4,098,057	5,003,156	5,611,798	5,223,750	6,608,356	93,482,119
<b>Total liabilities</b>	46,676,473	12,943,718	3,244,210	3,916,840	4,835,298	2,699,124	3,983,328	78,298,991

(\*) Corresponds to interest and similar income, other income and net premiums earned.

(\*\*) For corporate purposes, interest expenses from the food retail, pharma and shopping malls, that represents the finance cost of each non-financial segment, are presented in this caption.

(\*\*\*) For corporate purposes, income from investment property income are presented in the caption "net gain on investment property". As June 30, 2020, includes income for rental of investment property for S/108,971,000, S/25,919,000, S/39,766,000 from the shopping malls, food retail and pharma segments, respectively (as June 30, 2019, amounts to S/177,268,000, S/36,487,000 and S/28,511,000 from the shopping malls, food retail and pharma segments, respectively).

(i) The distribution of the Group's total income based on the location of its customers and its assets, for the six-month period ended June 30, 2020, amounts to S/5,416,277,000 in Peru and S/503,222,000 in Panama, Ecuador and other countries (S/5,479,522,000 in Peru and S/638,356,000 in Panama and other countries as of June 30, 2019). The distribution of the Group's total assets based on the location of the customer and its assets, as of June 30, 2020 is S/99,763,601,000 in Peru and S/4,804,282,000 in Panama, Ecuador and other countries (S/89,001,361,000 in Peru and S/4,480,758,000 in Panama and other countries as of December 31, 2019). It should be noted that both income and assets located in Panama correspond mainly to Peruvian citizens.

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Notes to the Interim consolidated financial statements (continued)

24. Financial instruments classification

The financial assets and liabilities of the Interim consolidated statements of financial position as of June 30, 2020 and December 31, 2019, are presented below:

	As of June 30, 2020				
	At fair value through profit or loss	Debt instruments at fair value through other comprehensive income	Equity instruments at fair value through other comprehensive income	Amortized cost	Total
	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)
<b>Financial assets</b>					
Cash and due from banks	-	-	-	16,408,044	16,408,044
Inter-bank funds	-	-	-	31,841	31,841
Financial investments	2,267,747	15,930,392	842,465	2,550,866	21,591,470
Loans, net	-	-	-	39,550,145	39,550,145
Due from customers on acceptances	-	-	-	16,577	16,577
Accounts receivable and other assets, net	697,950	-	-	2,830,596	3,528,546
	<u>2,965,697</u>	<u>15,930,392</u>	<u>842,465</u>	<u>61,388,069</u>	<u>81,126,623</u>
<b>Financial liabilities</b>					
Deposits and obligations	-	-	-	43,908,873	43,908,873
Inter-bank funds	-	-	-	-	-
Due to banks and correspondents	-	-	-	11,707,830	11,707,830
Bonds, notes and other obligations	-	-	-	13,631,910	13,631,910
Due from customers on acceptances	-	-	-	16,577	16,577
Insurance contract liabilities	-	-	-	11,708,247	11,708,247
Accounts payable, provisions and other liabilities	467,527	-	-	7,519,145	7,986,672
	<u>467,527</u>	<u>-</u>	<u>-</u>	<u>88,492,582</u>	<u>88,960,109</u>

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Notes to the Interim consolidated financial statements (continued)

	As of December 31, 2020				
	At fair value through profit or loss	Debt instruments at fair value through other comprehensive income	Equity instruments at fair value through other comprehensive income	Amortized cost	Total
	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)
<b>Financial assets</b>					
Cash and due from banks	-	-	-	11,820,638	11,820,638
Inter-bank funds	-	-	-	85,006	85,006
Financial investments	2,044,738	14,106,919	839,762	2,206,986	19,198,405
Loans, net	-	-	-	37,774,580	37,774,580
Due from customers on acceptances	-	-	-	139,685	139,685
Accounts receivable and other assets, net	351,689	-	-	1,417,114	1,768,803
	<u>2,396,427</u>	<u>14,106,919</u>	<u>839,762</u>	<u>53,444,009</u>	<u>70,787,117</u>
<b>Financial liabilities</b>					
Deposits and obligations	-	-	-	37,823,027	37,823,027
Inter-bank funds	-	-	-	169,138	169,138
Due to banks and correspondents	-	-	-	6,726,260	6,726,260
Bonds, notes and other obligations	-	-	-	13,000,767	13,000,767
Due from customers on acceptances	-	-	-	139,685	139,685
Insurance contract liabilities	-	-	-	11,338,810	11,338,810
Accounts payable, provisions and other liabilities	222,752	-	-	7,466,168	7,688,920
	<u>222,752</u>	<u>-</u>	<u>-</u>	<u>76,663,855</u>	<u>76,886,607</u>



# Translation of consolidated financial statements originally issued in Spanish – Note 28

## Notes to the Interim consolidated financial statements (continued)

### 25. Financial risk management

It comprises the management of the main risks, that due to the nature of their operations, Intercorp and its Subsidiaries are exposed to; and correspond to: credit risk, market risk, liquidity risk, insurance risk and real estate risk.

In order to manage this risk, every Subsidiary of the Group has a specialized structure and organization in their management, measurement systems, mitigation and coverage processes that considers the specific needs and regulatory requirements to develop its business. The Group and its Subsidiaries, mainly Interbank, Interseguro and Inteligo Bank, operate independently but in coordination with the general provisions issued by the Board of Directors and the Management of Intercorp.

A full description of the Group's financial risk management is presented in Note 34 "Financial risk management" of the Annual Consolidated Financial Statements; following is presented the financial information related to credit risk management for the loan portfolio, offsetting of financial assets and liabilities, and foreign exchange risk.

#### (a) Credit risk management

Interbank's loan portfolio is segmented into homogeneous groups that shared similar credit risk characteristics. These groups are: (i) Retail Banking (credit card, mortgage, payroll loan, consumer loan and vehicular loan), (ii) Small Business Banking (segments S1, S2 and S3), and (iii) Commercial Banking (corporate, institutional, companies and real estate). In addition, at Inteligo Bank, the internal model developed (scorecard) assigns 5 levels of credit risk classified as follows: low risk, medium low risk, medium risk, medium high risk, and high risk. These categories are described in Note 34.1(d) of the Annual Consolidated Financial Statements.

The information that shows the credit quality and maximum exposure to credit risk of direct loans based on the Group's internal credit rating as of June 30, 2020 and December 31, 2019, are presented in Note 6.

#### (b) Offsetting of financial assets and liabilities

The information contained in the tables below includes financial assets and liabilities that (i) are offset in the statement of financial position of the Group; or (ii) are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments, regardless of whether they are offset in the consolidated statement of financial position or not.

Similar arrangements of the Group include derivatives clearing agreements. Financial instruments such as loans and deposits are not disclosed in the following tables since they are not offset in the consolidated statement of financial position.

The offsetting framework agreement issued by the International Swaps and Derivatives Association Inc. ("ISDA") and similar master netting arrangements do not meet the criteria for offsetting in the statement of financial position, because of such agreements were created in order for both parties to have an enforceable offsetting right in cases of default, insolvency or bankruptcy of the Group or the counterparties or following other predetermined events. In addition, the Group and its counterparties do not intend to settle such instruments on a net basis or to realize the assets and settle the liabilities simultaneously.

The Group receives and delivers guarantees in the form of cash with respect to transactions with derivatives; see Note 4.

## Translation of consolidated financial statements originally issued in Spanish – Note 28

### Notes to the Interim consolidated financial statements (continued)

Financial assets and liabilities subject to offsetting, enforceable master netting arrangements and similar agreements as of June 30, 2020 and December 31, 2019, is presented below:

	Gross amounts of recognized financial Instruments S/(000)	Gross amounts of recognized financial instruments and offset in the Interim consolidated statements of financial position S/(000)	Net amounts of financial instruments presented in the Interim consolidated statements of financial position S/(000)	Related amounts not offset in the Interim consolidated statements of financial position		Net amount S/(000)
				Financial Instruments (including non-cash collateral) S/(000)	Cash collateral received (pledged) S/(000)	
<b>Assets</b>						
<b>As of June 30, 2020</b>						
Derivatives, Note 9(b)	697,950	-	697,950	(313,735)	(37,574)	346,641
<b>Total assets</b>	<b>697,950</b>	<b>-</b>	<b>697,950</b>	<b>(313,735)</b>	<b>(37,574)</b>	<b>346,641</b>
<b>As of December 31, 2019</b>						
Derivatives, Note 9(b)	351,689	-	351,689	(134,103)	(42,351)	175,235
<b>Total assets</b>	<b>351,689</b>	<b>-</b>	<b>351,689</b>	<b>(134,103)</b>	<b>(42,351)</b>	<b>175,235</b>
<b>Liabilities</b>						
<b>As of June 30, 2020</b>						
Derivatives, Note 9(b)	467,527	-	467,527	(313,735)	(128,274)	25,518
<b>Total liabilities</b>	<b>467,527</b>	<b>-</b>	<b>467,527</b>	<b>(313,735)</b>	<b>(128,274)</b>	<b>25,518</b>
<b>As of December 31, 2019</b>						
Derivatives, Note 9(b)	222,752	-	222,752	(134,103)	(57,816)	30,833
<b>Total liabilities</b>	<b>222,752</b>	<b>-</b>	<b>222,752</b>	<b>(134,103)</b>	<b>(57,816)</b>	<b>30,833</b>

(c) Foreign exchange risk

The Group is exposed to fluctuations in the exchange rates of the foreign currency prevailing in its financial position and cash flows. Management sets limits on the levels of exposure by currency and total daily and overnight positions, which are monitored daily. Most of the assets and liabilities in foreign currency are stated in US Dollars. Transactions in foreign currency are made at the exchange rates of free market.

As of June 30, 2020, the weighted average exchange rate of free market published by the SBS for transactions in US Dollars was S/3.534 per US\$1 bid and S/3.541 per US\$1 ask (S/3.311 and S/3.317 as of December 31, 2019, respectively). As of June 30, 2020, the exchange rate for the accounting of asset and liability accounts in foreign currency set by the SBS was S/3.538 per US\$1 (S/3.314 as of December 31, 2019).

## Translation of consolidated financial statements originally issued in Spanish – Note 28

### Notes to the Interim consolidated financial statements (continued)

The table below presents a detail of the Group's position:

	As of June 30, 2020				As of December 31, 2019			
	US Dollars S/(000)	Soles S/(000)	Other currencies S/(000)	Total S/(000)	US Dollars S/(000)	Soles S/(000)	Other currencies S/(000)	Total S/(000)
<b>Assets</b>								
Cash and due from banks	10,219,666	5,723,798	464,580	16,408,044	9,374,899	1,999,013	446,726	11,820,638
Inter-bank funds	31,841	-	-	31,841	-	85,006	-	85,006
Financial investments	7,878,532	13,681,890	31,048	21,591,470	6,974,685	12,211,104	12,616	19,198,405
Loans, net	10,437,715	29,112,430	-	39,550,145	10,913,192	26,861,388	-	37,774,580
Due from customers on acceptances	6,716	-	9,861	16,577	128,397	-	11,288	139,685
Accounts receivable and other assets, net	1,769,089	1,710,833	48,624	3,528,546	506,394	1,227,026	35,383	1,768,803
	<b>30,343,559</b>	<b>50,228,951</b>	<b>554,113</b>	<b>81,126,623</b>	<b>27,897,567</b>	<b>42,383,537</b>	<b>506,013</b>	<b>70,787,117</b>
<b>Liabilities</b>								
Deposits and obligations	15,320,657	28,223,615	364,601	43,908,873	13,840,447	23,617,852	364,728	37,823,027
Inter-bank funds	-	-	-	-	149,137	20,001	-	169,138
Due to banks and correspondents	1,514,647	10,187,515	5,668	11,707,830	1,108,478	5,614,847	2,935	6,726,260
Bonds, notes and other obligations	10,263,400	3,368,510	-	13,631,910	9,282,689	3,718,078	-	13,000,767
Due from customers on acceptances	6,716	-	9,861	16,577	128,397	-	11,288	139,685
Insurance contract liabilities	4,248,126	7,460,121	-	11,708,247	4,234,216	7,104,594	-	11,338,810
Accounts payable, provisions and other liabilities	2,343,853	5,602,964	39,855	7,986,672	1,593,620	6,062,918	32,382	7,688,920
	<b>33,697,399</b>	<b>54,842,725</b>	<b>419,985</b>	<b>88,960,109</b>	<b>30,336,984</b>	<b>46,138,290</b>	<b>411,333</b>	<b>76,886,607</b>
Forwards position, net	(2,530,910)	2,601,464	(70,554)	-	(2,734,667)	2,793,451	(58,784)	-
Currency swaps position, net	102,772	(102,772)	-	-	138,676	(138,676)	-	-
Cross currency swaps position, net	1,882,718	(1,882,718)	-	-	1,763,518	(1,763,518)	-	-
Options position, net	19	(19)	-	-	(37)	37	-	-
"Call Spreads" position (*)	2,465,859	(2,465,859)	-	-	2,483,250	(2,483,250)	-	-
<b>Monetary position, net</b>	<b>(1,433,382)</b>	<b>(6,463,678)</b>	<b>63,574</b>	<b>(7,833,486)</b>	<b>(788,677)</b>	<b>(5,346,709)</b>	<b>35,896</b>	<b>(6,099,490)</b>

(\*) These call spread agreements were entered into during 2018 with JP Morgan Chase & Co. and Citibank N.A. for a total reference value of US\$350,000,000 and US\$400,000,000, respectively, agreed with the purpose of reducing the exposure to foreign currency risk originated by foreign currency debts issued by InRetail Shopping Malls and InRetail Pharma SA, in April and May 2018, respectively, see Note 9 (b).

As of June 30, 2020, the Group granted indirect loans (contingent operations) in foreign currency for approximately US\$605,693,000, equivalent to S/2,142,943,000 (US\$683,214,000, equivalent to S/2,264,171,000 as of December 31, 2019).

## Translation of consolidated financial statements originally issued in Spanish – Note 28

### Notes to the Interim consolidated financial statements (continued)

#### 26. Fair value

(a) Financial instruments measured at their fair value and fair value hierarchy

The following table presents an analysis of the financial instruments that are measured at their fair value, including the level of hierarchy of fair value. The amounts are based on the balances presented in the Interim consolidated statements of financial position:

	As of June 30, 2020				As of December 31, 2019			
	Level 1 S/(000)	Level 2 S/(000)	Level 3 S/(000)	Total S/(000)	Level 1 S/(000)	Level 2 S/(000)	Level 3 S/(000)	Total S/(000)
<b>Financial assets</b>								
<b>Financial investments</b>								
At fair value through profit or loss (*)	657,436	764,811	845,500	2,267,747	782,003	435,572	827,163	2,044,738
Debt instruments at fair value through other comprehensive income	12,682,569	3,013,606	-	15,696,175	10,319,019	3,611,338	-	13,930,357
Equity instruments at fair value through other comprehensive income	836,203	6,262	-	842,465	838,120	1,642	-	839,762
<b>Derivatives receivable</b>	-	697,950	-	697,950	-	351,689	-	351,689
	<u>14,176,208</u>	<u>4,482,629</u>	<u>845,500</u>	<u>19,504,337</u>	<u>11,939,142</u>	<u>4,400,241</u>	<u>827,163</u>	<u>17,166,546</u>
Accrued interest				234,217				176,562
				<u>19,738,554</u>				<u>17,343,108</u>
<b>Financial liabilities</b>								
Derivatives payable	-	467,527	-	467,527	-	222,752	-	222,752

(\*) As of June 30, 2020, and December 31, 2019, correspond mainly to participations in mutual funds and investment funds.

Financial assets included in Level 1 are those measured on the basis of information that is available on the market, to the extent that their quoted prices reflect an active and liquid market and that are available in some centralized trading mechanism, trading agent, price supplier or regulatory entity.

Financial instruments included in Level 2 are valued based on the market prices of other instruments with similar characteristics or with financial valuation models based on information of variables observable on the market (interest rate curves, price vectors, etc.).

Financial assets included in Level 3 are valued by using assumptions and data that do not correspond to prices of operations traded on the market. Fair value is estimated using a discounted cash flow (DCF) model. The valuation requires Management to make certain assumptions about the model variables and data, including the forecasting of cash flows, discount rate, credit risk and volatility.

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### Notes to the Interim consolidated financial statements (continued)

The table below presents a description of significant unobservable data used in valuation:

	Valuation technique	Significant unobservable inputs	Valuation	Sensitivity of inputs to fair value
Royalty Pharma	DCF Method	Sales forecast	Average sector analysis, estimates	10 percent increase (decrease) in the sales forecast would result in increase (decrease) in fair value by S/11,003,000.
		WACC	8.00%	500 basis points increase in the WACC would result in decrease in fair value by S/17,708,000. 500 basis points decrease in the WACC would result in increase in fair value by S/24,738,000.
Mutual funds and investment funds participations	DCF Method	Discount rate	Depends on the credit risk	500 basis points increase in the discount rate would result in decrease in fair value by S/3,375,000. 500 basis points decrease in the discount rate would result in increase in fair value by S/4,380,000.
		WACC	9.00%	500 basis points increase in the discount rate would result in increase in fair value by S/732,000. 500 basis points decrease in the discount rate would result in increase in fair value by S/867,000.
	Comparable multiples	Price-to-sales ratio	Depends on industry's entity	10 percent increase (decrease) in the price-to-sales ratio would result in increase (decrease) in fair value by S/3,853,000.
	Equity value		Depends on the credit risk	500 basis points increase (decrease) in the discount rate would result in increase (decrease) in fair value by S/2,000.
		Discount rate	14.68%	500 basis points increase in the discount rate would result in increase in fair value by S/3,397,000. 500 basis points decrease in the discount rate would result in increase in fair value by S/3,766,000.
	EBITDA Multiple	Total value of the company / EBITDA of the last 12 months	Depends on the business sector	500 basis points of increase (decrease) in price-to-sales ratio would result in increase (decrease) in fair value by S/792,000. 500 basic points of increase (decrease) in price-to-sales ratio would result in increase (decrease) in fair value by S/6,314,000.

The table below includes a reconciliation of fair value measurement of financial instruments classified by the Group within Level 3 of the valuation hierarchy:

	30.06.2020	31.12.2019
	S/(000)	S/(000)
<b>Initial balance as of January 1</b>	827,163	743,617
Purchases	26,694	222,066
Sales	(83,480)	(150,575)
Total gain recorded in the consolidated income statements	75,123	12,055
<b>Balance as of June 30</b>	<b>845,500</b>	<b>827,163</b>

As of June 30, 2020, and December 31, 2019, there were no transfers of financial instruments from Level 3 to Level 1 or to Level 2.

## Translation of consolidated financial statements originally issued in Spanish – Note 28

### Notes to the Interim consolidated financial statements (continued)

(b) Financial instruments not measured at their fair value -

The table below presents the disclosure of the comparison between the carrying amounts and fair values of the Group's financial instruments that are not measured at their fair value, presented by level of fair value hierarchy:

	As of June 30, 2020					As of December 31, 2019				
	Level 1 S/(000)	Level 2 S/(000)	Level 3 S/(000)	Fair value S/(000)	Book value S/(000)	Level 1 S/(000)	Level 2 S/(000)	Level 3 S/(000)	Fair value S/(000)	Book value S/(000)
<b>Assets</b>										
Cash and due from banks	-	16,408,044	-	16,408,044	16,408,044	-	11,820,638	-	11,820,638	11,820,638
Inter-bank funds	-	31,841	-	31,841	31,841	-	85,006	-	85,006	85,006
Investments at amortized cost	2,739,861	-	-	2,739,861	2,550,866	929,333	1,398,970	-	2,328,303	2,206,986
Loans, net	-	40,173,557	-	40,173,557	39,550,145	-	38,753,289	-	38,753,289	37,774,580
Due from customers on acceptances	-	16,577	-	16,577	16,577	-	139,685	-	139,685	139,685
Accounts receivable and other assets, net	-	2,830,596	-	2,830,596	2,830,596	-	1,417,114	-	1,417,114	1,417,114
<b>Total</b>	<b>2,739,861</b>	<b>59,460,615</b>	<b>-</b>	<b>62,200,476</b>	<b>61,388,069</b>	<b>929,333</b>	<b>53,614,702</b>	<b>-</b>	<b>54,544,035</b>	<b>53,444,009</b>
<b>Liabilities</b>										
Deposits and obligations	-	43,970,155	-	43,970,155	43,908,873	-	37,829,444	-	37,829,444	37,823,027
Inter-bank funds	-	-	-	-	-	-	169,138	-	169,138	169,138
Due to banks and correspondents	-	11,910,945	-	11,910,945	11,707,830	-	6,844,520	-	6,844,520	6,726,260
Bonds, notes and notes issued	6,445,019	7,723,332	-	14,168,351	13,631,910	5,073,917	8,329,905	-	13,403,822	13,000,767
Due from customers on acceptances	-	16,577	-	16,577	16,577	-	139,685	-	139,685	139,685
Insurance contract liabilities	-	11,708,247	-	11,708,247	11,708,247	-	11,338,810	-	11,338,810	11,338,810
Accounts payable and other liabilities	-	7,519,145	-	7,519,145	7,519,145	-	7,466,168	-	7,466,168	7,466,168
<b>Total</b>	<b>6,445,019</b>	<b>82,848,401</b>	<b>-</b>	<b>89,293,420</b>	<b>88,492,582</b>	<b>5,073,917</b>	<b>72,117,670</b>	<b>-</b>	<b>77,191,587</b>	<b>76,663,855</b>

The methodologies and assumptions used to determine fair values depend on the terms and risk characteristics of each financial instrument and they include the following:

- (i) Long-term fixed-rate and variable-rate loans are assessed by the Group based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the estimated losses of these loans. As of June 30, 2020, and December 31, 2019, the book value of loans, net of allowances, was not significantly different from the calculated fair values.
- (ii) Instruments whose fair value approximates their book value: For financial assets and financial liabilities that are liquid or have short-term maturity (less than 3 months) it is assumed that the carrying amounts approximate to their fair values. This assumption is also applied to demand deposits, savings accounts without a specific maturity and variable-rate financial instruments.
- (iii) Fixed-rate financial instruments: The fair value of fixed-rate financial assets and financial liabilities at amortized cost is determined by comparing market interest rates when they were first recognized with current market rates related to similar financial instruments for their remaining term to maturity. The fair value of fixed interest rate deposits is based on discounted cash flows using market interest rates for financial instruments with similar credit risk and maturity. For quoted debt issued, the fair value is determined based on quoted market prices. When quotations are not available, a discounted cash flow model is used based on the yield curve of the appropriate interest rate for the remaining term to maturity.

## Translation of consolidated financial statements originally issued in Spanish – Note 28

### Notes to the Interim consolidated financial statements (continued)

#### 27. Fiduciary activities and management of funds

The Group provides custody, trustee, investment management and advisory services to third parties; therefore, the Group makes purchase and sale decisions in relation to a wide range of financial instruments. Assets that are held in trust are not included in the consolidated financial statements. These services give rise to the risk that the Group could eventually be held responsible of yielding of the assets under its administration.

As of June 30, 2020, and December 31, 2019, the value of the managed off-balance sheet financial assets is as follows:

	<b>30.06.2020</b>	<b>31.12.2019</b>
	S/(000)	S/(000)
Fondos de inversión	13,887,905	13,243,888
Fondos mutuos	5,414,133	5,049,034
<b>Total</b>	<u>19,302,038</u>	<u>18,292,922</u>

#### 28. Additional explanation for English translation

The accompanying financial statements are presented on the basis of the IFRS. In the event of any discrepancy, the Spanish language version prevails.