

Intercorp Perú Ltd. and Subsidiaries

Unaudited consolidated financial statements as of September 30, 2015, December 31, 2014, and January 1, 2014, and for the nine-month periods ended September 30, 2015 and 2014.

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Intercorp Perú Ltd. and Subsidiaries

Unaudited consolidated statements of financial position

As of September 30, 2015, December 31, 2014 and January 1, 2014

	Note	As of September 30, 2015 S/.(000)	As of December 31, 2014 S/.(000) (Note 3.1)	As of January 1, 2014 S/.(000) (Note 3.1)		Note	As of September 30, 2015 S/.(000)	As of December 31, 2014 S/.(000) (Note 3.1)	As of January 1, 2014 S/.(000) (Note 3.1)
Assets				Liabilities and equity					
Cash and due from banks	4				Deposits and obligations	10	25,670,204	23,286,696	21,704,977
Cash and clearing		1,522,419	1,494,384	1,576,079	Inter-bank funds		250,024	-	100,022
Deposits in the Central Reserve Bank of Peru		3,955,801	3,311,468	4,353,630	Due to banks and correspondents	11	7,762,848	4,123,054	3,465,480
Deposits in domestic and foreign banks		775,407	921,048	1,331,869	Bonds, notes and other obligations	12	7,883,032	7,677,949	5,589,377
Restricted funds		3,540,420	1,024,443	205,068	Accounts payable, provisions and other liabilities	9	3,503,598	3,254,567	3,022,207
					Technical reserves for premiums and claims	13	4,217,961	3,743,007	3,137,183
					Due from customers on acceptances		15,940	18,833	22,308
					Deferred income tax liability		417,288	429,016	451,962
		<u>9,794,047</u>	<u>6,751,343</u>	<u>7,466,646</u>	Total liabilities		<u>49,720,895</u>	<u>42,533,122</u>	<u>37,493,516</u>
Inter-bank funds		95,443	310,030	204,905					
Marketable investments		38,521	36,305	92,346	Equity	14			
Available-for-sale investments, net	5	8,419,156	8,178,587	5,579,989	Equity attributable to Intercorp Perú's shareholders				
Loan portfolio, net	6	25,480,263	22,497,971	20,283,119	Capital stock		2,536,132	2,079,390	1,660,766
Held-to-maturity investments, net		472,912	-	-	Treasury stock		-	(19,347)	(12,927)
Real estate investments, net	7	2,825,028	2,676,833	2,173,402	Reserves		2,336,015	2,282,757	2,406,670
Inventories, net	8	1,311,826	1,215,590	1,104,475	Unrealized results		(385,544)	53,017	4,571
Property, furniture and equipment, net		5,092,796	4,803,829	4,371,189	Traslation results		3,929	(13,659)	(20,180)
Accounts receivable and other assets, net	9	2,028,942	1,825,837	1,377,393	Retained earnings		972,092	975,370	785,482
Goodwill and other intangible assets, net		1,771,677	1,745,752	1,671,134			5,462,624	5,357,528	4,824,382
Due from customers on acceptances		15,940	18,833	22,308					
Deferred income tax asset		171,312	149,265	173,673	Non-controlling interests		2,334,344	2,319,525	2,202,681
		<u>47,723,816</u>	<u>43,458,832</u>	<u>37,053,933</u>	Total equity		<u>7,796,968</u>	<u>7,677,053</u>	<u>7,027,063</u>
Total assets		<u>57,517,863</u>	<u>50,210,175</u>	<u>44,520,579</u>	Total liabilities and equity		<u>57,517,863</u>	<u>50,210,175</u>	<u>44,520,579</u>

Intercorp Perú Ltd. and Subsidiaries

Unaudited consolidated income statements

For the nine-month periods ended September 30, 2015 and 2014

	Note	2015 S/.(000)	2014 (Note 3.1) S/.(000)
Income from interests	16	2,601,670	2,199,752
Interest expense	16	<u>(928,813)</u>	<u>(820,786)</u>
Net interest and similar income		1,672,857	1,378,966
Allowance for loan losses, net of recoveries	6(b)	<u>(500,389)</u>	<u>(377,686)</u>
Net interest and similar income after allowance for loan losses		1,172,468	1,001,280
Gross profit from retail business		1,505,442	1,276,471
Results from financial transactions	17	1,003,192	821,698
Income from educational services		263,093	203,723
Rent income from real estate investments		205,998	160,903
Gain on valuation and sale of real estate investments		46,329	77,583
Others	18	<u>82,356</u>	<u>86,937</u>
Total other income		3,106,410	2,627,315
Insurance premiums and claims			
Net premiums earned	19	337,746	104,081
Net claims and benefits incurred for life insurance contracts and others		<u>(188,984)</u>	<u>(132,771)</u>
Total premiums earned less claims and benefits		148,762	(28,690)
Salaries and employee benefits		(1,250,237)	(1,135,643)
Selling and administrative expenses		(1,376,562)	(1,230,649)
Depreciation of property, furniture and equipment		(231,829)	(191,350)
Amortization of intangible		(51,854)	(35,601)
Impairment loss on investments		(50,895)	(929)
Expenses related to rental income		(464)	(4,574)
Others	18	<u>(122,895)</u>	<u>(90,561)</u>
Total other expenses		(3,084,736)	(2,689,307)
Income before translation result and income tax		1,342,904	910,598
Translation result		(238,387)	(111,524)
Income tax		<u>(323,253)</u>	<u>(243,970)</u>
Net income		<u>781,264</u>	<u>555,104</u>
Attributable to:			
Intercorp Perú shareholders		538,001	413,891
Non-controlling interests		<u>243,263</u>	<u>141,213</u>
		<u>781,264</u>	<u>555,104</u>
Basic and diluted earnings per share (A and B classes) attributable to Intercorp Perú shareholders (stated in Nuevos Soles)	20	3.640	2.795
Weighted average number of outstanding shares (A and B classes) adjusted for stock split (in thousands)	20	<u>147,788</u>	<u>148,081</u>

Intercorp Perú Ltd. and Subsidiaries

Unaudited consolidated statements of comprehensive income

For the nine-month periods ended September 30, 2015 and 2014

	2015	2014
	S/.(000)	S/.(000)
Net income	781,264	555,104
Other comprehensive income:		
Valuation on available-for-sale investments, net	(576,406)	38,288
Exchange difference on translation of foreign transactions	17,588	6,353
Total comprehensive income for the period	<u>222,446</u>	<u>599,745</u>
Attributable to:		
Intercorp Perú shareholders	117,028	434,687
Non-controlling interests	105,418	165,058
	<u>222,446</u>	<u>599,745</u>

Intercorp Perú Ltd. and Subsidiaries

Unaudited consolidated statements of changes in equity

For the nine-month periods ended September 30, 2015 and 2014

	Number of shares (in thousands)		Attributable to Intercorp Perú shareholders								
	Issued	In treasury	Capital stock S/(000)	Treasury stock S/(000)	Reserves S/(000)	Unrealized results S/(000)	Translation results S/(000)	Retained earnings S/(000)	Total S/(000)	Non controlling interest S/(000)	Total equity S/(000)
Balance as of January 1, 2014	149,019	(904)	1,660,766	(12,927)	2,406,670	14,818	(30,427)	785,482	4,824,382	2,202,681	7,027,063
Comprehensive income											
Net income	-	-	-	-	-	-	-	413,891	413,891	141,213	555,104
Other comprehensive income											
Gain (loss) on available-for-sale investments, net	-	-	-	-	-	14,443	-	-	14,443	23,845	38,288
Gain (loss) on financial instruments for Subsidiaries, net	-	-	-	-	-	-	-	-	-	-	-
Exchange difference on translation of foreign operations	-	-	-	-	-	-	6,353	-	6,353	-	6,353
Total comprehensive income	-	-	-	-	-	14,443	6,353	413,891	434,687	165,058	599,745
Transfer to reserves	-	-	418,624	-	(123,913)	-	-	(294,711)	-	-	-
Dividends declared and paid	-	-	-	-	-	-	-	(70,230)	(70,230)	-	(70,230)
Non-controlling dividends in Subsidiaries	-	-	-	-	-	-	-	-	-	(133,771)	(133,771)
Capital contribution from non-controlling interest in Subsidiaries	-	-	-	-	-	-	-	-	-	30,448	30,448
Acquisition of Subsidiary	-	-	-	-	-	-	-	31,882	31,882	(31,882)	-
Others	-	(93)	-	(6,420)	-	-	-	14,279	7,859	(17,644)	(9,785)
Balance as of September 30, 2014	149,019	(997)	2,079,390	(19,347)	2,282,757	29,261	(24,074)	880,593	5,228,580	2,214,890	7,443,470
Balance as of January 1, 2015	149,019	(1,834)	2,079,390	(19,347)	2,282,757	53,017	(13,659)	975,370	5,357,528	2,319,525	7,677,053
Comprehensive income											
Net income	-	-	-	-	-	-	-	538,001	538,001	243,263	781,264
Other comprehensive income											
Net variation of unrealized result on available-for-sale investments	-	-	-	-	-	(438,561)	-	-	(438,561)	(137,845)	(576,406)
Net variation of results on financial instruments of Subsidiaries, net of taxes	-	-	-	-	-	-	-	-	-	-	-
Exchange difference on translation of foreign operations	-	-	-	-	-	-	17,588	-	17,588	-	17,588
Total comprehensive income	-	-	-	-	-	(438,561)	17,588	538,001	117,028	105,418	222,446
Dividends declared and paid	-	-	-	-	-	-	-	(45,975)	(45,975)	-	(45,975)
Dividends received by Subsidiaries on treasury stocks	-	-	-	-	-	-	-	24,159	24,159	7,234	31,393
Non-controlling dividends in Subsidiaries	-	-	-	-	-	-	-	-	-	(128,719)	(128,719)
Capital contribution from non-controlling interest in Subsidiaries	-	-	-	-	-	-	-	-	-	46,938	46,938
Capitalization of reserves and retained earnings	-	-	456,742	-	53,258	-	-	(510,000)	-	-	-
Purchase of treasury stock	-	(35)	-	(7,405)	-	-	-	-	(7,405)	(2,217)	(9,622)
Sale of treasury stock	-	1,869	-	26,752	-	-	-	-	26,752	-	26,752
Others	-	-	-	-	-	-	-	(9,463)	(9,463)	(13,834)	(23,297)
Balance as of September 30, 2015	149,019	-	2,536,132	-	2,336,015	(385,544)	3,929	972,092	5,462,624	2,334,344	7,796,968

Intercorp Perú Ltd. and Subsidiaries

Unaudited consolidated statements of cash flows

For the nine-month periods ended September 30, 2015 and 2014

	2015	2014
	S/(000)	S/(000)
Cash flows from operating activities		
Net income	781,264	555,104
Adjustments to net income		
Plus (less)		
Allowance for loan losses, net of recoveries	500,389	377,686
Depreciation of property, furniture and equipment	231,829	191,350
Amortization of intangible	51,854	35,601
Deferred income tax	(33,775)	15,663
Net gain on sale of securities	(125,417)	(91,906)
Impairment loss on investments	50,895	929
Net loss (net income) of financial asset at fair value through profit or loss	53,479	(18,460)
Valuation gain from sale of investments property	(46,329)	(77,583)
Translation result	238,387	111,524
Impairment for inventories, net of recoveries	1,269	10,908
Increase (decrease) in accrued interest	(31,325)	7,093
Increase in accrued interest payable	88,028	82,446
Net changes in asset and liability accounts		
Net increase in loan portfolio	(3,456,171)	(2,372,097)
Increase in trading and available-for-sale investments	(793,333)	(1,512,914)
Increase in deposits and obligations	2,348,925	369,039
Increase of inventories	(97,505)	(90,630)
Increase in restricted funds	(2,515,977)	(389,078)
Net increase in other assets	(167,462)	(615,576)
Net increase in other liabilities	478,095	446,825
Net cash issued in operating activities	<u>(2,442,880)</u>	<u>(2,964,076)</u>

Intercorp Perú Ltd. and Subsidiaries

Unaudited consolidated statements of cash flows (continued)

For the nine-month periods ended September 30, 2015 and 2014

	2015	2014
	S/(000)	S/(000)
Cash flows from investing activities		
Purchase net of sales of real estate investment	(101,661)	(214,160)
Purchase of property, furniture and equipment	(520,223)	(535,953)
Purchase of intangible assets	(93,719)	(131,203)
	<u>(715,603)</u>	<u>(881,316)</u>
Net cash used in investing activities		
Cash flows from financing activities		
Net increase in held-to-maturity investments	(472,912)	-
Net increase in due to banks and correspondents	3,606,349	2,383,214
Net increase (decrease) in Bonds, notes and other obligations	185,083	(56,223)
Net decrease in receivable inter-bank funds	214,587	164,901
Net increase in payable inter-bank funds	250,024	(40,015)
Payment of dividends to shareholders	(64,662)	(87,736)
Payments of dividends to minority shareholders	(128,719)	(133,771)
Net income from sale of treasury shares	48,523	-
Capital contribution of non-controlling shareholders	46,938	30,448
	<u>3,685,211</u>	<u>2,260,818</u>
Net cash provided by financing activities		
Net increase (decrease) of cash and cash equivalent	526,727	(1,584,574)
Cash and cash equivalents at the beginning of the year	5,726,900	7,261,578
	<u>6,253,627</u>	<u>5,677,004</u>
Cash at the end of the period		

Intercorp Perú Ltd. and Subsidiaries

Notes to the unaudited consolidated financial statements

As of September 30, 2015, December 31, 2014, and January 1, 2014

1. Business activity

Intercorp Perú Ltd. (henceforth “Intercorp Perú” or “the Company”) is a limited liability holding incorporated in November 1997 in the Commonwealth of The Bahamas. Intercorp Perú performs as the holding of the group of subsidiaries denominated “Intercorp Group”, coordinating its policies and administration. Intercorp Perú also operates as an investment company, investing in various types of securities.

The Company’s legal address is Shirley Street & Victoria Avenue, Nassau, The Bahamas. On the other hand, Management and its administrative offices are located at Av. Carlos Villarán 140, La Victoria, Lima, Peru.

As of September 30, 2015, December 31, 2014, and January 1, 2014, the Company holds investments in diverse entities mainly domiciled in Peru, The Bahamas and the Republic of Panama. The activities and most significant information of its Subsidiaries as of September 30, 2015, December 31, 2014, and January 1, 2014, are presented in Note 2.

2. Organization of Intercorp Group

Following is the information on Intercorp’s Subsidiaries for the development of its operations:

2.1. Financial and insurance business

Intercorp Financial Services Inc. (henceforth “IFS”)

It is a limited liability holding, incorporated on September 19, 2006 in the Republic of Panama with the purpose of grouping the companies of Intercorp Group dedicated to the finance and insurance business.

As of September 30, 2015, the Company holds, directly and indirectly, 78.08 percent of IFS’s issued capital stock and 77.22 percent of IFS’s of its outstanding capital stock (directly and indirectly 77.60 percent and 76.84 percent as of December 31, 2014, and 72.48 percent and 71.54 percent as of January 1, 2014, respectively).

As of September 30, 2015, December 31, 2014, and January 1, 2014, IFS holds 99.30 percent of the capital stock of Banco Internacional del Perú S.A.A. – Interbank (henceforth “the Bank”) and 100 percent of the capital stock of Interseguro Compañía de Seguros S.A. (henceforth “Interseguro”) and of San Borja Global Opportunities S.A.C. Also, as further explained in (iii), since August 1, 2014, IFS holds 100 percent of the capital stock of Inteligo Group.

Notes to the consolidated financial statements (continued)

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

- (i) **Banco Internacional del Perú S.A.A. – Interbank and Subsidiaries**
The Bank is incorporated in Peru and is authorized to perform multiple banking activities by the Superintendence of Banking, Insurance and Private Pension Funds Administrators (henceforth “SBS”, by its Spanish acronym), according to the legislation effective in Peru. The Bank's operations are governed by the General Act of the Financial and Insurance System and the Organic Act of the SBS - Act No.26702 (henceforth the “Banking and Insurance Act”), which establishes the requirements, rights, obligations, guarantees, restrictions and other operating conditions that financial and insurance entities must comply with.

As of September 30, 2015, December 31, 2014 and January 1, 2014, Interbank has 288, 287 and 269 agencies, respectively, and a branch in the Republic of Panama. Additionally, it holds 100 percent of the following Subsidiaries:

Entity	Activity
Interfondos S.A. Sociedad Administradora de Fondos	Manages mutual funds and investment funds.
Internacional de Títulos Sociedad Titulizadora S.A. - Intertítulos S.T.	Manages securitization funds.
Inversiones Huancavelica S.A.	Real estate.
Contacto Servicios Integrales de Crédito y Cobranzas S.A.	Collection services.
Corporación Inmobiliaria de La Unión 600 S.A.	Real estate.
Compañía de Servicios Conexos-Expressnet S.A.C.	Services related to credit card transactions or products identifiable to the American Express trademark.
IBK Securitizadora	A Special Purpose Entity through which Interbank issued long-term negotiable notes.

Notes to the consolidated financial statements (continued)

(ii) Interseguro Compañía de Seguros S.A and Subsidiaries

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 and has the following Subsidiaries:

Entity	Activity
Centro Comercial Estación Central S.A.	Administration of the "Estación Central" shopping mall, located in downtown Lima. As of September 30, 2015, December 31, 2014, and January 1, 2014, Interseguro holds 75 percent of its shares.
Empresa Administradora Hipotecaria S.A.	Incorporated in February 2014 in Peru. It does not have operations and is under liquidation. As of September 30, 2015, and December 31, 2014, Interseguro holds 100 percent of its shares and its paid in capital amounts to S/.2,550.

Interseguro also owns the equity trust called Patrimonio en Fideicomiso – D.S. No. 093-2002-EF (henceforth "PF Interproperties Perú"), which was constituted on April 23, 2008, throughout the contribution of diverse real estate assets by different Subsidiaries of Intercorp Perú, with the purpose of constituting a legally independent structure to each of the investors acting as originators, through which the originators or trustees are able to perform investments in real estate projects.

(iii) Inteligo Group Corp. and Subsidiaries

Inteligo Group Corp. is a holding corporation incorporated in the Republic of Panama. As of September 30, 2015, December 31, 2014, and January 1, it holds 100 percent of the shares of the following Subsidiaries:

Entity	Activity
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 Superintendence of Banks of the Republic of Panama. Its main activities are private and institutional banking services.
Inteligo Sociedad Agente de Bolsa S.A.	It is incorporated in Peru and provides brokerage services.

Until August 1, 2014, Inteligo Group Corp. held 100 percent of the capital stock of Inteligo Real Estate Corp. and Inteligo Real Estate Perú S.A.C. At said date, Inteligo Group Corp. made a spin-off of these Subsidiaries to Intercorp Perú, which included: (i) the spin-off of Inteligo Group's Corp. real estate subsidiaries, Inteligo Real Estate Corp., and Inteligo Real Estate Perú S.A.C (henceforth "Inteligo Real Estate") to Intercorp Perú; and, (ii) the contribution by Intercorp Perú

Notes to the consolidated financial statements (continued)

of the entirety of the outstanding shares of Inteligo Group Corp. to IFS in exchange of 19,495,413 new shares issued by IFS.

The exchange ratio was 23.28 shares of IFS per one share of Inteligo Group Corp. and was fixed based on the Lima Stock Exchange quotation as of the date of the transaction.

After this reorganization, IFS holds 100 percent of Inteligo Group Corp. and Subsidiaries and Intercorp Perú increased its participation in IFS's capital stock to 77.60 percent.

Given that the reorganization did not lead to a change in Intercorp Perú's control of Inteligo Group Corp. and Subsidiaries, now grouped under IFS, the reorganization is considered a transaction among entities under common control. As a result, the reorganization was accounted for using the pooling-of-interest method; no fair value adjustment or goodwill was recognized and all amounts were accounted for under their book values.

- (iv) San Borja Global Opportunities S.A.C. (formerly AFP Interactiva S.A.)
Its corporate purpose is the acquisition and holding of shares and securities. As of September 30, 2015, and December 31, 2014, it had not begun operations and had a paid in capital of S/.1,000. As of January 1, 2014, its paid in capital was S/.2,600,000.

2.2. Retail and real estate businesses

- (i) Intercorp Retail Inc.
A limited liability holding incorporated in the Republic of Panama in December 2010, in order to group the entities dedicated to the retail business of Intercorp Group in Peru.

As of September 30, 2015, December 31, 2014, and January 1, 2014, the Company holds 100 percent of the capital stock of this holding, which in turn owns the following Subsidiaries:

Entity	Participation (%)	Activity
InRetail Perú Corp	58.11	Holding incorporated in the Republic of Panama in January 2011, holder of 100 percent of the capital stock of the following Subsidiaries, which operate in several business segments: (a) Shopping malls: developed by InRetail Real Estate Corp. (b) Supermarkets: developed by Supermercados Peruanos S.A., which as of September 30, operates 102 hypermarkets, supermarkets and discount stores, under the trademarks "Plaza Veá", "Plaza Veá Súper", "Vivanda", "Mass" and "Economax" (101 and 98 premises as of December 31, 2014, and January 1, 2014, respectively) and;

Notes to the consolidated financial statements (continued)

Entity	Participation (%)	Activity
		(c) Drugstores: developed by Eckerd Perú S.A. and Subsidiaries, which as of September 30, 2015, operates 848 stores under the trademark "Inkafarma" (837 and 663 stores as of December 31, 2014, and January 1, 2014, respectively).
IFH Retail Corp.	63.54	Holding incorporated in the Republic of Panama in September 2006, owner of 44.23, 54.89, and 96.00 percent as of September 30, 2015, December 31, 2014, and January 1, 2014 respectively of Tiendas Peruanas S.A., a company dedicated to the retail business through department stores under the trademark "Oeschle" (21, 19 and 11 premises as of September 30, 2015, December 31, 2014, and January 1, 2014, respectively) and 96 percent of Financiera Uno S.A. (henceforth "Financiera"), as of September 30, 2015, December 31, 2014, and January 1, 2014, a company that provides financial support to the companies of Intercorp Group dedicated to the retail business.
HPSA Corp.	65.00	Holding incorporated in the Republic of Panama, owner of Homecenters Peruanos S.A., an entity dedicated to operate in the business of home improvement stores under the trademark "Promart" (17, 16 and 12 stores as of September 30, 2015, December 31, 2014, and January 1, 1, 2014, respectively).
Lince Global Opportunities Corp.	100.00	Holding incorporated in the Republic of Panama in December 2010, which holds 98.58 percent of the capital stock of Inmobiliaria Milenia S.A., a company that is dedicated to the real estate business.
(ii) Callao Global Opportunities		It is a limited liability holding incorporated in April 2011 in the Republic of Panama. As of September 30, 2015, December 31, 2014, and January 1, 2014, the Company holds 100 percent of its capital stock. During 2014, Callao Global Opportunities made capital contributions in cash for S/.167,677,000 in Tiendas Peruanas S.A. As consequence of said contributions, as of December 31, 2014, Callao Global Opportunities holds 43.27 percent of the capital stock of Tiendas Peruanas S.A. and, therefore, as of said date the total participation of Intercorp Perú in Tiendas Peruanas increased from 61 percent to 78.14 percent over the issued capital. Due to the increase of its participation in Tiendas Peruanas S.A., Intercorp Perú increased its participation in the losses generated by this Subsidiary, recording a decrease in the retained earnings amounting to S/.18,641,000, as of December 31, 2014. As of September 30, Callao Global Opportunities owns 54.29 percent of capital stock of Tiendas Peruanas S.A.

Notes to the consolidated financial statements (continued)

(iii) Intercorp Investments Perú Inc.

It is a limited liability holding incorporated in September 2006 in the Republic of Panama. As of September 30, 2015, December 31, 2014, and January 1, 2014, 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., whose sole asset is a land lot located in the city of Lima.

(iv) Urbi Propiedades S.A.

As of September 30, 2015, December 31, 2014, and January 1, 2014, the Company holds 100 percent of the capital stock of this entity (henceforth "Urbi"), incorporated in Peru in 1998. Urbi is in charge of the real estate management and provides structuring and real estate project management. In addition and through its Subsidiaries, it is developing a number of real estate projects.

As of September 30, 2015, December 31, 2014, and January 1, 2014, Urbi holds 100 percent of the following Subsidiaries:

Entity	Activity
Alameda Colonial S.A.	Incorporated in Lima in May 2006, to build apartments under the Government's program "MiVivienda".
Domus Hogares del Norte S.A.	Incorporated in Lima in June 2009, to develop a real estate project called "Domus Hogares del Norte".
Urbi Solutions S.A.C.	Incorporated in Lima in June 2014 to dedicate to the construction of real estate projects.

(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 - Decreto Supremo No. 093-2002-EF, Interproperties Holding and Patrimonio en Fideicomiso - Decreto Supremo No. 093-2002-EF, Interproperties Holding II (henceforth and altogether "Interproperties Holding") were incorporated with the objective to form an autonomous equity trust, independent from each investor constituted as originator. Through these equity trusts, investments in real estate projects are performed, and their yields back (i) the certificates of participation issued, and (ii) the compliance with other obligations contracted directly or by third parties in order to obtain the resources that are necessary to perform said investments. As of September 30, 2015, December 31, 2014, and January 1, 2014, the company that consolidates financial information with Intercorp Perú and that holds 100 percent participation of Interproperties Holding is InRetail Perú Corp.

Notes to the consolidated financial statements (continued)

(vi) Intercorp Re Inc.

It is a limited liability holding incorporated in August 2014 in the Republic of Panama. As of September 30, 2015, and December 31, 2014, the Company holds 100 percent of its capital stock. 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., whose sole asset is a land lot located in the city of Lima.

2.3. Educational business

(i) NG Education Holdings Corp.

It is a limited liability holding incorporated in January 2011 in the Republic of Panama, whose purpose is to group the companies of Intercorp Group dedicated to the educational business in Peru.

As of September 30, 2015, December 31, 2014, and January 1, 2014, Intercorp Perú holds 50 percent of the capital stock of NG Education Holdings Corp. which in turn owns the following Subsidiaries:

Entity	Participation (%)	Activity
Colegios Peruanos S.A.C.	91.45	As of September 30, 2015, it operates 29 schools under the trademark "Innova Schools" and serves approximately 18,759 students (23 schools and 13,459 students as of December 31, 2014; 19 schools and 9,000 students as of January 1, 2014).
NG Education S.A.C.	99.90	Holding incorporated in Peru in November 2011. NG Education S.A.C. holds 50 percent plus one share of the following Subsidiaries: <ul style="list-style-type: none"> (a) Universidad Tecnológica del Perú S.A.C.: Constituted in Lima in February 1998. It comprises 6 business units called: the UTP University, IDAT Institute, Post-Graduate School, Centro de Idiomas (Language Center), Centro de Tecnología de la Información y Sistemas (CETIS – Center of Information Technologies and Systems) and Rangers Academy. (b) Promotora de la Universidad Tecnológica de Chiclayo S.A.C.: An entity with operations in Peru which as of September 30, 2015, December 31, 2014, and January 1, 2014, had 1 premise.

Notes to the consolidated financial statements (continued)

(ii) NG Education Holdings Corp. II

It is a limited liability holding incorporated in October 2013 in the Republic of Panama. As of September 30, 2015, December 31, 2014, and January 1, 2014, Intercorp Perú holds 50 percent of the capital stock of NG Education Holdings Corp. II, which in turn owns the following Subsidiaries:

Entity	Participation (%)	Activity
Servicios Educativos Perú S.A.C.	100.0	Entity incorporated in Peru in October 2013, to acquire (in January 2014) 80 percent of the capital stock of Servicios Educativos Empresariales S.A.C., an entity incorporated in Lima in February 2012, which operates 4 premises under the trademark "Instituto Peruano de Administración de Empresas - IPAE".

(iii) NG Education Holdings Corp. III

It is a limited liability holding incorporated in July 2013 in the Republic of Panama. As of September 30, 2015, Intercorp Perú holds 50 percent of the capital stock of NG Education Holdings Corp. III, which in turn owns the 6.55 percent of the capital stock of Colegios Peruanos S.A.C.

2.4. Other businesses

As of September 30, 2015, December 31, 2014, and January 1, 2014, the Company holds 100 percent of the capital stock of the following Subsidiaries:

Entity	Activity	Country of incorporation
Inversiones Río Nuevo S.A.C.	Real estate	Peru
San Miguel Global Opportunities S.A.C.	Real estate	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	Peru
Club de Socios S.A.	Recreational services	Peru
Ronepeto S.A.	Real estate	Peru
Los Conquistadores Reales S.A.C. (*)	Real estate	Peru
La Punta Global Opportunities Corp.	Specialized investments	Republic of Panama

(*) During 2014, a reduction in the capital stock of Los Conquistadores Reales S.A.C. was performed for an amount of approximately S/.3,649,000. Posteriorly, in August 2014, Intercorp Perú sold 100 percent of its participation in Los Conquistadores Reales S.A.C. to a non-related entity.

Notes to the consolidated financial statements (continued)

The following table presents the financial statements of main Subsidiaries (before consolidation adjustments and eliminations):

Entity	Total assets			Total liabilities			Equity			Net income (loss)	
	As of September 30, 2015	As of December 31, 2014	As of January 1, 2014	As of September 30, 2015	As of December 31, 2014	As of January 1, 2014	As of September 30, 2015	As of December 31, 2014	As of January 1, 2014	For the nine months period ended September 30,	
	S/.(000)	S/.(000)	S/.(000)	S/.(000)	S/.(000)	S/.(000)	S/.(000)	S/.(000)	S/.(000)	2015	2014
Intercorp Financial Services Inc. and Subsidiaries	46,890,766	40,351,814	36,301,358	42,729,276	36,049,539 #	32,590,380	4,161,490	4,302,275	3,710,978	1,030,855	772,483
Intercorp Retail Inc. and Subsidiaries	9,723,901	9,473,583	8,112,403	5,803,548	5,620,286	4,526,713	3,920,353	3,853,297	3,585,690	(27,137)	2,382
NG Education Holdings Corp. and Subsidiaries	1,124,838	990,662	660,860	601,002	495,463	251,232	523,836	495,199	409,628	(2,151)	2,840
Urbi Propiedades S.A. and Subsidiaries	219,917	165,428	181,969	97,909	90,165	86,310	122,008	75,263	95,659	4,982	(3,476)
Intercorp Investments Perú Inc. and Subsidiaries	141,322	139,411	134,777	28,643	28,696	32,515	112,679	110,715	102,262	1,826	2,173
Callao Global Opportunities	111,662	96,445	-	-	-	-	111,662	96,445	-	(22,926)	(90)
Intercorp RE Inc. and Subsidiaries	92,674	86,066	-	3,360	5,368	-	89,314	80,698	-	833	(2,068)
La Punta Global Opportunities Corp.	57,715	48,766	40,511	-	-	-	57,715	48,766	40,511	16	6
San Miguel Global Opportunies S.A.C	41,162	32,338	20,580	6,044	3,661	112	35,118	28,677	20,468	6,441	(132)
NG Education Holdings II Corp. and Subsidiaries	52,666	48,359	-	22,461	8,751	-	30,205	39,608	-	(1,059)	(915)
Other Subsidiaries with equity less than S/10 millions	20,109	25,973	44,161	28,014	28,059	34,959	(7,905)	(2,086)	9,202	(12,031)	(10,840)

Notes to the consolidated financial statements (continued)

3. First adoption of International Financial Reporting Standards (henceforth “IFRS”) and bases of preparation

3.1 Adoption of IFRS and reconciliation of the Financial Statements

The financial statements as of March 31, 2015, were the first ones that the Company prepared in accordance with the IFRS and pursuant to the accounting policies detailed in Note 3.2.

It is worth mentioning that in the preparation of the accompanying financial statements, it has been applied IFRS 1 “First-time Adoption of the International Financial Reporting Standards”. The established date of the opening balance is January 1, 2014 (transition date to IFRS). Likewise, it has to be borne in mind that for those Subsidiaries that adopted IFRS (for the first time) before Intercorp Perú, the basis of their financial statements (prepared under IFRS) is January 1, 2014. On the other hand, given that the application of IFRS 1 implies that all IFRS must be applied retrospectively at the transition date, the Company has reformulated – for comparative purposes – the balances as of January 1, 2014 (transition date), September 30, 2014, and December 31, 2014.

The accompanying financial statements as of September 30, 2015, have been approved by Management on November 16, 2015.

Notes to the consolidated financial statements (continued)

3.1.1 Reconciliation of the consolidated statements of financial position

Following is the detail of the main changes made by the Company in the reformulation of the consolidated statements of financial position as of January 1, 2014 (transition date), and December 31, 2014:

	Local GAAP	Reclassifications	Remeasurements	Note	01.01.2014 IFRS
	S/.(000)	S/.(000)	S/.(000)		S/.(000)
Assets					
Cash and due from banks					
Cash and clearing	1,576,079	-	-		1,576,079
Deposits in the Central Reserve Bank of Peru	4,353,630	-	-		4,353,630
Deposits in domestic and foreign banks	1,331,869	-	-		1,331,869
Restricted funds	205,068	-	-		205,068
	<u>7,466,646</u>	<u>-</u>	<u>-</u>		<u>7,466,646</u>
Inter-bank funds	204,905	-	-		204,905
Marketable and available-for-sale investments, net	3,524,736	2,219,152	(71,553)	(i)	5,672,335
Loan portfolio, net	2,221,686	(2,221,686)	-		-
Held-to-maturity investments, net	20,177,786	3,336	101,997	(ii)	20,283,119
Real estate investments, net	1,805,348	-	368,054	(iii)	2,173,402
Inventories, net	1,104,475	-	-		1,104,475
Property, furniture and equipment, net	4,144,386	12,016	214,787	(iv)	4,371,189
Accounts receivable and other assets, net	1,376,857	3,529	(2,993)		1,377,393
Goodwill and other intangible assets, net	-	22,308	-		22,308
Due from customers on acceptances	1,671,134	-	-		1,671,134
Deferred income tax asset	237,289	-	(63,616)		173,673
	<u>43,935,248</u>	<u>38,655</u>	<u>546,676</u>		<u>44,520,579</u>
Liabilities and equity					
Deposits and obligations	21,705,407	(430)	-		21,704,977
Inter-bank funds	100,022	-	-		100,022
Due to banks and correspondents	3,465,480	-	-		3,465,480
Bonds, notes and other obligations	5,589,377	-	-		5,589,377
Accounts payable, provisions and other liabilities	3,030,431	16,777	(25,001)	(v)	3,022,207
Technical reserves for premiums and claims	3,046,611	-	90,572	(vi)	3,137,183
Due from customers on acceptances	-	22,308	-		22,308
Deferred income tax liability	388,677	-	63,285		451,962
	<u>37,326,005</u>	<u>38,655</u>	<u>128,856</u>		<u>37,493,516</u>
Equity attributable to Intercorp Perú's shareholders					
Capital stock	1,660,766	-	-		1,660,766
Treasury stock	(12,927)	-	-		(12,927)
Reserves	2,406,670	-	-		2,406,670
Unrealized results	8,606	-	(24,215)		(15,609)
Retained earnings	421,985	-	363,497		785,482
	<u>4,485,100</u>	<u>-</u>	<u>339,282</u>		<u>4,824,382</u>
Non-controlling interests	2,124,143	-	78,538		2,202,681
	<u>6,609,243</u>	<u>-</u>	<u>417,820</u>		<u>7,027,063</u>
Total equity	<u>6,609,243</u>	<u>-</u>	<u>417,820</u>		<u>7,027,063</u>
Total liabilities and equity	<u>43,935,248</u>	<u>38,655</u>	<u>546,676</u>		<u>44,520,579</u>

Notes to the consolidated financial statements (continued)

	Local GAAP	Reclassifications	Remeasurements	Note	31.12.14 IFRS
	S/.(000)	S/.(000)	S/.(000)		S/.(000)
Assets					
Cash and due from banks					
Cash and clearing	1,494,384	-	-		1,494,384
Deposits in the Central Reserve Bank of Peru	3,311,468	-	-		3,311,468
Deposits in domestic and foreign banks	921,048	-	-		921,048
Restricted funds	1,024,443	-	-		1,024,443
	<u>6,751,343</u>	<u>-</u>	<u>-</u>		<u>6,751,343</u>
Inter-bank funds	310,030	-	-		310,030
Marketable and available-for-sale investments, net	6,005,133	2,262,745	(52,986)	(i)	8,214,892
Loan portfolio, net	2,265,334	(2,265,334)	-		-
Held-to-maturity investments, net	22,399,186	87	98,698	(ii)	22,497,971
Real estate investments, net	2,328,959	-	347,874	(iii)	2,676,833
Inventories, net	1,215,590	-	-		1,215,590
Property, furniture and equipment, net	4,563,979	5,728	234,122	(iv)	4,803,829
Accounts receivable and other assets, net	1,820,414	8,647	(3,224)		1,825,837
Goodwill and other intangible assets, net	1,745,752	-	-		1,745,752
Due from customers on acceptances		18,833			18,833
Deferred income tax asset	219,432	-	(70,167)		149,265
	<u>49,625,152</u>	<u>30,706</u>	<u>554,317</u>		<u>50,210,175</u>
Liabilities and equity					
Deposits and obligations	23,287,695	(999)	-		23,286,696
Inter-bank funds	-	-	-		-
Due to banks and correspondents	4,123,054	-	-		4,123,054
Bonds, notes and other obligations	7,677,949	2,990	(2,990)		7,677,949
Accounts payable, provisions and other liabilities	3,298,911	9,882	(54,226)	(ii) - (v)	3,254,567
Technical reserves for premiums and claims	3,668,855	-	74,152	(vi)	3,743,007
Due from customers on acceptances		18,833			18,833
Deferred income tax liability	364,061	-	64,955		429,016
	<u>42,420,525</u>	<u>30,706</u>	<u>81,891</u>		<u>42,533,122</u>
Equity attributable to Intercorp Perú's shareholders					
Capital stock	2,079,390	-	-		2,079,390
Treasury stock	(19,347)	-	-		(19,347)
Reserves	2,282,757	-	-		2,282,757
Unrealized results	36,340	-	16,677		53,017
Retained earnings	565,015	-	396,696		961,711
	<u>4,944,155</u>	<u>-</u>	<u>413,373</u>		<u>5,357,528</u>
Non-controlling interests	2,260,472	-	59,053		2,319,525
	<u>7,204,627</u>	<u>-</u>	<u>472,426</u>		<u>7,677,053</u>
Total equity	<u>7,204,627</u>	<u>-</u>	<u>472,426</u>		<u>7,677,053</u>
Total liabilities and equity	<u>49,625,152</u>	<u>30,706</u>	<u>554,317</u>		<u>50,210,175</u>

Notes to the consolidated financial statements (continued)

3.1.2 Reconciliation of the consolidated income statements

Following is the detail of the main changes made by the Company in the reformulation of the consolidated income statements as of September 30, 2014:

LOCAL GAAP	Reclassifications	Remeasurements	Note	IFRS	
sep-14				sep-14	
Local GAAP line items	S/,(000)	S/,(000)	S/,(000)	S/,(000)	IFRS line items
Income from interests	2,420,471	(220,604)	(115)	2,199,752	Income from interests
Interest expense	<u>(811,788)</u>	(8,998)	-	<u>(820,786)</u>	Interest expense
Gross financial margin	1,608,683			1,378,966	Net interest and similar income
Provision for loan losses, net	<u>(364,873)</u>	-	(12,813)	<u>(377,686)</u>	Allowance for loan losses, net of recoveries
Net financial margin	1,243,810			1,001,280	Net interest and similar income after allowance for loan losses
Gross profit from retail business	1,323,872	(47,401)	-	1,276,471	Gross profit from retail business
Fee income from financial services	314,811	(314,811)	-	-	
Expenses from financial services	(84,856)	84,856	-	-	
Results from financial transactions	458,336	374,434	(11,072)	821,698	Results from financial transactions
Income from educational services	203,723	-	-	203,723	Income from educational services
Rent income from real estate investments	24,197	136,706	-	160,903	Rent income from real estate investments
Gain on valuation of real estate investments	41,308	36,275	-	77,583	Gain on valuation and sale of real estate investments
	-	184,057	(97,120)	86,937	Others
Result from insurance underwriting, net	<u>(49,188)</u>	49,188	-	-	
Total other income	2,232,203			2,627,315	Total other income
Operating margin	3,476,013				
					Insurance premiums and claims
	-	100,447	3,634	104,081	Net premiums earned
	-	(132,771)	-	<u>(132,771)</u>	Net claims and benefits incurred for life insurance contracts and others
				(28,690)	Total premiums earned less claims and benefits

Notes to the consolidated financial statements (continued)

Local GAAP line items	LOCAL GAAP sep-14 S/,(000)	Reclassifications S/,(000)	Remeasurements S/,(000)	Note	IFRS sep-14 S/,(000)	IFRS line items
Selling and administrative expenses	(2,358,478)	2,358,478	-		-	
Net operating margin	1,117,535					
	-	(1,135,643)	-		(1,135,643)	Salaries and employee benefits
	-	(1,231,096)	447		(1,230,649)	Selling and administrative expenses
Provisions for contingencies and other	(58,611)	58,611	-		-	
Impairment loss on available-for-sale investments	-	(7,115)	6,186		(929)	Impairment loss on available-for-sale investments
Depreciation of property, furniture and equipment	(172,732)	(23,215)	4,597	(iv)	(191,350)	Depreciation
Amortization of intangible assets	(44,280)	8,679	-		(35,601)	Amortization
	-	(4,574)	-		(4,574)	Expenses related to rental income
	-	(105,413)	14,852	(vii)	(90,561)	Others
Total other expenses	(275,623)				(2,689,307)	Total other expenses
Operating income	841,912	-	-		910,598	Income before translation result and income tax
Other income, net	48,566	(48,566)	-		-	
Income before income tax	890,478					
	-	(111,524)	-		(111,524)	Translation result
Income tax	(255,193)	-	11,223	(viii)	(243,970)	Income tax
Net income	635,285	-	(80,181)		555,104	Net income
Attributable to:						Attributable to:
Intercorp Perú shareholders	467,250		(53,359)		413,891	Intercorp Perú shareholders
Non-controlling interests	168,035		(26,822)		141,213	Non-controlling interests
	635,285		(80,181)		555,104	

Notes to the consolidated financial statements (continued)

The main adjustments that affect equity in the line "Retained earnings" are composed as follows:

	01.01.14	31.12.14
	S/.(000)	S/.(000)
Fair value of investment property (iii)	270,515	282,827
Higher attributable value of fixed asset (iv)	132,670	148,836
Provision for impairment of loan portfolio (ii)	66,672	74,079
Valuation of available-for-sale investments	(16,545)	(16,313)
Deferred financial income (v)	(15,473)	(5,534)
Fair value of technical reserves (vi)	(64,557)	(56,975)
Other	(9,785)	(30,224)
Total	363,498	396,696

Adjustments and reclassifications due to adoption of IFRS

Adjustments

The adoption of IFRS has required the performing of adjustments to the existing balances under accounting regulations established as of December 31, 2014 and January 1, 2014 (transition date). The most significant identified adjustments are presented below:

- (i) Held-for-trading and held-to-maturity investments
SBS – Local Generally Accepted Accounting Practices ("GAAP", by its Spanish acronym)
According to SBS Resolution No.7034-2012, financial instruments designated as held-to-maturity must be recognized at their amortized cost.

IFRS

IAS 39 allows that an entity designates financial instruments as financial assets or liabilities at fair value through profit or loss, or financial assets available for sale, at the date of acquisition or issuance of the financial instrument. According to an exemption provisioned by IFRS 1, a new designation can be performed at the transition date, even if the instrument has been originally designated in another category.

As result of the IFRS adoption, as of January 1, 2014 (transition date), the Company and its Subsidiaries reclassified S/.2,219,152,000 of their held-to-maturity investments into the available-for-sale investments caption (S/.2,262,745,000 as of December 31, 2014).

The fair value of said financial instruments was an estimated one, which resulted in a decrease of said caption by S/.71,553,000 as of January 1, 2014 (approximately S/.52,985,000 as of December 31, 2014) and affected the equity in the "Non-realized results" caption of the Company for S/.50,679,000 (S/.39,978,000 as of December 31, 2014).

Notes to the consolidated financial statements (continued)

Likewise, pursuant to the provisions established by the SBS, the loans granted by insurance entities are presented as held-to-maturity investments. As part of the IFRS adoption process, as of January 1, 2014 (transition date) S/.2,534,000 were reclassified into the "Accounts receivable and other assets" caption (S/.2,589,000 as of December 31, 2014).

(ii) Provision for impairment of loan portfolio

SBS – Local GAAP

The provision for loan losses is calculated and recorded following the SBS Resolutions No. 11356-2008 "Regulation on the Assessment and Reclassification of Debtor and Provisions Requirement" and No. 6941-2008 "Regulation on the Risk Management of Over-indebtedness of Retailing Debtors". The calculation is performed based on the debtor's classification and considering specific percentages, which vary depending on whether the loans are backed by preferred self-liquidating guarantees. Also, it is required the constitution of generic provisions based on the entire loan portfolio, including the generic provisions for non-impaired loans.

IFRS

IAS 39 determines that an entity should assess, on each reporting date, whether there is objective evidence that a loan or group of loans is impaired. A loan or group of loans is impaired if there is objective evidence of impairment as a consequence of one or more events that occurred after the initial recognition of the loan (loss event), this event or events impact the future cash flow and it can be reliably estimated.

The amount of the loss is measured as the difference between the carrying amount and the present value of estimated future cash flows (excluding future credit losses) discounted at the loan's original effective interest rate.

Initially, it is necessary to assess, on an individual basis, whether there is objective evidence of impairment for exposures that are individually significant, or collectively for exposures that are not individually significant. If there is no objective evidence for an exposure individually assessed, be it significant or not, it should be included in a group of exposures with similar characteristics and assessed collectively. The exposures that are individually assessed and for which a loss has been recorded should not be included in the collective assessment.

As result of the IFRS adoption, the Company and its Subsidiaries recorded, as of January 1, 2014 IFRS (IFRS transition date), a decrease in the provision of the direct loan portfolio of S/.93,144,000 (approximately S/. 89,826,000 as of December 31, 2014), and for the indirect loan portfolio of S/.40,484,000 (S/.44,078,000 as of December 31, 2014). This net adjustment to the deferred Income Tax (S/.40,088,000 as of January 1, 2014, and S/.37,492,000 as of December 31, 2014) and according to the participation percentage had an effect in equity in the "Retained earnings" caption of the Company for S/.66,672,000 (approximately S/.74,079,000 as of December 31, 2014).

Notes to the consolidated financial statements (continued)

(iii) Fair value of investment property

SBS – Local GAAP

Under SBS regulations, investment property is recorded at cost, less accumulated depreciation and accumulated impairment, if any.

IFRS

Under IAS 40, the Company and its Subsidiaries determined to record investment property at its fair value.

As part of the first-time adoption process, the Company and its Subsidiaries opted to value their investment property at fair value, based on the appraisal performed by an independent appraiser. As of January 1, 2014 (IFRS transition date), the Company recognized an increase in "Investment property" by S/.368,054,000 (approximately S/.347,874,000 as of December 31, 2014). This net adjustment to the deferred Income Tax (S/.17,388,000 as of January 1, 2014 and S/.24,782,000 as of December 31, 2014) and according to the participation percentage had an effect in equity in the "Retained earnings" caption of the Company for S/.270,515,000 (approximately S/.282,827,000 as of December 31, 2014).

(iv) Higher value attributed to fixed assets

SBS – Local GAAP

According to the accounting regulations established by the SBS, property, furniture and equipment are recorded at acquisition cost plus the voluntary revaluations performed in previous years and authorized by the SBS, minus the cumulative depreciation. For this type of assets, depreciation is not determined based on any componentization; therefore, the respective depreciation was established considering the taxing regulation.

IFRS

As part of the first-time adoption process, the Company and its Subsidiaries opted to value their investment property, based on the appraisal performed by an independent appraiser, and to use said value as attributed cost following the exemption allowed by IFRS 1. At the IFRS transition date, the Company has decided to measure certain elements of property at fair value, and the useful lives and residual values of said assets have been revised. As of January 1, 2014 (IFRS transition date), the Company recognized an increase in the "Property, furniture and equipment, net" caption for S/.214,787,000 (approximately S/.234,122,000 as of December 31, 2014). This net adjustment to the deferred Income Tax (S/.66,917,000 as of January 1, 2014 and S/.63,946,000 as of December 31, 2014) and according to the participation percentage, had an effect in equity in the "Retained earnings" caption of the Company for S/.132,670,000 (approximately S/.148,836,000 as of December 31, 2014).

(v) Deferred financial income

As part of the first-time IFRS adoption process, the recognition of deferred financial income (including commissions and fees) is determined based on the purpose of the charges and the accounting basis for any associated financial instrument. If there is an associated financial instrument, service charges that are integral part of the effective interest rate of said financial instrument are included in the calculation of the effective return. Accrued charges on the services provided during a specific period of time are recognized

Notes to the consolidated financial statements (continued)

during said period. Accrued charges on the culmination of a specific service or a significant event are recognized when the service has been rendered or the event has occurred.

As result of the IFRS adoption, the Company has recognized an increase in the "Accounts payable, provisions and other liabilities" caption as of January 1, 2014 (transition date) for approximately S/.27,148,000 (approximately S/. 15,067,000 as of December 31, 2014). This net adjustment to the deferred Income Tax (S/.5,439,000 as of January 1, 2014 and S/.7,865,000 as of December 31, 2014) and according to the participation percentage, had an effect in equity in the "Retained earnings" caption of the Company for S/.15,473,000 (approximately S/.4,991,000 as of December 31, 2014).

(vi) Fair value of technical reserves

SBS – Local GAAP

Technical reserves of annuities are determined based on actuarial calculations performed by Management of the Company and its Subsidiaries, according to the methodologies established by the SBS. Said estimations are equivalent to the present value of all future payments to be made to the insured person and or its beneficiaries, including the past-due and not-yet made payments.

The survival and mortality tables used for this estimation are approved by the SBS, as well as the reserve tables applied by the Company and its Subsidiaries in the determination of the technical reserves.

For technical reserves for disability and survival insurances, the SBS has approved mortality tables MI-85 and B-85 and an annual interest rate between 3 and 4.5 percent, respectively

IFRS

Liabilities for annuities and for retirement, disability and survival insurances are determined based on the present value of expected future payments, based on current mortality and morbidity tables and current interest rates.

Based on IFRS and in order to make the financial statements information more reliable and no less relevant, the Company and its Subsidiaries used the current mortality and morbidity tables which differ from those established by the SBS at the IFRS transition date and set the interest rate to discount the future cash flows of these liabilities as the current interest rate that reflects the interest rate performance of the debt instruments in the portfolio, adjusted for credit risk. The effect of the change in the mortality table and in the discount interest rate, generated an increase in technical reserves of S/.90,572,000, as of January 1, 2014 (transition date) in the "Insurance contract liabilities" caption. As of December 31, 2014, the change in the discount interest rate generated an increase in technical reserves of S/.74,152,000, in the "Insurance contract liabilities" caption of the statements of financial position and a decrease in the Company's retained earnings of S/.64,557,000 as of January 1, 2014 and S/.56,975,000 as of December 31, 2014.

Notes to the consolidated financial statements (continued)

Reclassifications

Reclassifications made in the consolidated statements of financial position

Under the accounting regulations established by the SBS, the balances were presented or grouped differently as compared with IFRS. Therefore, the required reclassifications for IFRS presentation were made.

Reclassifications made in the consolidated income statements

Under the SBS regulations, diverse items of the income statements are grouped differently. Therefore and in order to comply with the presentation required under IFRS, the Company made the necessary reclassifications. The reclassifications made are not errors and are presented in the conciliation of the condensed internal consolidated income statements for the quarter ended September 30, 2014.

3.2 Bases of preparation

The financial statements are prepared in accordance with the IFRS issued by the International Accounting Standards Board (henceforth "IASB"), effective at the reporting date.

The Company has defined the Nuevo Sol as its functional and presentation currency.

(a) Summary of significant accounting principles and practices

Financial instruments

Financial instruments are classified as assets, liabilities or equity according to the matter of the respective contractual arrangements that originated them. Interest, dividends, gains and losses related to financial instruments classified as an asset or liability are recorded as income or expense, respectively. Financial instruments are offset when the Company has a legally enforceable right to offset them and Management has the intention to either settle them on a net basis or to realize the asset and settle the liability simultaneously.

Financial assets and liabilities reported in the consolidated statements of financial position include cash and cash equivalents, accounts receivable, available-for-sale investments, and liabilities in general. The specific accounting policies for the recognition and measurement of each of these items are disclosed in the respective accounting policies described in this Note.

(b) Foreign currency transactions

Foreign currency transactions are those performed in a currency different to the functional one. Foreign currency transactions are initially recorded in the functional currency by using the exchange rates prevailing at the transactions date. Monetary assets and liabilities denominated in foreign currency are posteriorly adjusted into the functional currency by using the prevailing exchange rate at the date of the consolidated statements of financial position. Gains or losses from exchange difference resulting from the settlement of said transactions and from the translation of the monetary assets and liabilities denominated in foreign currency into the exchange rates at the date of the consolidated statements of financial position, are recognized in the "Translation result, net" caption of the statements of comprehensive income. Non-monetary assets and liabilities denominated in foreign

Notes to the consolidated financial statements (continued)

currencies are translated into the functional currency at the exchange rate prevailing at the transaction date.

(c) Cash and cash equivalents

Cash and cash equivalents in the statements of financial position comprise current accounts and time deposits with maturities shorter than three months.

(d) Income tax

The Income Tax is calculated over the individual financial statements of each Subsidiary.

The deferred Income Tax has been recorded in accordance with IAS 12 "Income Tax". In this sense, the deferred Income Tax reflects the effects of temporary differences between the carrying amounts of assets and liabilities for accounting purposes and the amounts determined for tax purposes. Deferred assets and liabilities are measured by using the tax rates that are expected to be in force in the years in which such temporary differences are expected to be recovered or settled. Consequently, the deferred Income Tax as of December 31, 2014, has been updated by applying the rates that were effective since January 1, 2015; see Note 14(a). The measurement of deferred tax assets and liabilities reflects the tax consequences that arise from the manner in which each Subsidiary expects, at the date of the consolidated statements of financial position, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are recorded regardless of when the temporary differences are likely to reverse. Deferred tax assets are recorded when it is probable that sufficient taxable income will be generated against which the deferred tax assets can be offset. At the date of each consolidated statements of financial position, the unrecorded deferred assets and the balance of the recorded ones are assessed. A previously unrecognized deferred tax asset is recognized to the extent that it has become probable that future tax benefits will allow its recovery. Likewise, the carrying amount of a deferred tax asset is reduced when it is no longer probable that sufficient future taxable income will be available to allow the benefit related to the recognized deferred tax asset to be used in part or in full.

According to IAS 12, the deferred Income Tax is determined considering the tax rate applicable to the non-distributed earnings; any additional tax on distribution of dividends is recognized at the date at which the liability is recorded.

(e) Recognition of revenues, costs and expenses

Revenues, costs and expenses are recognized when they are accrued, independently of the moment when they are realized and are recorded in the periods to which they are related.

Dividends are recorded as revenue when declared.

Financing costs are recognized according to the accrual basis, including the commissions related to the acquisition of the financing.

Notes to the consolidated financial statements (continued)

(f) Provisions

Provisions are recognized only when the Company has a present obligation (legal or implicit) as a result of past events, and it is probable that an outflow of resources may be required to settle the obligation, and a reliable estimate of the amount can be made.

Provisions are reviewed each period and are adjusted to reflect the best estimation available at the date of the statements of financial position.

When the effect of the value of money is significant, the amount recorded as provision is equal to the present value of future payments required to settle the obligation.

(g) Contingencies

A contingent liability is disclosed when the existence of an obligation will only be confirmed by future events or when the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recorded, but are disclosed when an inflow of economic benefits to the Company is probable.

Given their nature, contingencies shall only be realized when one or more future events occur or not.

The determination of contingencies involves inherently the exercise of judgment and the estimation of the results of future events.

(h) Statements of cash flows

Cash presented in the statements of cash flows comprises the balance of "Cash and cash equivalent" presented in the statements of financial position.

(i) Treasury stock

The Subsidiaries of Intercorp Perú hold shares issued by it, which are recorded by deducting the investment value in each Subsidiary with charge to the "Treasury stock" caption of the statements of equity, for the amount paid in their acquisition. Also, no gain or loss is recognized in the income statements for the acquisition or sale of this treasury stock.

(j) Earnings per share

Earnings per share have been calculated on the basis of the weighted average number of common shares outstanding at the date of the statements of financial position, deducting the treasury stock. Intercorp Perú does not hold any financial instrument with dilutive effect; therefore, earnings per basic share and diluted share are the same.

(k) Trading derivative financial instruments

Derivative financial instruments are initially recognized at cost in the statements of financial position and subsequently are carried at their fair value. Said fair values are obtained based on the projected cash flows and the market exchange rates and interest rates at the date of the statements of financial position. Gains and losses from changes in fair value are recorded in the results of the period.

Notes to the consolidated financial statements (continued)

4. Cash and due from banks

Following is the composition of this caption:

	As of September 30, 2015 S/.(000)	As of December 31, 2014 S/.(000)	As of January 1, 2014 S/.(000)
Cash and clearing	1,522,419	1,494,384	1,576,078
Deposits in the Central Reserve Bank of Peru - BCRP	3,955,600	3,311,343	4,352,805
Deposits in banks	775,407	921,049	1,331,870
Restricted funds	3,540,420	1,024,443	205,068
Total	<u>9,793,846</u>	<u>6,751,219</u>	<u>7,465,821</u>
Accrued interest	201	124	825
	<u>9,794,047</u>	<u>6,751,343</u>	<u>7,466,646</u>

As of September 30, 2015, the caption "Cash and due from banks" of the consolidated statements of financial position includes approximately US\$1,378,302,000 and S/.921,948,000 (US\$1,284,805,000 and S/.822,503,000 as of December 31, 2014, and US\$1,454,091,000 and S/.1,028,450,000 as of January 1, 2014), which represent the legal reserve that the Bank and Financiera keep for their obligations with the public. These funds are deposited in the Bank's and Financiera's vaults, and in the Central Reserve Bank of Peru (henceforth "BCRP", by its Spanish acronym) which are kept within the limits established by legal provisions.

The legal reserve funds maintained at the BCRP are non-interest bearing, except for the part that exceeds the minimum reserve required. As of September 30, 2015, the monthly excess in foreign currency amounted to approximately US\$294,884,000, equivalent to approximately S/.950,115,000 and bear interest in US Dollars at an annual average interest rate of 0.05 percent (US\$315,393,000, equivalent to approximately S/.941,763,000 as of December 31, 2014 and US\$315,362,000, equivalent to approximately S/.881,438,000 as of January 1, 2014, at an annual average rate of 0.04 percent for both periods).

On the other hand, the excess in Nuevos Soles amounted to approximately S/.6,318,867,000 and did not accrue interests (S/.338,770,000 and accrued interest at an annual average rate of 0.35 percent as of December 31, 2014, and as of January 1, 2014, S/.279,841,000 and accrued interest at an annual average rate of 1.25 percent).

Notes to the consolidated financial statements (continued)

Deposits in local and foreign banks correspond mainly to balances in Nuevos Soles and US Dollars, are unrestricted and bear interests at market rates. As of September 30, 2015, December 31, 2014, and January 1, 2014, the Company does not have significant deposits in any specific financial institution.

As of September 30, 2015, the caption includes restricted funds for approximately US\$989,221,000 equivalent to S/.3,187,271,000 (US\$224,423,000 equivalent to S/.670,127,000 as of December 31, 2014) which correspond to deposits in the BCRP that guarantee loans with said entity; see Note 11(e). Likewise, as of September 30, 2015, December 31, 2014, and January 1, 2014, this caption includes restricted funds for approximately S/.322,049,000, S/.240,715,000 and S/.193,733,000, respectively, which mainly correspond to requirements made by the counterparts in operations with derivative financial instruments; see Note 9(d).

Notes to the consolidated financial statements (continued)

5. Available-for-sale investments

(a) Following is the composition of this caption:

	As of September 30, 2015				As of December 31, 2014				As of 1 January, 2014			
	Amortized Cost	Unrealized gross amount		Estimated fair value	Amortized Cost	Unrealized gross amount		Estimated fair value	Amortized Cost	Unrealized gross amount		Estimated fair value
		Gains	Losses			Gains	Losses			Gains	Losses	
S/.000	S/.000	S/.000	S/.000	S/.000	S/.000	S/.000	S/.000	S/.000	S/.000	S/.000	S/.000	
Negotiable Certificates of Deposit issued by BCRP	911,525	6	(3,356)	908,175	429,883	316	(2)	430,197	653,738	386	(100)	654,024
Indexed Certificates of Deposit issued by BCRP	1,319,067	4,560	-	1,323,627	1,381,319	17,541	(2)	1,398,858	117,978	-	-	117,978
Corporate, leasing and subordinated bonds	3,059,621	12,430	(392,298)	2,679,753	2,907,567	58,126	(125,270)	2,840,423	2,216,423	36,416	(118,221)	2,134,618
Sovereign bonds and Global Bonds of the Republic of Peru	1,399,272	67	(166,866)	1,232,473	1,370,803	1,845	(84,198)	1,288,450	925,542	11,613	(65,455)	871,700
Sovereign bonds an Global bonds from other countries	140,228	4	(1,201)	139,031	162,931	-	(2,592)	160,339	180,804	-	(3,142)	177,662
Bonds guaranteed by the Peruvian Government	417,410	2,877	(20,220)	400,067	316,479	20,599	(5,004)	332,074	307,827	17,552	(4,638)	320,741
Participations in mutual funds and investment funds	707,051	63,861	(28,815)	742,097	758,274	49,395	(26,916)	780,753	451,438	85,995	(18,307)	519,126
Portfolios managed by third parties	288,335	-	(3,591)	284,744	311,531	-	(8,180)	303,351	309,723	5,316	-	315,039
International Financial agencies Bonds	157,701	3,343	(2,601)	158,443	31,554	100	-	31,654	38,458	435	-	38,893
Total	8,400,210	87,148	(618,948)	7,868,410	7,670,341	147,922	(252,164)	7,566,099	5,201,931	157,713	(209,863)	5,149,781
Listed shares												
Peruvian and foreign entities	321,680	3,479	(34,543)	290,616	354,943	43,887	(20,560)	378,270	216,502	45,906	(6,193)	256,215
Others	69	-	(36)	33	67	-	119	186	-	-	-	-
Non listed shares and participations												
Royalty Pharma (d)	128,253	61,637	(63)	189,827	87,787	80,797	-	168,584	64,398	63,561	-	127,959
Others	930	-	(406)	524	894	-	(377)	517	-	-	-	-
	450,932	65,116	(35,048)	481,000	443,691	124,684	(20,818)	547,557	280,900	109,467	(6,193)	384,174
	8,851,142	152,264	(653,996)	8,349,410	8,114,032	272,606	(272,982)	8,113,656	5,482,831	267,180	(216,056)	5,533,955
Add - Accrued Interest on investments				69,746				64,931				46,034
	8,851,142	152,264	(653,996)	8,419,156	8,114,032	272,606	(272,982)	8,178,587	5,482,831	267,180	(216,056)	5,579,989

Notes to the consolidated financial statements (continued)

- (b) The Group has determined that the unrealized losses as of September 30, 2015, December 31, 2014, and January 1, 2014, are of temporary nature. The Group has the intention and the ability to hold each investment for a period of time sufficient to allow for an anticipated recovery in fair value until the maximum period for the advanced recovery or the maturity date.

The Group has considered the following criteria to determine whether a loss is temporary or not for equity investments (shares):

- the length of time and the extent to which the fair value has been below cost;
- the severity of the impairment;
- the cause of the impairment, the financial condition and near term prospects of the issuer; and
- the activity of the issuer's market, which may indicate adverse credit conditions.

The Group has considered the following criteria to determine whether a loss is temporary or not for debt instruments (fixed maturity):

- Assess whether it is probable that the Group will receive all amounts due, according to the contractual terms of the security (principal and interest). The identification of credit-impaired securities considers a number of factors, including the nature of the security and the underlying collateral, the amount of subordination or credit enhancement supporting the security, published credit rating and other information and other evidentiary analyses of the probable cash flows from the security. If recovery of all amounts due is not probable, a "credit impairment" is deemed to exist and the unrealized loss is recorded directly in the consolidated income statements. This unrealized loss recorded in income represents the security's decline in fair value, including the decline due to forecasted cash flow shortfalls as well as general market spread widening.
- For financial instruments with unrealized losses but not identified as impaired, the Group determines whether it has the positive intent and ability to hold each investment for a period of time sufficient to allow for an anticipated recovery in its amortized cost. The Group estimates the forecasted recovery period using current estimates of volatility in market interest rates (including liquidity and risk premiums). The Group's assertion regarding its intent and ability to hold investments considers a number of factors, including a quantitative estimate of the expected recovery period and the length of that period (which may extend to maturity), the severity of the impairment and the Group intended strategy with respect to the identified security or portfolio. If the Group does not have the intent and ability to hold the security for a sufficient time period, the unrealized loss is recorded directly in the consolidated income statements.

- (c) As result of the impairment assessment of its available-for-sale investments, the Group recorded an impairment loss amounting to S/.50,895,000 during 2015, which is presented in the caption "Impairment loss on available-for-sale investments" of the consolidated income statements.

Notes to the consolidated financial statements (continued)

As of September 30, 2015, December 31, 2014, and January 1, 2014, the detail of the unrealized loss of the available-for-sale debt instruments is the following:

Issuer	As of September 30, 2015 S/.(000)	As of December 31, 2014 S/.(000)	As of January 1, 2014 S/.(000)
Sovereign Bonds of the Republic of Peru	166,866	84,198	65,455
Odebrecht S.A.	57,663	22,489	17,237
Banco Votorantim S.A.	46,712	6,505	15,954
Corporación Financiera de Desarrollo S.A.	29,270	15,667	21,868
Participations in mutual funds	28,815	26,916	18,307
Southern Perú Copper Corporation	26,868	6,884	12,764
Vale S.A.	24,650	3,362	6,495
Bonds guaranteed by the Peruvian Government	20,220	5,004	4,638
H2OImos S.A.	19,432	11,786	8,486
Línea Amarilla S.A.C.	16,147	7,920	6,326
GyM Ferrovias	13,028	-	-
Others lower than S/ .10,000,000	169,277	61,433	32,333
Total	618,948	252,164	209,863

- (d) Corresponds to participations in RPI International Holding, LP (RPI Partnership) and Royalty Pharma Cayman Holding, LP (RPS Partnership), which are invested in Royalty Pharma Investments and Royalty Pharma Select, respectively, which are investment funds in medical and biotechnological patents. The participations in RPI Partnership and RPS Partnership are not liquid and their negotiation requires authorization.

As of September 30, 2015, the Company held 300,000 and 241,286 participations of RPS Partnership and RPI Partnership, respectively, whose fair values amount to approximately US\$25,166,000 and US\$33,750,000 (equivalent to approximately S/.81,086,000 and S/.108,742,000, respectively). As of December 31, 2014, the Company held 354,978 and 251,286 participations of RPS Partnership and RPI Partnership, respectively, at fair values of approximately US\$29,822,000 and US\$26,636,000 (equivalent to approximately S/.89,048,000 and S/.79,537,000, respectively).

During 2015, , the Company sold 54,978 and 135,000 shares of RPS Partnership and RPI Partnership, respectively, at fair value, generating a gain of approximately US\$15,359,000 (equivalent to approximately S/.50,831,000), which is presented as part of the “Net gain on sale of securities” of the consolidated income statements.

During 2014, the Company sold 250,000 shares of RPI Partnership, at fair value, generating a gain of approximately US\$6,635,000 (equivalent to approximately S/.19,812,110), which is presented as part of the “Results from financial operations” of the consolidated income statements.

As of September 30, 2015 the Company received dividends from these participations for approximately S/.6,197,000, (S/.3,659,000 as of September 30, 2014) which are presented in the “Interest income” caption of the consolidated income statements.

Notes to the consolidated financial statements (continued)

6. Loan portfolio, net

(a) Following is the composition of this caption:

	As of September 30, 2015	As of December 31, 2014	As of January 1, 2014
	S/.(000)	S/.(000)	S/.(000)
Direct loans			
Loans	18,730,629	16,047,113	14,633,021
Leasing receivables	1,865,417	1,979,800	1,972,995
Credit cards receivables	4,167,861	3,606,422	2,838,709
Discounted notes	378,629	372,987	457,092
Factoring receivables	182,660	294,686	260,521
Advances and overdrafts	78,064	98,095	128,135
Refinanced loans	241,899	151,808	137,792
Past due and under legal collection loans	594,362	566,258	360,257
	<u>26,239,521</u>	<u>23,117,169</u>	<u>20,788,522</u>
Plus (minus)			
Accrued interest	282,698	256,188	221,091
Unearned interest	(14,674)	(7,733)	(4,705)
Allowance for loan losses (b)	<u>(1,027,282)</u>	<u>(867,653)</u>	<u>(721,789)</u>
Total direct loans, net	<u>25,480,263</u>	<u>22,497,971</u>	<u>20,283,119</u>
Indirect loans	<u>5,156,005</u>	<u>4,444,164</u>	<u>4,083,780</u>

(b) The movement of provisions for loan losses is as follows:

	For the nine months period ended September 30,	
	2015	2014
	S/.(000)	S/.(000)
Balance as of January 1	883,179	734,922
Provisions recognized as expense, net of recoveries of charged-off accounts	500,389	377,686
Loan portfolio written-off	81,860	66,763
Recovery of written-off loans	(437,005)	(331,661)
Translation result	21,429	7,439
Balance as of September 30 (*)	<u>1,049,852</u>	<u>855,149</u>
Balance as of December 31, 2014		<u>883,179</u>

(*) The provision for doubtful accounts includes the provision for indirect loans amounting to S/.22,570,000, S/.15,526,000 and S/.13,133,000 as of September 30, 2015, December 31, 2014, and January 1, 2014, respectively, which is presented in the caption "Other accounts payable, provisions and other liabilities" of the consolidated statements of financial position; see Note 9 (a).

Notes to the consolidated financial statements (continued)

In Management's opinion, the provision for doubtful accounts recorded as of September 30, 2015, December 31, 2014, and January 1, 2014, has been established in accordance with IAS 39 and is sufficient to cover the losses incurred in the loan portfolio.

7. Investment property

(a) Following is the composition of this caption:

	As of September 30, 2015 S/.(000)	As of December 31, 2014 S/.(000)	As of January 1, 2014 S/.(000)
Buildings, land and work in progress of investment property	610,468	513,651	435,601
Real Plaza Shopping Centers	1,690,668	1,695,221	1,384,338
San Isidro Shopping Center	141,275	141,257	123,761
Colmenares Shopping Center	20,867	20,378	17,711
Projects	<u>361,750</u>	<u>306,326</u>	<u>211,991</u>
Total	<u>2,825,028</u>	<u>2,676,833</u>	<u>2,173,402</u>

(b) The movement of investment property for the nine-month periods ended September 30, 2015 and 2014, is as follows:

	As of September 30, 2015 S/.(000)	As of September 30, 2014 S/.(000)
Balance as of January 1	2,676,833	2,173,402
Additions	195,712	467,667
Sales	(94,051)	(253,507)
Transfers to fixed assets	(573)	30,524
Adjustment to fair value	<u>47,107</u>	<u>70,644</u>
Balance as of September 30,	<u>2,825,028</u>	<u>2,488,730</u>
Balance as of December 31, 2014		<u>2,676,833</u>

(c) The sales made during 2015 correspond mainly to a land lot located in the city of Sullana and a real estate project. Said sales were made in cash and at market values to non-related entities, and generated a loss amounting to S/.1,761,000. During the same period of 2014, sales corresponded to two land lots located in the city of Lima (one sold to a related entity and the other to a third party), and generated a gain amounting to S/.2,713,000. The result of sales is presented in the caption "Gain from valuation and sales of investment property" of the consolidated income statements.

Notes to the consolidated financial statements (continued)

8. Inventories, net

(a) Following is the composition of this caption:

	As of September 30, 2015	As of December 31, 2014	As of January 1, 2014
	S/.(000)	S/.(000)	S/.(000)
Inventories from retail activities, net (b)	1,281,541	1,175,275	1,077,635
Inventories from real estate activities, net	30,285	40,315	26,840
Total	1,311,826	1,215,590	1,104,475

(b) The detail of inventories from retail activities is as follows:

	As of September 30, 2015	As of December 31, 2014	As of January 1, 2014
	S/.(000)	S/.(000)	S/.(000)
Inventories	1,228,320	1,104,812	1,033,236
In transit inventories	52,976	85,174	50,946
Miscellaneous supplies	15,733	9,452	8,446
	1,297,029	1,199,438	1,092,628
Less			
Provision for impairment of inventories	(15,488)	(24,163)	(14,993)
Total	1,281,541	1,175,275	1,077,635

Notes to the consolidated financial statements (continued)

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

(a) Following is the composition of this caption:

	As of September 30, 2015 S/.(000)	As of December 31, 2014 S/.(000)	As of January 1, 2014 S/.(000)
Accounts receivable and other assets, net			
Financial instruments			
Trade accounts receivable, net	112,071	149,060	121,454
Accounts receivable	480,862	254,121	259,384
Accounts receivable from valuation of derivative financial instruments (d)	441,703	241,195	125,815
Accounts receivable from sale of investments	108,295	265,789	73,050
Operations in process (c)	115,632	103,289	69,865
Commissions receivable from credit cards	24,959	15,542	14,805
Accounts receivable from insurance operations , net	46,122	13,784	6,770
Accounts receivable from reinsurers and co-insurers	22,520	8,058	1,677
	<u>1,352,164</u>	<u>1,050,838</u>	<u>672,820</u>
Non-financial instruments			
Tax credit – VAT (b)	427,347	509,206	475,103
Recoverable taxes	84,195	145,712	66,813
Investments in associates, net	48,174	53,425	47,932
Deferred charges	92,545	40,127	74,444
Prepaid rentals	15,233	18,580	38,629
Others	9,284	7,949	1,652
	<u>676,778</u>	<u>774,999</u>	<u>704,573</u>
Total	<u>2,028,942</u>	<u>1,825,837</u>	<u>1,377,393</u>
Accounts payable and other liabilities			
Financial instruments			
Trade accounts payable	1,621,850	1,606,036	1,641,682
Accounts payable	708,059	519,348	492,955
Operations in process (c)	124,627	169,272	142,147
Accounts payable for derivative financial instruments (d)	370,649	278,236	161,821
Shares and salaries payable	222,060	176,448	155,023
Allowance for indirect loans losses, note 6b	22,570	15,527	13,133
Accounts payable for acquisition of subsidiary	13,458	13,458	-
Accounts payable for purchase of investments	114,755	191,245	161,533
	<u>3,198,028</u>	<u>2,969,570</u>	<u>2,768,294</u>
Non-financial instruments			
Deferred gains	139,411	148,233	135,516
Provision for contingencies	48,921	27,074	21,981
Others	117,238	109,690	96,416
	<u>305,570</u>	<u>284,997</u>	<u>253,913</u>
Total	<u>3,503,598</u>	<u>3,254,567</u>	<u>3,022,207</u>

Notes to the consolidated financial statements (continued)

- (b) Corresponds to the Value Added Tax (henceforth “IGV”, by its Spanish acronym) resulting from the purchase of goods destined to leasing operations, which is recovered through the installments collection of said operations.
- (c) Operations in process include transactions performed during the last days of the month and other types of similar transactions that are reclassified into definitive accounts the following month. These transactions do not affect the consolidated results.
- (d) The following table presents, as of September 30, 2015, December 31, 2014, and January 1, 2014, the fair value of the derivative financial instruments recorded as assets or liabilities, including their notional amounts. The gross notional amount is the amount of the derivative’s underlying asset and is the basis upon which the changes in the derivatives’ fair value are measured.

As of September 30, 2015					
	Assets	Liabilities	Notional amount	Maturity	Hedged instruments
	S/.(000)	S/.(000)	S/.(000)		
Derivatives held for trading					
Foreign currency forwards	52,746	24,891	6,816,950	Between October 2015 and February 2017	
Interest rate swaps	134,157	42,332	3,725,340	Between February 2016 and December 2029	
Currency swaps	248,237	208,916	6,048,664	Between October 2015 and January 2025	
Cross currency swaps	2	87,460	189,641	January 11, 2023	
Options	6,561	5,532	1,379,050	Between October 2015 and March 2017	
	<u>441,703</u>	<u>369,131</u>	<u>18,159,645</u>		
Derivatives held as hedges					
Cash flow hedges:					
Interest rate swaps (IRS)	-	1,514	93,722	June 15, 2016	Negotiable notes (DPR)
Interest rate swaps (IRS)	-	4	881	November 4, 2015	Mortgage bonds
	<u>-</u>	<u>1,518</u>	<u>94,603</u>		
	<u>441,703</u>	<u>370,649</u>	<u>18,254,248</u>		

Notes to the consolidated financial statements (continued)

As of December 31, 2014					
	Assets	Liabilities	Notional amount	Maturity	Hedged instruments
	S/.(000)	S/.(000)	S/.(000)		
Derivatives held for trading					
Foreign currency forwards	44,669	95,092	9,151,703	Between January 2015 and January 2016	
Interest rate swaps	19,268	31,899	1,511,488	Between March 2015 and August 2024	
Currency swaps	176,841	88,855	5,294,379	Between January 2015 and September 2024	
Cross currency swaps	213	55,406	175,750	January 11, 2023	
Options	204	1,868	119,960	Between March 2015 and December 2015	
	<u>241,195</u>	<u>273,120</u>	<u>16,253,280</u>		
Derivatives held as hedges					
Cash flow hedges:					
Interest rate swaps (IRS)	-	461	39,813	June 15, 2015	Negotiable notes (DPR)
Interest rate swaps (IRS)	-	4,609	162,856	June 15, 2016	Negotiable notes (DPR)
Interest rate swaps (IRS)	-	46	1,633	November 4, 2015	Mortgage bonds
	<u>-</u>	<u>5,116</u>	<u>204,302</u>		
	<u>241,195</u>	<u>278,236</u>	<u>16,457,582</u>		

Notes to the consolidated financial statements (continued)

As of January 1, 2014					
	Assets	Liabilities	Notional amount	Maturity	Hedged instruments
	S/.(000)	S/.(000)	S/.(000)		
Derivatives held for trading					
Foreign currency forwards	65,200	71,075	6,325,258	Between April 2015 and January 2016	
Interest rate swaps	7,968	2,003	382,634	Between February 2016 and August 2029	
Currency swaps	52,179	36,649	970,162	Between April 2015 and September 2025	
Cross currency swaps	-	2,746	19,579	July 1, 2014	
Options	468	35,189	164,509	Between April 2015 and December 2015	
	<u>125,815</u>	<u>147,662</u>	<u>7,862,142</u>		
Derivatives held as hedges					
Cash flow hedges:					
Interest rate swaps (IRS)	-	3,702	131,529	June 15, 2015	Negotiable notes (DPR)
Interest rate swaps (IRS)	-	10,300	213,416	June 15, 2016	Negotiable notes (DPR)
Interest rate swaps (IRS)	-	157	3,056	November 4, 2015	Mortgage bonds
	<u>-</u>	<u>14,159</u>	<u>348,001</u>		
	<u>125,815</u>	<u>161,821</u>	<u>8,210,143</u>		

- (i) The derivatives held for trading are traded mainly to satisfy the needs of the clients. The Company can also take positions with the expectation of obtaining profitability from favorable movements in prices or rates. Also, this caption includes any derivative that does not correspond to hedging derivatives according to the accounting requirements for hedging established by IAS 39.

Notes to the consolidated financial statements (continued)

10. Deposits and obligations

(a) Following is the composition of this caption:

	As of September 30, 2015	As of December 31, 2014	As of January 1, 2014
	S/.(000)	S/.(000)	S/.(000)
Time deposits	10,891,634	10,534,519	9,517,466
Savings deposits	7,915,787	5,074,826	5,370,022
Demand deposits	6,820,244	7,670,199	6,810,817
Other obligations	<u>42,539</u>	<u>7,152</u>	<u>6,672</u>
Total	<u>25,670,204</u>	<u>23,286,696</u>	<u>21,704,977</u>

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

(c) As of September 30, 2015, December 31, 2014 and January 1, 2014, out of the total obligations, approximately S/.7,052,579,000 and S/.6,454,401,000, and S/.5,799,518,000 respectively, are covered by the Deposit Insurance Fund.

Notes to the consolidated financial statements (continued)

11. Due to banks and correspondents

(a) Following is the composition of this caption:

	As of September 30, 2015	As of December 31, 2014	As of January 1, 2014
	S/.(000)	S/.(000)	S/.(000)
By type			
Loans received from foreign entities (d)	1,593,734	1,341,236	1,659,863
Promotional credit lines (b)	1,644,958	1,378,310	1,259,727
Obligations with local banks (c)	1,128,545	633,654	463,671
Obligations with the Central Reserve Bank of Peru	3,266,625	644,300	-
Obligations with third parties	71,335	101,348	64,488
	<u>7,705,197</u>	<u>4,098,848</u>	<u>3,447,749</u>
Interest and commissions payable	57,651	24,206	17,731
	<u>7,762,848</u>	<u>4,123,054</u>	<u>3,465,480</u>
By term			
Short term	2,955,635	1,218,250	1,020,693
Long term	4,807,213	2,904,804	2,444,787
	<u>7,762,848</u>	<u>4,123,054</u>	<u>3,465,480</u>

(b) Promotional credit lines include loans in Nuevos Soles and US Dollars received from Corporación Financiera de Desarrollo ("COFIDE", by its Spanish acronym), aimed to promote the economic development of Peru. These liabilities are guaranteed with a loan portfolio that amounts to S/.1,644,958,000, S/.1,378,310,000 and S/.1,259,727,000 as of September 30, 2015, December 31, 2014 and January 1, 2014 respectively. These loans generated an annual effective interest rate that fluctuated between 4.02 and 9.85 percent during 2015 (between 4.00 and 9.85 percent, as of December 31, 2014 and between 4.01 and 10.27 percent, as of January 1, 2014), and maturities between October 2015 and December 2029, as of September 30, 2015 (between January 2015 and April 2028, as of December 31, 2014 and between February 2014 and April 2028 as of January 1, 2014).

Notes to the consolidated financial statements (continued)

(c) As of September 30, 2015, December 31, 2014, and January 1, 2014, corresponds to the following loans:

Entity	Final Maturity	As of	As of	As of
		September 30, 2015	December 31, 2014	January 1, 2014
		S/.(000)	S/.(000)	S/.(000)
Banco de Crédito del Perú S.A.	2019	214,044	185,484	160,742
Scotiabank Perú S.A.A.	2019	373,513	94,907	31,682
BBVA Banco Continental S.A.	2020	156,257	91,994	37,813
Banco Interamericano de Finanzas S.A.	2019	124,038	90,534	77,372
Banco GNB Peru S.A	2020	90,678	72,257	55,027
Banco Financiero del Perú S.A.	2019	84,417	55,465	47,213
Citibank Perú	Nov.2015	79,598	42,560	-
Others	-	6,000	453	53,822
		<u>1,128,545</u>	<u>633,654</u>	<u>463,671</u>

(d) The main loans from foreign entities are detailed below:

Entity	Country	Final maturity	As of	As of	As of
			September 30, 2015	December 31, 2014	January 1, 2014
			S/.(000)	S/.(000)	S/.(000)
Syndicated loan	Various	2016	646,135	591,791	551,021
Wells Fargo Bank & Co.	United States of America	2016	193,320	89,580	195,650
Sumitomo Bank	Japan	Dic 2015	161,100	-	-
Banco Latinoamericano de exportaciones –BLADEX	Panama	2018	79,342	140,268	214,936
BanColombia	Colombia	2023	55,106	79,601	-
Development Bank of Latin America	Supranational	2016	80,550	74,650	69,875
Bank J. Safra Sarasin AG	Switzerland	Oct 2015	64,494	-	-
Bank of Montreal	Canada	Dic 2015	64,440	-	-
Banco Interamericano de Desarrollo	United States of America	2024	44,978	-	-
China Development Bank	China	2016	32,220	44,790	69,875
Cobank N.A.	United States of America	Oct 2015	32,220	29,860	54,058
Deutsche Bank	Cayman Islands / Germany	2018	31,961	43,800	131,136
JP Morgan Chase & Co.	United States of America	2021	59,283	-	111,800
HSBC Bank PLC	United Kingdom		-	-	55,900
Citibank N.A.	United States of America		-	77,976	50,817
RBC Wealth Management	United States of America		-	119,726	112,855
Other	Various		48,585	49,194	41,940
			<u>1,593,734</u>	<u>1,341,236</u>	<u>1,659,863</u>

(e) As of September 30, 2015, the loans from BCRP are related to transaction reporting. These loans have maturities between November 2015 and March 2019 (between December 2015 and July 2016 as of December 2014) and generated an annual effective interest rate that fluctuated between 3.00 and 6.16 percent (between 3.02 and 3.61 percent as of December 2014).

Notes to the consolidated financial statements (continued)

12. Bonds and other obligations outstanding

(a) Following is the composition of this caption:

Issuer	Issuance	Annual interest rate	Principal payment	Interest payment	Maturity	Authorized amount	Outstanding balances (*)		
							As of September 30, 2015	As of December 31, 2014	As of January 1, 2014
							S/(000)	S/(000)	S/(000)
Subordinated bonds (b)									
Interbank – First program	Second (B series)	9.50%	Maturity date	Semiannually	2023	US\$30,000	96,660	89,580	83,850
Interbank – First program	Third (A series)	3.5% plus (VAC)	Maturity date	Semiannually	2023	S/. 110,000	110,000	110,000	110,000
Interbank – First program	Fifth (A series)	8.50%	Maturity date	Semiannually	2019	S/. 3,300	3,300	3,300	3,300
Interbank – First program	Sixth (A series)	8.16%	Maturity date	Semiannually	2019	US\$15,110	48,684	45,118	42,232
Interbank – First program	Eighth (A series)	6.91%	Maturity date	Semiannually	2022	S/. 137,900	137,900	137,170	137,900
Interseguro – First program	First	9.00%	Maturity date	Quarterly	2016	US\$5,000	16,110	14,930	13,975
Interbank – Second program	Second (A series)	5.80%	Maturity date	Semiannually	2023	S/. 150,000	149,630	149,601	149,563
Interbank – Second program	Third (A series)	7.50%	Maturity date	Semiannually	2023	US\$50,000	159,872	148,829	139,305
Interseguro – Second program	First	6.97%	Maturity date	Semiannually	2024	US\$35,000	112,770	104,510	-
Interseguro – Second program	Second	6.00%	Maturity date	Semiannually	2024	US\$15,000	48,330	44,790	-
Supermercados Peruanos S.A.	First	7.50%	Maturity date	Semiannually	2014	US\$12,000	-	-	33,552
Supermercados Peruanos S.A.	Second	8.04%	Maturity date	Semiannually	2014	US\$7,005	-	-	19,586
Supermercados Peruanos S.A.	Third	8.49%	Maturity date	Semiannually	2014	S/. 21,540	-	-	21,540
							<u>883,256</u>	<u>847,828</u>	<u>754,803</u>
Subordinated bonds – International Issuance									
Interbank (c)	First	6.6250%	Maturity date	Semiannually	2029	US\$300,000	959,828	889,094	-
							<u>959,828</u>	<u>889,094</u>	<u>-</u>
Notes issued									
Deutsche Bank AG – London Branch (d)	-	9.42%	Maturity date	Annually	2023	US\$185,000	-	-	456,331
Intercorp Retail Trust (e)	-	10.00%	Maturity date	Annually	2018	US\$160,000	-	-	432,223
Bank of America (e)	-	10.00%	Maturity date	Annually	2018	US\$140,000	-	-	355,699
Intercorp Perú Ltd. (f)	First (C series)	8.50%	Maturity date	Semiannually	2014	US\$12,000	-	-	33,552
Intercorp Perú Ltd. (f)	First (D series)	8.00%	Maturity date	Maturity date	2016	US\$12,000	38,868	35,880	-
Intercorp Perú Ltd. (f)	First	8.00%	Maturity date	Semiannually	2015	US\$15,000	-	44,850	-
Intercorp Perú Ltd. (f)	Second	8.00%	Maturity date	Semiannually	2015	US\$15,000	-	44,850	-
Interbank – Junior subordinated bonds (k)	First	8.50%	Maturity date	Semiannually	2070	US\$200,000	630,199	586,357	547,627
Inretail Shopping Malls (l)	First	7.81%	Maturity date	Annually	2021	US\$350,000	884,175	899,188	-
Inretail Shopping Malls (l)	First	7.98%	Maturity date	Annually	2034	S/. 141,000	81,513	80,530	-
Inretail Consumer (m)	First	5.82%	Maturity date	Annually	2021	US\$300,000	581,629	837,220	-
Inretail Consumer (m)	First	6.88%	Maturity date	Annually	2021	S/. 250,000	249,168	249,088	-
							<u>2,465,552</u>	<u>2,777,963</u>	<u>1,825,432</u>
Negotiable notes (DPR)									
IBK DPR Securitizadora (g)	First	Libor 3M plus 2.75% / Libor 3M plus 3.00%	Quarterly	Quarterly	2014-2015	US\$200,000	-	39,790	131,370
IBK DPR Securitizadora (h)	First	Libor 3M plus 4.25%	Quarterly	Quarterly	2016	US\$121,000	93,588	162,442	212,497
							<u>93,588</u>	<u>202,232</u>	<u>343,867</u>
Mortgage bonds									
Interbank – First program	First (A series)	4.90%	Semiannually	Semiannually	2014	US\$10,000	-	-	1,118
Interbank – First program (i)	Second (A and B series)	5.6355% / Libor 6M plus 0.90 p.b.	Semiannually	Semiannually	2015	US\$10,000	967	1,792	3,354
							<u>967</u>	<u>1,792</u>	<u>4,472</u>

Notes to the consolidated financial statements (continued)

Issuer	Issuance	Annual interest rate	Principal payment	Interest payment	Maturity	Authorized amount	Outstanding balances (*)		
							As of	As of	As of
							September 30, 2015	December 31, 2014	January 1, 2014
							S/(000)	S/(000)	S/(000)
Corporate bonds									
Intercorp Perú Ltd (j)	First – Opening	8.63%	Maturity date	Annually	2019	US\$150,000	-	421,056	392,473
Intercorp Perú Ltd (j)	First – 1st re-opening	8.63%	Maturity date	Annually	2019	US\$100,000	-	309,593	291,352
Supermercados Peruanos S.A.	First	6.70%	Maturity date	Semiannually	2016	S/28,437	-	-	12,188
Supermercados Peruanos S.A.	Second	7.75%	Maturity date	Semiannually	2019	S/57,090	-	-	34,253
Financiera Uno S.A.	First	9.00%	Maturity date	Semiannually	2014	US\$5,000	-	-	13,975
Tiendas Peruanas S.A.	First	9.00%	Maturity date	Semiannually	2014	US\$5,000	-	-	13,910
Financiera Uno S.A.	Second	8.50%	Maturity date	Semiannually	2016	S/. 20,000	20,000	20,000	20,000
Intercorp Retail Inc.	First	7.00%	Maturity date	Semiannually	2017	US\$25,000	80,575	74,725	-
Financiera Uno S.A.	First	9.00%	Maturity date	Semiannually	2017	US\$20,331	59,676	57,470	-
Intercorp Perú Ltd (o)	Second	7.66%	Maturity date	Semiannually	2030	S/.301,500	297,402	-	-
Intercorp Perú Ltd (o)	Second	5.88%	Maturity date	Semiannually	2025	US\$250,000	732,828	-	-
Colegios Peruanos (p)	First	8.65%	Anually	Semiannually	2035	S/.66,000	37,859	-	-
Colegios Peruanos (p)	Second	9.41%	Anually	Semiannually	2035	S/.50,000	43,000	-	-
							<u>1,271,340</u>	<u>882,844</u>	<u>778,151</u>
Senior bonds (h)									
Interbank – Senior bonds	First	5.75%	Maturity date	Semiannually	2020	US\$400,000	1,280,698	1,185,919	1,110,632
Interbank – Senior bonds	Second	5.75%	Maturity date	Semiannually	2020	US\$250,000	784,336	766,810	682,632
							<u>2,065,034</u>	<u>1,952,729</u>	<u>1,793,264</u>
Interest payable							143,467	123,467	89,388
Total							<u>7,883,032</u>	<u>7,677,949</u>	<u>5,589,377</u>

(*) The balance payable in each reported period is presented net of the exposure that any Subsidiary may have on the issued debt.

Notes to the consolidated financial statements (continued)

- (b) The subordinated bonds do not have specific guarantees and in accordance with SBS, qualify as Tier 2 in the determination of the regulatory capital.
- (c) Starting in March 2024, the interest rate becomes a variable interest 3-month Libor rate for deposits in US Dollars plus 576 basis points quarterly payable. Since said date and in any interest payment date, Interbank can redeem 100 percent of the bonds without any penalties. The principal payment shall occur either at the maturity date or when Interbank redeems the bonds.
- (d) In November 2011, Interproperties Holding issued, through Interproperties Holding Trust (an SPE constituted in the Cayman Islands with the purpose of performing this issuance), an offering of US\$185,000,000 in guaranteed Senior Notes with maturity in November 2023, at an 8.75 percent annual nominal interest rate. This issuance was allocated to Interproperties Holding through a loan agreement with Deutsche Bank AG, London Branch. The resulting funding was used in the purchase of properties, investments in new real estate projects and debt payment, including the professional fees and expenses related to this transaction. Interproperties Holding granted as guarantee of this financing certain investment properties.

This loan was recorded in the consolidated financial statements at amortized cost at a 9.426 percent annual effective interest rate after considering the respective initial charges that amounted to S/.18,227,000 (equivalent to US\$6,783,984).

On the other hand, as explained in more detail in (l), in July 2014, InRetail Real Estate Corp., through InRetail Shopping Malls, performed a private offering of "Senior Unsecured Notes". This new debt replaced the one issued in November 2011.

- (e) In November 2011, Intercorp Retail Inc. issued through Intercorp Retail Trust (an SPE constituted in the Cayman Islands with the purpose of performing this issuance) an offering of US\$300,000,000 in guaranteed Senior Notes with maturity in November 2018, at an 8.875 percent annual nominal interest rate. Out of this issuance, US\$160,000,000 were allocated to Intercorp Retail Inc. and InRetail Perú Corp. through a promissory letter in favor of Intercorp Retail Trust subscribed by Intercorp Retail Inc. Additionally, US\$140,000,000 were allocated to Supermercados Peruanos S.A., through a loan agreement with Bank of America, subscribed by Supermercados Peruanos S.A. These obligations had maturities in November 2018, accrued interests at an annual nominal rate of 8.875 percent and 9.765 percent, respectively, and were recorded in the consolidated financial statements at amortized cost at an annual effective interest rate of 10.134 percent after considering the respective initial charges amounting to S/.9,292,000.

During 2014 and with the funds from the debt issuances described in (m), the Company through InRetail Consumer (an SPE constituted with the sole purpose of performing this issuance), performed a process of private purchase offering of the senior guaranteed notes previously explained.

- (f) As of September 30, 2015, December 31, 2014, and January 1, 2014, the issued notes correspond to non-subordinated obligations of the Company which have no specific guarantees and were placed through private offering.
- (g) These notes were issued in two tranches, US\$60,000,000 and US\$140,000,000, respectively, and accrued interests at a 3-month Libor rate plus a margin between 300 and 275 basis points. They are guaranteed by the remittances received by Interbank through SWIFT transfers.

Notes to the consolidated financial statements (continued)

In order to hedge the variable rate component of these transactions, Interbank has entered into two interest rate swap agreements, with notional amounts of US\$60,000,000 and US\$140,000,000, respectively, by which it receives the 3-month Libor rate and pays an annual fixed rate of 3.70 and 3.75 percent, respectively. The swaps' payment schedules are identical to those of the loan and are designated as cash flow hedges.

- (h) These notes are guaranteed by remittances received by Interbank through SWIFT transfers.

In order to hedge the variable component of the interest rate, Interbank has entered into an interest rate swap agreements, with notional amount of US\$121,000,000, by which it receives the 3-month Libor rate plus 425 basis points and pays an annual fixed rate of 7.90 percent, starting in September 2009. The swap's payment schedule is identical to that of the notes and is designated as cash flow hedge.

- (i) As of September 30, 2015, December 31, 2014, and January 1, 2014, the Bank holds an interest rate swap. Through this operation, the bonds were economically converted into fixed rate bonds.
- (j) As part of the commitments pledged in the issuance of these bonds, during the term of these issuances and as the Company receives dividends from its Subsidiaries, it is obliged to provide an escrow deposit of up to US\$21,562,500, which corresponds to the annual coupon, payable in June of each year.

Additionally, these issuances are secured by shares of the Subsidiary IFS. In February 2015, these bonds were redeemed in advance, thus liberating the respective levy, see also note (o).

- (k) These bonds accrue a fixed interest rate of 8.50 percent for the first ten years and starting in April 2020, it becomes into a variable interest rate equivalent to the 3-month Libor rate plus 674 basis points, provided that the variable interest rate for any period is not lower than 10.5 percent annual. Starting at said date, Interbank can redeem the entirety of the bonds without penalties.
- (l) In July 2014, InRetail Real Estate Corp. issued through InRetail Shopping Malls, a private offering in the local and foreign market of "Senior Unsecured Notes" for US\$350,000,000 (Senior Notes due 2021) and S/.141,000,000 (Senior Notes due 2034) at interest rates of 6.50 percent and 7.875 percent, with maturities in 2021 and 2034, respectively. Said obligations were recorded in the consolidated financial statements at amortized cost at an annual effective interest rate of 7.806 percent and 7.988 percent for the issuances in US Dollars and Nuevos Soles, respectively, after considering the respective initial charges of approximately US\$24,852,000 (equivalent to approximately S/.80,100,000) as of September 30, 2015, and US\$27,296,000 (equivalent to approximately S/.81,368,000) as of December 31, 2014.

Additionally, the balance as of September 30, 2015, is presented net of US\$50,814,000 (equivalent to S/.163,775,000) and S/.8,500,000 (US\$22,004,000 equivalent to S/.65,594,000 and S/.4,000,000 as of December 31, 2014) which correspond to the notes issued and held by InRetail Shopping Malls. The funding obtained from these issuances was destined, mainly, to the acquisition of property, investments in real estate projects and the prepayment of debts held with Deutsche Bank AG-London Branch, see (d), and with other local financial entities.

On the other hand, InRetail Shopping Malls must comply with certain obligations, financial ratios and restrictive clauses that are usual in this kind of transactions. In Management's opinion, these clauses do not limit the Company's operations and have been complied as of September 30, 2015, and December 31, 2014.

Notes to the consolidated financial statements (continued)

Also, 100 percent of the Senior Unsecured Notes is guaranteed by the shares of InRetail Real Estate Corp. and Subsidiaries.

- (m) In October 2014, Intercorp Retail Inc., issued through InRetail Consumer a private offering in the local and foreign market of “Senior Notes due 2021” for US\$300,000,000 and S/.250,000,000, at nominal interest rates of 5.25 percent and 6.8125 percent, respectively, with maturity in October 2021. Said obligations were recorded in the consolidated financial statements at amortized cost at an annual effective interest rate of 5.823 percent and 6.8805 percent for the issuances in US Dollars and Nuevos Soles, respectively, after considering the respective initial charges of approximately US\$5,245,000 (equivalent to approximately S/.16,673,000) for the issuance in US Dollars and S/.859,000 for the issuance in Nuevos Soles as of September 30, 2015 (US\$5,558,000 equivalent to S/.16,614,000 and S/.912,000 as of December 31, 2014). The funding obtained from these issuances was used, mainly, to:

- (i) Purchase the bonds issued by Intercorp Retail Inc. and the payment of the premium for the repurchase of said bonds (see (e));
- (ii) Restructuring of other liabilities, acquisition of properties and investments in new projects of the Subsidiaries of Intercorp Retail Inc.

Likewise, 100 percent of the “Senior Notes Unsecured” is guaranteed by the shares the Company holds in its Subsidiaries Supermercados Peruanos S.A. and Eckerd Perú S.A.

Additionally, the balance as of September 30, 2015, is presented net of US\$114,422,000 (equivalent to approximately S/.368,783,000) and US\$14,353,000 (equivalent to approximately S/.42,867,000 as of December 31, 2014); corresponding to the notes of this issuance held by Intercorp Retail Inc. and its Subsidiaries.

On the other hand, InRetail Consumer must comply with certain obligations, restrictive clauses and some financial ratios. In Management’s opinion, these clauses do not limit the operations of Intercorp Perú and its Subsidiaries, and have been complied as of September 30, 2015, and December 31, 2014.

- (n) Starting in April 2016, Interbank can redeem these bonds at any date of coupon payment, and paying as penalty an interest rate equal to that of the United States Treasury Bonds plus 50 basis points. The principal payment of both issuances shall occur either at the maturity date of the bonds or when Interbank redeems them.
- (o) In February 2015, the Company performed two debt issuances: (i) S/.301,500,000 at a coupon rate of 7.65625 percent and 15-year maturity; and (ii) US\$250,000,000 at a coupon rate of 5.875 percent and 10-year maturity.

The funding from both issuances was used to: (i) purchase and redeem in advance the corporate bonds “8.625 percent Secured Notes due 2019” issued by the Company in 2009 and 2010; and (ii) general corporate purposes, including the payment of certain financial obligations.

Notes to the consolidated financial statements (continued)

- (p) In January and August 2015, Colegios Peruanos performed the first private issuance of the Program of Securitized Bonds, which is part of the financing plan of its expansion program for the next five years. Interbank structured said issuance.

This first and second issuance amounted to S/.66,000,000 and S/.50,000,000, respectively. These issuances have 20-year maturities with a 3-year period of grace and a tiered nominal interest rate which increases year by year until it finally provides a yielding of 8.65 and 9.41 percent to investors. The principal payment for the first years corresponds to a percentage of it, which increases in the latest years.

13. Insurance contracts liabilities

- (a) Following is the composition of this caption:

	As of September 30, 2015	As of December 31, 2014	As of January 1, 2014
	S/.(000)	S/.(000)	S/.(000)
Technical reserves (b)	4,092,780	3,698,020	3,070,333
Claims reserves	125,181	44,987	66,850
	<u>4,217,961</u>	<u>3,743,007</u>	<u>3,137,183</u>

- (b) The composition of the technical reserves for premiums is as follows:

	As of September 30, 2015	As of December 31, 2014	As of January 1, 2014
	S/.(000)	S/.(000)	S/.(000)
Annuities	3,820,879	3,437,762	2,823,489
Retirement, disability and survival annuities	120,676	129,349	144,193
Life insurance	118,410	98,363	80,569
General insurance	32,815	32,546	22,082
	<u>4,092,780</u>	<u>3,698,020</u>	<u>3,070,333</u>

Notes to the consolidated financial statements (continued)

- (c) The movement of the technical reserves for premiums (by insurance type) for the periods ended September 30, 2015 and 2014, is as follows:

For the nine month periods ended September 30, 2015					
	Annuities	Retirement, disability and survival annuities	Life insurance	General insurance	Total
	S/.(000)	S/.(000)	S/.(000)	S/.(000)	S/.(000)
Beginning balances	3,437,761	129,349	98,363	32,546	3,698,019
Insurance subscriptions	492,394	-	2,936	20,606	515,936
Time passage adjustments	(236,190)	(8,673)	14,698	(20,812)	(250,977)
Maturities and recoveries	-	-	(5,278)	-	(5,278)
Exchange differences	126,914	-	7,691	475	135,080
Ending balances	3,820,879	120,676	118,410	32,815	4,092,780
For the nine month periods ended September 30, 2014					
	Annuities	Retirement, disability and survival annuities	Life insurance	General insurance	Total
	S/.(000)	S/.(000)	S/.(000)	S/.(000)	S/.(000)
Beginning balances	2,823,489	144,193	80,569	22,082	3,070,333
Insurance subscriptions	439,365	-	3,036	30,300	472,701
Time passage adjustments	(39,268)	(14,788)	13,521	(20,516)	(61,051)
Maturities and recoveries	-	-	(5,947)	-	(5,947)
Exchange differences	52,998	-	2,890	209	56,097
Ending balances	3,276,584	129,405	94,069	32,075	3,532,133
Balance as of December 31					3,698,020

Notes to the consolidated financial statements (continued)

14. Equity

(a) Capital stock

As of September 30, 2015, December 31, 2014, and January 1, 2014, the Company's capital stock was represented by 14,901,892 Class A shares and 134,117,024 Class B shares, whose notional value was US\$ 1.00 per share. Both classes of shares have the same economic rights. The difference between them is that Class A shares elect the majority of the Board members (5 directors), while Class B shares elect the remaining Director.

Following is the corporate participation structure as of September 30, 2015:

Shareholders	Participation %
Class "A":	
International Financial Holding Inc.	7.73
Southern Hill Corp.	2.27
Class "B":	
Bank of New York-ADR Programs	39.80
International Financial Holding Inc.	21.79
Shetland Securities Inc.	16.37
Southern Hill Corp.	10.60
Other minor	1.44
	<hr/>
	100.00

The General Shareholders' Meeting held on April 15, 2015, agreed on the capitalization of approximately S/. 456,743,000 as result of said agreement, the nominal value of each share was modified from US\$5.00 to US\$6.00, while the number of shares was kept unaltered.

Likewise, said Meeting agreed on the distribution of dividends for US\$15,000,000 (equivalent to S/.45,975,000), which were disbursed in four equal quarterly installments from June 2015 to September 2015.

The General Shareholders' Meeting held on April 14, 2014, agreed on the capitalization of approximately S/.418,624,000, charged to reserves (S/.123,913,000) and retained earnings (S/.294,711,000). As a result of said agreement, the nominal value per share was modified from US\$4.00 to US\$5.00, while the number of shares was kept unaltered.

Likewise, said Meeting agreed on the distribution of dividends for US\$25,000,000 (equivalent to S/.70,230,000), which were disbursed in four equal quarterly installments from June 2014 to March 2015.

(b) Treasury stock

As of December 31 2014, Inteligo Bank held 1,833,700 shares issued by the Company, at a cost of S/.25,178,000, out of which S/.19,347,000 are attributed to InterCorp Perú (903,700 shares issued by the Company, at a cost of S/.12,927,000, as of January 1, 2014). This amount is presented deducting the Company's equity in the accompanying consolidated financial statements. These shares were sold to third parties during 2015.

Notes to the consolidated financial statements (continued)

(c) Reserves

The General Shareholders' Meeting held on April 15, 2015, agreed on the capitalization of S/.53,257,000 charged to retained earnings.

The General Shareholders' Meeting held on April 14, 2014, agreed on the capitalization of S/.123,913,000 charged to reserves; see Note 14(a).

(d) Unrealized results

As of September 30, 2015, December 31, 2014 and January 1, 2014, the unrealized results correspond to those generated by the fluctuation of the available-for-sale investments held by the Company and its Subsidiaries.

(e) Regulatory capital

Intercorp Group's regulatory capital

Intercorp Perú must meet certain capital requirements as well as global and concentration limits set out in the Regulation for Consolidated Supervision of Financial and Mixed Conglomerates, approved on September 29, 2010, by the SBS through Resolution No. 11823-2010. The Company has met the aforementioned requirements as of September 30, 2015.

As of September 30, 2015, December 31, 2014, and January 1, 2014, the regulatory capital required for Interbank, Interseguro and Inteligo Bank is detailed below:

Interbank's regulatory capital

According to the provisions of Legislative Decree No. 1028, the regulatory capital of Interbank must be equivalent to or higher than 10 percent of the total risk weighted assets and contingent operations, represented by the sum of: the regulatory capital requirement for market risk multiplied by 10, the regulatory capital requirement for operational risk multiplied by 10, and the weighted assets and contingent loans by credit risk. This calculation must include all the exposures of the balance sheet over assets, in local or foreign currency. As of September 30, 2015, December 31, 2014, and January 1, 2014, the minimum requirement was 10 percent.

According to Legislative Decree No. 1028, as of September 30, 2015, December 31, 2014, and January 1, 2014, Interbank keeps the following amounts related to its assets and contingent loans weighted by risk and regulatory capital (basic and supplementary):

	As of September 30, 2015 S/.(000)	As of December 31, 2014 S/.(000)	As of January 1, 2014 S/.(000)
Total weighted assets and loans by total risks	34,566,034	30,845,129	26,684,039
Total regulatory capital	5,390,873	4,676,843	3,572,147
Basic regulatory capital (Tier 1)	3,487,179	2,959,117	2,590,903
Supplementary regulatory capital (Tier 2)	1,903,694	1,717,726	981,244
Global regulatory capital ratio	15.6%	15.2%	13.4%

Notes to the consolidated financial statements (continued)

As of September 30, 2015, December 31, 2014, and January 1, 2014, Interbank has complied with the SBS Resolutions No.2115-2009, No.6328-2009 and No.14354-2009, Regulations for Regulatory Capital Requirements for Operational Risk, Market Risk and Credit Risk, respectively, and amendments. These resolutions established, mainly, the methodologies to be applied by financial entities to calculate the weighted assets and credits for each type of risk.

In July 2011, the SBS issued Resolution No.8425-2011, which states that an entity must determine an additional level of regulatory capital. In this sense, Peruvian financial institutions must develop a process to assess the adequacy of their regulatory capital in relation with their risk profile, which must follow the methodology described in said Resolution. The additional regulatory capital requirement shall be equivalent to the sum of regulatory capital requirements calculated for each of the following components: economic cycle, concentration risk, market concentration risk and interest rates risk, among others.

Likewise, it establishes a term of five years starting in July 2012 to adequate the regulatory capital to the new requirements. As of September 30, 2015, the percentage of adequacy established by the SBS is 85 percent, therefore the additional requirement of equity for legal purposes estimated by Interbank amounts to approximately S/.624,629,000 (S/.539,937,000 with a required 70 percent as of December 31, 2014 and S/.399,774,000 with a required 55 percent as of January 1, 2014).

Interseguro's regulatory capital

In accordance with SBS Resolution No.1124-2006, amended by SBS Resolutions No.8243-2008, No.12687-2008 and No.5587-2009, the regulatory capital shall be higher than the amount resulting from the sum of the solvency net equity and the guarantee fund.

The solvency net equity is represented by the solvency margin or the minimal capital, whichever the highest. As of September 30, 2015, December 31, 2014, and January 1, 2014, the solvency net equity corresponds to the solvency margin. The solvency margin is the complementary backing that the entities shall maintain to deal with possible situations of excess claims not foreseen in the constitution of technical reserves.

The guarantee fund represents the additional equity backing that the insurance entities shall maintain to deal with other risks that can affect them and that are not covered by the regulatory net equity, such as the investment risks and other risks. The monthly amount of said fund must be equivalent to 35 percent of the solvency equity, in accordance with SBS Resolution No.1124-2006.

As of September 30, 2015, December 31, 2014, and January 1, 2014, Interseguro's surplus equity is the following:

	As of September 30, 2015 S/.(000)	As of December 31, 2014 S/.(000)	As of January 1, 2014 S/.(000)
Regulatory capital	403,108	420,920	274,223
Minus:			
Solvency equity (solvency margins)	260,101	214,602	177,568
Guarantee fund	91,036	75,111	62,149
Surplus	51,971	131,207	34,506

Notes to the consolidated financial statements (continued)

Inteligo Bank's regulatory capital

The Central Bank of The Bahamas requires that Inteligo Bank keeps a total capital ratio of not less than 8 percent of its risk-weighted assets. Inteligo Bank's capital ratio as of September 30, 2015, December 31, 2014, and January 1, 2014, is the following:

	As of September 30, 2015 US\$000	As of December 31, 2014 US\$000	As of January 1, 2014 US\$000
Regulatory capital	102,684	111,788	94,487
Risk-weighted assets	547,996	562,398	509,152
Global capital ratio	18.7%	19.9%	18.6%

15. Tax situation

- (a) The Company and its Subsidiaries that are incorporated and domiciled abroad are not subject to any income tax, due to legislation in the territories they are incorporated; see Note 2.
- (b) The Subsidiaries domiciled in Peru – see Note 3 – are subject to the Peruvian Tax System and calculate their Income Tax on the basis of their separate financial statements. As of September 30, 2015, the statutory Income Tax rate was 28 percent on the taxable income, as of December 31, 2014, and January 1, 2014, the statutory Income Tax rate was 30 percent on the taxable income.

According to Act No. 30296, published on December 31, 2014, and effective beginning January 1, 2015, the Income Tax rate applicable on the taxable income upon deducting the workers' profit sharing is as follows:

Years	%
2015 and 2016	28
2017 and 2018	27
2019 onwards	26

On the other hand, legal persons not domiciled in Peru and natural persons are subject to retention of an additional tax on dividends received. As of September 30, 2015, the additional tax on dividends from income generated is 6.8 percent, as of December 31, 2014 and January 1, 2014, was 4.1 percent. Likewise, according to Act No. 30296, for the profits generated from 2015 onwards, whose distribution is made after that date, the percentages of the corresponding additional tax on dividends shall be the following:

Dividends generated in years	%
2015 and 2016	6.8
2017 and 2018	8.0
2019 onwards	9.3

- (c) As indicated in (b), the Subsidiaries domiciled in Peru record and pay their Income Tax on the basis of their separate financial statements. Likewise, the Tax Authority ("SUNAT", by its Spanish acronym) is legally entitled to review and, if applicable, assess the Income Tax calculated by the Subsidiaries domiciled in Peru for a period of four years subsequent to the year of the filing of the tax return.

Notes to the consolidated financial statements (continued)

The years subject to revision by SUNAT of the main Subsidiaries of Intercorp Perú domiciled in Peru are presented below:

	Income Tax	Value Added Tax
Banco Internacional del Perú S.A.A. – Interbank	2010 to 2014	2010 to 2014
Interseguro Compañía de Seguros S.A.	2011 to 2014	2011 to 2014
Supermercados Peruanos S.A.	2010 to 2014	2010 to 2014
Universidad Tecnológica del Perú S.A.C.	2010, 2013 and 2014	2010, 2013 and 2014
Tiendas Peruanas S.A.	2012 to 2014	2011 to 2014
Colegios Peruanos S.A.C.	2010, 2012 and 2014	2010, 2012 and 2014
Homecenters Peruanos S.A.C.	2010 to 2014	2010 to 2014
Eckerd Perú S.A.	2012 to 2014	2012 to 2014
Eckerd Amazonía S.A.C.	2012 to 2014	2012 to 2014
Financiera Uno S.A.	2010 to 2014	2010 to 2014
Inmobiliaria Milenia S.A.	2013 to 2014	2010 to 2014
Urbi Propiedades S.A.	2010 to 2014	2010 to 2014
Real Plaza S.R.L.	2010 to 2014	2010 to 2014
InRetail Properties Management S.R.L.	2010 to 2014	2010 to 2014

Due to the possible interpretations that SUNAT may give to the legal norms currently in force, it is not possible to determine, to date, whether the revisions performed will or will not result in liabilities for the Company and its Subsidiaries. Nevertheless, according to Management, the effect of any subsequent additional tax settlement would not be significant for the accompanying consolidated financial statements of Intercorp Perú as of September 30, 2015, December 31, 2014, and January 1, 2014.

- (d) As of September 30, 2015, December 31, 2014, and January 1, 2014, the carried forward losses determined by the Subsidiaries for taxing purposes are the following:

Entity	As of September 30, 2015	As of December 31, 2014	As of January 1, 2014
	S/.(000)	S/.(000)	S/.(000)
Interseguro S.A.	95,360	145,000	135,000
Tiendas Peruanas S.A.	242,199	195,446	133,310
Homecenters Peruanos S.A.	88,038	72,627	62,967
Financiera Uno S.A.	6,046	33,980	46,337
Colegios Peruanos S.A.	40,837	40,837	21,381

According to the Income Tax act and its amendments, the entities established in Peru can opt for one of the following two methods to carry forward their tax losses:

- (i) Compensate the tax loss with the future income until it is extinguished, with a limit of up to 50 percent of the taxable income per year; or
- (ii) Compensate the tax loss during four years after being generated.

Notes to the consolidated financial statements (continued)

Colegios Peruanos, Homecenters Peruanos S.A. and Tiendas Peruanas S.A. have opted for method (i) while Financiera Uno S.A. has opted for method (ii).

- (e) In April 2004, June 2006, February 2007, June 2007, November 2007, October 2008 and December 2010, Interbank was notified with Tax Assessments and Tax Fine Resolutions corresponding mainly to the determination of the Income Tax borne with respect to fiscal years 2000 to 2006. Interbank filed Tax Claims and Tax Appeals regarding said Tax Assessments and Tax Fine Resolutions. In March 2009, August 2010 and December 2011; SUNAT solved the Tax Claims regarding the fiscal years 2000 to 2006 and Interbank filed new tax appeals. In December 2014, SUNAT declared correct part of the appeal filed by Interbank for the Income Tax of the year 2001. However, part of the appeal was not accepted by SUNAT, therefore Interbank has appealed such Resolution.

During 2013 and 2014, SUNAT concluded the tax audit procedures regarding the Income Tax borne by Interbank with respect to fiscal years 2007, 2008 and 2009. As a result, SUNAT issued several Tax Assessment Resolutions, but no additional payment was required. To date, SUNAT is examining the Income Tax return corresponding to the year 2010.

Supermercados Peruanos S.A. has been examined by SUNAT on its Income Tax returns and its monthly IGV returns for the years 2004 to 2009.

As of September 30, 2015, Supermercados Peruanos S.A. has filed claims against said Resolutions. In the opinion of Management and its legal advisors, Supermercados Peruanos has sufficient grounds supporting its case; hence it expects favorable results on the contingent issues, and therefore has not recorded any provision for these processes as of September 30, 2015, December 31, 2014, and January 1, 2014.

Eckerd Amazonía S.A.C. filed claims against several resolutions of determination and fines issued by SUNAT on supposed omissions of IGV from January 2003 to June 2005 for approximately S/.32 million. In the opinion of Management and its legal advisors, there would not be generated any significant liabilities as of September 30, 2015, December 31, 2014, and January 1, 2014.

As of September 30, 2015, December 31, 2014, and January 1, 2014, UTP S.A.C. maintains several lawsuits (labor and civil) and contentious administrative procedures with different municipalities and SUNAT, which have been evaluated by Management and its legal advisors, who have qualified these contingencies as possible. As of September 30, 2015, the aggregate amount of such procedures amounted to approximately S/.8,085,000 (S/.6,014,000 as of December 31, 2014). In the opinion of Management and its legal advisors, as a result of these legal actions, there will not result any significant liabilities for the financial statements.

At the date of this report, SUNAT and/or the Tax Court have not yet resolved the claims filed by these Subsidiaries. However, according to Management and its legal advisors, any possible additional tax settlement will not be significant to the financial statements of the Company and its Subsidiaries as of September 30, 2015, December 31, 2014, and January 1, 2014.

On the other hand, since tax regulations are subject to interpretation by SUNAT, it is not possible to determine to date whether such review procedures of tax examination will result or not in additional liabilities to the Subsidiaries. Therefore, any unpaid tax, penalties or interest that may result from such proceedings will be recorded as expenses in the year they are determined. However, Management and its legal advisors believe that any additional tax assessment would not have any significant impact on the financial statements as of September 30, 2015, December 31, 2014, and January 1, 2014.

Notes to the consolidated financial statements (continued)

16. Financial income and expenses

Following is the composition of this caption:

	For the nine month periods ended September 30	
	2015	2014
	\$/(000)	\$/(000)
Interest income		
Interest and fees on loan portfolio	2,284,651	1,960,328
Interest on available - for sale investments	287,119	208,484
Interest on due from banks and inter-bank funds	6,087	10,080
Other interest income	<u>23,813</u>	<u>20,860</u>
Total	<u>2,601,670</u>	<u>2,199,752</u>
Interest expense		
Interests and fees on deposits and obligations	257,506	260,944
Interests and fees on due to banks and correspondents	410,274	248,821
Interests on bonds, notes and other obligations	222,155	269,549
Deposits Insurance Fund fees	22,860	20,041
Other interest expenses	<u>16,018</u>	<u>21,431</u>
Total	<u>928,813</u>	<u>820,786</u>
Net interest income	<u>1,672,857</u>	<u>1,378,966</u>

Notes to the consolidated financial statements (continued)

17. Income from financial transactions

(a) Following is the composition of this caption:

	For the nine month periods ended September 30	
	2015	2014
	S/.(000)	S/.(000)
Fee income from financial services, net (b)	570,260	551,537
Net gain on foreign exchange transactions	360,994	159,795
Net gain on sale of securities	125,417	91,906
Net gain on marketable and available- for sale investments, net	(53,479)	18,460
	<u>1,003,192</u>	<u>821,698</u>

(b) Income from financial services, net, is detailed below:

	For the nine month periods ended September 30	
	2015	2014
	S/.(000)	S/.(000)
Income from financial services		
Maintenance and mailing of accounts, interchange fees, transfers and credit and debit card services	362,605	366,612
Funds management	117,839	82,442
Commissions for banking services	122,876	93,258
Collection services	19,094	15,330
Brokerage and custody services	6,000	9,344
Other	50,610	51,776
Total	<u>679,024</u>	<u>618,762</u>
Expense from financial services		
Insurance	42,981	37,572
Fees paid to foreign banks	6,719	7,408
Brokerage and custody services	1,548	1,377
Other	57,516	20,868
Total	<u>108,764</u>	<u>67,225</u>
Fee income from financial services, net	<u>570,260</u>	<u>551,537</u>

Notes to the consolidated financial statements (continued)

18. Other income and expenses

Following is the composition of this caption:

	For the nine month periods ended	
	September 30	
	2015	2014
	S/.(000)	S/.(000)
Other income		
ATM rental income	15,460	14,067
Participation from investments in associates	7,976	9,443
Services rendered to third parties	5,069	4,563
Sale of loan portfolio	8,734	12,404
Technical income for insurance operations	7,423	7,851
Other income	37,694	38,609
	<u>82,356</u>	<u>86,937</u>
Other expenses		
Donations	4,223	4,009
Commissions of insurance	5,317	6,361
Sundry technical expenses	11,123	6,159
Provision for indirect loans	21,949	8,355
Other expenses	80,283	65,677
	<u>122,895</u>	<u>90,561</u>
	<u>(40,539)</u>	<u>(3,624)</u>
Total other expenses, net		

Notes to the consolidated financial statements (continued)

19. Earned premiums, net

Following is the composition of this caption for the nine-month periods ended as of September 30, 2015 and 2014:

	Premiums assumed		Adjustment of technical reserves		Gross premiums earned (*)		Premiums ceded to reinsurers		Net premiums earned	
	2015 S/.(000)	2014 S/.(000)	2015 S/.(000)	2014 S/.(000)	2015 S/.(000)	2014 S/.(000)	2015 S/.(000)	2014 S/.(000)	2015 S/.(000)	2014 S/.(000)
Life insurance										
Annuities (**)	430,166	361,839	(256,204)	(400,097)	173,962	(38,258)	-	(2,521)	173,962	(40,779)
Group life	77,878	67,408	491	(440)	78,369	66,968	(2,397)	(1,076)	75,972	65,892
Individual life	31,241	24,573	(10,510)	(9,739)	20,731	14,834	(1,414)	-	19,317	14,834
Retirement, disability and survival	98,883	399	8,673	14,787	107,556	15,186	(92,385)	53	15,171	15,239
Others	1,808	3,060	(2,276)	(279)	(468)	2,781	(294)	(39)	(762)	2,742
Total life insurance	639,976	457,279	(259,826)	(395,768)	380,150	61,511	(96,490)	(3,583)	283,660	57,928
Total general insurance	53,908	55,937	206	(9,784)	54,114	46,153	(28)	-	54,086	46,153
Total	693,884	513,216	(259,620)	(405,552)	434,264	107,664	(96,518)	(3,583)	337,746	104,081

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

(**) The variation of the adjustment of technical reserves is due to increases in current rates with which the technical reserves are determined.

Notes to the consolidated financial statements (continued)

20. Earnings per share

The table below presents the calculation of the weighted average of shares and the earnings per basic share, determined and calculated on the basis of the income attributable to the Company:

	Outstanding shares (in thousands)	Shares considered in computation (in thousands)	Days as of the end of year	Weighted average number of shares (in thousands)
2014				
Balance as of January 1, 2014	148,115	148,115	270	148,115
Purchase of treasury stock	(28)	(28)	108	(11)
Purchase of treasury stock	(65)	(65)	95	(23)
	<u>148,022</u>	<u>148,022</u>		<u>148,081</u>
Balance as of September 30, 2014				
Net earnings attributable to Intercorp Perú S/. (000)				<u>413,891</u>
Net basic and diluted earnings per share attributable to Intercorp Perú, nuevos soles				<u>2.795</u>
2015				
Balance as of January 1, 2015	147,185	147,185	270	147,185
Purchase of treasury stock	(35)	(35)	205	(27)
Sale of treasury stock	1,869	1,869	91	630
	<u>149,019</u>	<u>149,019</u>		<u>147,788</u>
Balance as of September 30, 2015				
Net earnings attributable to Intercorp Perú S/. (000)				<u>538,001</u>
Net basic and diluted earnings per share attributable to Intercorp Perú, nuevos soles				<u>3.640</u>

Notes to the consolidated financial statements (continued)

21. Transactions with shareholders, related parties and affiliated companies

- (a) The following table presents the main transactions with shareholders, related parties and companies as of September 30, 2015, December 31, 2014, and January 1, 2014:

	As of September 30, 2015 S/.(000)	As of December 31, 2014 S/.(000)	As of January 1, 2014 S/.(000)
Assets			
Marketable investments			
Mutual funds - Interfondos S.A.	2,256	23	-
Available-for-sale investments			
Royalty Pharma	189,827	168,585	127,960
Mutual funds - Interfondos S.A.	-	14,806	42,504
Mutual funds - Interfunds Global Opportunities, Inc.	18,635	17,099	5,186
Mutual funds - NG Capital Partners I	39,413	32,077	22,577
Corporate bonds - Cineplex S.A.	13,867	21,527	-
Mutual funds - NG Capital Partners II	57,511	52,354	45,146
Corporate bonds - San Miguel Industrias PET S.A.	-	-	23,062
Loan portfolio, net (b)	318,593	258,573	176,483
Derivatives receivables	13,455	9,207	6,091
Liabilities			
Deposits and obligations	76,477	79,252	95,970

- (b) As of September 30, 2015, December 31, 2014, and January 1, 2014, Board members, executives and employees of the Company and its Subsidiaries have performed, directly and indirectly, loan transactions with certain Subsidiaries, as allowed by Peruvian legislation, which regulates and limits certain transactions with employees, Board members and officers of financial entities. As of September 30, 2015, December 31, 2014, and January 1, 2014, direct loans granted to employees, Board members and officers amounted to approximately S/.150,534,000, S/.122,813,000 and S/.115,357,000, respectively; said loans are being repaid monthly and accrue interests at market rates.

There are not any loans granted to Board members and key personnel guaranteed with shares of any Subsidiary.

- (c) In Management's opinion, transactions with affiliated companies have been performed under normal market conditions and within the limits allowed by the SBS. Taxes generated by these transactions as well the taxable bases used for their calculation, are those customarily used in the industry and are determined according to prevailing tax regulations.

Notes to the consolidated financial statements (continued)

22. Business segments

InterCorp Perú and its Subsidiaries are organized in six main business activities: banking, insurance, wealth management, supermarkets, drugstores, shopping malls and others. The transactions between business segments are performed under market terms and conditions.

The table below presents the financial information by reportable segment:

For the nine month periods ended September 30, 2015				
	Total income (*)	Total expenses (**)	Provisions (***)	Income before translation result and income tax
	S/.(000)	S/.(000)	S/.(000)	S/.(000)
2015				
Banking	3,069,062	(1,666,068)	(468,152)	934,841
Insurance	675,989	(373,782)	-	302,207
Wealth Management	211,260	(106,559)	(1,879)	102,822
Supermarkets	762,730	(714,685)	(1,667)	46,378
Pharmacies	548,280	(424,510)	(5)	123,765
Shopping Malls	249,482	(112,716)	(1,361)	135,405
Others	529,022	(769,296)	(62,241)	(302,515)
Total consolidated	6,045,825	(4,167,616)	(535,305)	1,342,904

For the nine month periods ended September 30, 2014				
	Total income (*)	Total expenses (**)	Provisions (***)	Income before translation result and income tax
	S/.(000)	S/.(000)	S/.(000)	S/.(000)
2014				
Banking	2,548,830	(1,495,348)	(327,967)	725,516
Insurance	369,719	(270,377)	(990)	98,351
Wealth Management	208,554	(90,508)	-	118,046
Supermarkets	716,366	(694,075)	-	22,291
Pharmacies	487,316	(373,002)	(33)	114,281
Shopping Malls	195,538	(77,910)	(1,621)	116,007
Others	404,824	(623,254)	(65,464)	(283,894)
Total consolidated	4,931,147	(3,624,475)	(396,075)	910,598

(*) Includes the total amount of interest income, other income and net premiums earned.

(**) Includes the total amount of expenses from interests resulting from banking activities, administrative and sales expenses, other expenses for retailing activities and others.

(***) Correspond to the provisions for placements, investments and other contingencies.

	As of September 30, 2015			As of December 31, 2014			As of January 1, 2014		
	Fixed assets, net	Total assets	Total liabilities	Fixed assets, net	Total assets	Total liabilities	Fixed assets, net	Total assets	Total liabilities
	S/.(000)	S/.(000)	S/.(000)	S/.(000)	S/.(000)	S/.(000)	S/.(000)	S/.(000)	S/.(000)
Banking	555,479	39,330,298	35,784,170	565,656	32,904,861	29,628,640	560,866	29,872,996	27,068,117
Insurance	10,259	4,983,050	4,671,409	10,945	4,746,711	4,055,325	11,996	3,889,349	3,328,945
Wealth Management	5,869	2,943,200	2,413,318	6,881	2,941,965	2,463,318	8,433	2,718,713	2,265,009
Supermarkets	1,776,126	2,558,189	1,653,963	1,683,012	2,556,539	1,654,237	1,551,427	2,355,082	1,697,008
Pharmacies	194,936	742,855	626,902	190,587	692,128	566,026	186,437	711,410	573,986
Shopping Malls	10,584	3,221,992	1,420,872	8,675	3,106,525	1,358,036	3,428	2,381,082	808,013
Others	2,539,543	3,738,279	3,150,262	2,338,073	3,261,447	2,807,540	2,048,602	2,591,946	1,752,438
Total consolidated	5,092,796	57,517,863	49,720,895	4,803,829	50,210,175	42,533,122	4,371,189	44,520,579	37,493,516

Notes to the consolidated financial statements (continued)

23. Classification of financial instruments

Following are presented the financial assets and liabilities of the consolidated statements of financial position, according to the classification established by IAS 39 "Financial Instruments":

As of September 30, 2015						
	At fair value through profit or loss S/.(000)	Loans and accounts receivable S/.(000)	Available for sale investments S/.(000)	Held to maturity investments S/.(000)	Financial liabilities at amortized cost S/.(000)	Total S/.(000)
Financial assets						
Cash and due from banks	-	9,794,047	-	-	-	9,794,047
Inter-bank funds	-	95,443	-	-	-	95,443
Marketable investments	38,521	-	-	-	-	38,521
Available-for-sale investments, net	-	-	8,419,156	-	-	8,419,156
Loan portfolio, net	-	25,480,263	-	-	-	25,480,263
Held-to-maturity investments, net	-	-	-	472,912	-	472,912
Due from customers on acceptances	-	15,940	-	-	-	15,940
Accounts receivable and other assets, net	441,703	910,461	-	-	-	1,352,164
	480,224	36,296,154	8,419,156	472,912	-	45,668,446
Financial liabilities						
Deposits and obligations	-	-	-	-	25,670,204	25,670,204
Inter-bank funds	-	-	-	-	250,024	250,024
Due to banks and correspondents	-	-	-	-	7,762,848	7,762,848
Bonds, notes and other obligations	-	-	-	-	7,883,032	7,883,032
Technical reserves for premiums and claims	-	-	-	-	4,217,961	4,217,961
Due from customers on acceptances	-	-	-	-	15,940	15,940
Accounts payable, provisions and other liabilities	370,649	-	-	-	2,827,379	3,198,028
	370,649	-	-	-	48,627,388	48,998,037

As of December 31, 2014						
	At fair value through profit or loss S/.(000)	Loans and accounts receivable S/.(000)	Available for sale investments S/.(000)	Held to maturity investments S/.(000)	Financial liabilities at amortized cost S/.(000)	Total S/.(000)
Financial assets						
Cash and due from banks	-	6,751,343	-	-	-	6,751,343
Inter-bank funds	-	310,030	-	-	-	310,030
Marketable investments	36,305	-	-	-	-	36,305
Available-for-sale investments, net	-	-	8,178,587	-	-	8,178,587
Loan portfolio, net	-	22,497,971	-	-	-	22,497,971
Held-to-maturity investments, net	-	-	-	-	-	-
Due from customers on acceptances	-	18,833	-	-	-	18,833
Accounts receivable and other assets, net	241,195	809,643	-	-	-	1,050,838
	277,500	30,387,820	8,178,587	-	-	38,843,907
Financial liabilities						
Deposits and obligations	-	-	-	-	23,286,696	23,286,696
Inter-bank funds	-	-	-	-	-	-
Due to banks and correspondents	-	-	-	-	4,123,054	4,123,054
Bonds, notes and other obligations	-	-	-	-	7,677,949	7,677,949
Technical reserves for premiums and claims	-	-	-	-	3,743,007	3,743,007
Due from customers on acceptances	-	-	-	-	18,833	18,833
Accounts payable, provisions and other liabilities	278,236	-	-	-	2,691,334	2,969,570
	278,236	-	-	-	41,540,873	41,819,109

Notes to the consolidated financial statements (continued)

	As of January 1, 2014					
	At fair value through profit or loss \$/.(000)	Loans and accounts receivable \$/.(000)	Available for sale investments \$/.(000)	Held to maturity investments \$/.(000)	Financial liabilities at amortized cost \$/.(000)	Total \$/.(000)
Financial assets						
Cash and due from banks	-	7,466,646	-	-	-	7,466,646
Inter-bank funds	-	204,905	-	-	-	204,905
Marketable investments	92,346	-	-	-	-	92,346
Available-for-sale investments, net	-	-	3,432,390	-	-	3,432,390
Loan portfolio, net	-	20,177,786	-	-	-	20,177,786
Held-to-maturity investments, net	-	-	-	2,221,686	-	2,221,686
Due from customers on acceptances	-	22,308	-	-	-	22,308
Accounts receivable and other assets, net	129,555	1,088,921	-	-	-	1,218,476
	221,901	28,960,566	3,432,390	2,221,686	-	34,836,543
Financial liabilities						
Deposits and obligations	-	-	-	-	21,506,397	21,506,397
Inter-bank funds	-	-	-	-	123,810	123,810
Due to banks and correspondents	-	-	-	-	3,465,480	3,465,480
Bonds, notes and other obligations	-	-	-	-	5,589,377	5,589,377
Technical reserves for premiums and claims	-	-	-	-	3,046,611	3,046,611
Due from customers on acceptances	-	-	-	-	22,308	22,308
Accounts payable, provisions and other liabilities	162,366	-	-	-	2,641,843	2,804,209
	162,366	-	-	-	36,395,826	36,558,192

Notes to the consolidated financial statements (continued)

24. Financial risk management

It comprises the management of the main risks that Intercorp Perú and its Subsidiaries are exposed to because of the nature of their operations: credit risk, market risk, liquidity risk and insurance risk.

- Credit risk: Probability of loss due to inability or lack of willingness to pay of the debtors, counterparts or third parties bound to comply with their contractual obligations.
- Market risk: Probability of losses in positions on and off-balance sheets derived from variations in market conditions. It generally includes the following risk types: exchange rate, fair value by interest rate type, and price, among others.
- Liquidity risk: Probability of loss due to noncompliance with the requirements of financing and fund application that arise from imbalances of cash flows.
- Insurance risk: Probability of loss due to inadequate processes, failures of personnel or information technologies, or external events.

(a) Credit risk management for loans

The Company and its Subsidiaries classify their loan portfolio into five risk categories, depending on the risk degree of noncompliance of the payment for each debtor: (i) normal – A, (ii) with potential problem – B, (iii) substandard – C, (iv) doubtful – D, and (v) loss – E.

The table below presents the summary of the direct loans classified into three groups: (i) Non-past due and non-impaired loans, which comprise direct loans that currently do not present delinquency characteristics and are related to clients classified as “Normal” and “With potential problem”; (ii) Past due but non-impaired loans, which comprise past due loans of clients classified as “Normal” or “With potential problem”; and (iii) impaired loans, those past due loans classified as “Substandard”, “Doubtful” or “Loss”. The provision for doubtful accounts for each loan type is also presented.

	As of September 30, 2015					%
	Commercial loans S/.(000)	Mortgage loans S/.(000)	Consumer loans S/.(000)	Small and micro-business loans S/.(000)	Total S/.(000)	
Neither past due nor impaired						
Normal	11,605,382	4,084,995	7,630,407	798,330	24,119,114	96
With potential problems	109,196	28,741	96,180	11,283	245,400	1
	<u>11,714,578</u>	<u>4,113,736</u>	<u>7,726,587</u>	<u>809,613</u>	<u>24,364,514</u>	
Neither past due nor impaired						
Normal	92,099	187,224	568	32,119	312,010	1
With potential problems	38,843	63,028	227,926	20,143	349,940	1
	<u>130,942</u>	<u>250,252</u>	<u>228,494</u>	<u>52,262</u>	<u>661,950</u>	
Impaired						
Substandard	42,982	71,745	196,144	16,355	327,226	1
Doubtful	20,746	63,912	290,826	23,663	399,147	2
Loss	96,374	115,550	239,364	35,396	486,684	2
	<u>160,102</u>	<u>251,207</u>	<u>726,334</u>	<u>75,414</u>	<u>1,213,057</u>	
Total loan portfolio gross	<u>12,005,622</u>	<u>4,615,195</u>	<u>8,681,415</u>	<u>937,289</u>	<u>26,239,521</u>	104
Less: Provision for loan losses	<u>162,390</u>	<u>42,962</u>	<u>734,604</u>	<u>87,326</u>	<u>1,027,282</u>	4
Total, net	<u>11,843,232</u>	<u>4,572,233</u>	<u>7,946,811</u>	<u>849,963</u>	<u>25,212,239</u>	100

Notes to the consolidated financial statements (continued)

	As of December 31, 2014					%
	Commercial loans	Mortgage loans	Consumer loans	Small and micro-business loans	Total	
	S/.(000)	S/.(000)	S/.(000)	S/.(000)	S/.(000)	
Neither past due nor impaired						
Normal	10,267,006	3,594,495	6,654,284	508,797	21,024,582	94
With potential problems	115,836	15,106	60,862	2,735	194,539	1
	<u>10,382,842</u>	<u>3,609,601</u>	<u>6,715,146</u>	<u>511,532</u>	<u>21,219,121</u>	
Neither past due nor impaired						
Normal	185,786	288,883	4,429	11,500	490,598	2
With potential problems	42,288	64,542	180,195	11,043	298,068	1
	<u>228,074</u>	<u>353,425</u>	<u>184,624</u>	<u>22,543</u>	<u>788,666</u>	
Impaired						
Substandard	130,340	57,510	157,626	8,038	353,514	2
Doubtful	34,928	59,854	277,929	8,254	380,965	2
Loss	57,515	81,579	211,780	24,029	374,903	2
	<u>222,783</u>	<u>198,943</u>	<u>647,335</u>	<u>40,321</u>	<u>1,109,382</u>	
Total loan portfolio gross	<u>10,833,699</u>	<u>4,161,969</u>	<u>7,547,105</u>	<u>574,396</u>	<u>23,117,169</u>	104
Less: Provision for loan losses	<u>144,444</u>	<u>29,490</u>	<u>624,888</u>	<u>68,831</u>	<u>867,653</u>	4
Total, net	<u>10,689,255</u>	<u>4,132,479</u>	<u>6,922,217</u>	<u>505,565</u>	<u>22,249,516</u>	100

	As of January 1, 2014					%
	Commercial loans	Mortgage loans	Consumer loans	Small and micro-business loans	Total	
	S/.(000)	S/.(000)	S/.(000)	S/.(000)	S/.(000)	
Neither past due nor impaired						
Normal	9,751,786	3,143,320	5,436,722	489,438	18,821,266	94
With potential problems	119,010	25,957	55,046	4,536	204,549	1
	<u>9,870,796</u>	<u>3,169,277</u>	<u>5,491,768</u>	<u>493,974</u>	<u>19,025,815</u>	
Neither past due nor impaired						
Normal	198,192	356,114	14,097	13,570	581,973	3
With potential problems	55,352	68,083	175,032	12,514	310,981	2
	<u>253,544</u>	<u>424,197</u>	<u>189,129</u>	<u>26,084</u>	<u>892,954</u>	
Impaired						
Substandard	26,426	55,722	140,681	6,645	229,474	1
Doubtful	27,837	48,112	270,720	6,738	353,407	2
Loss	32,540	48,100	186,498	19,734	286,872	1
	<u>86,803</u>	<u>151,934</u>	<u>597,899</u>	<u>33,117</u>	<u>869,753</u>	
Total loan portfolio gross	<u>10,211,143</u>	<u>3,745,408</u>	<u>6,278,796</u>	<u>553,175</u>	<u>20,788,522</u>	104
Less: Provision for loan losses	<u>100,194</u>	<u>24,132</u>	<u>538,288</u>	<u>59,175</u>	<u>721,789</u>	4
Total, net	<u>10,110,949</u>	<u>3,721,276</u>	<u>5,740,508</u>	<u>494,000</u>	<u>20,066,733</u>	100

According to IFRS 7, the total balance of the loan is deemed past due when the debtor has interrupted the repayment at its contractual maturity.

Notes to the consolidated financial statements (continued)

25. Fair value

(a) Determination of the fair value and the fair value hierarchy of financial instruments

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

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

Financial assets included in Level 2 are those measured with market prices of other instruments that bear similar characteristics or with financial valuation models based on information of observable variables in the market (interest rate curves, price vectors, etc.). The Company uses this method mainly to value derivative financial instruments.

	As of September 30, 2015				As of December 31, 2014			
	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)
Assets								
Trading securities	38,521	-	-	38,521	36,305	-	-	36,305
Available-for-sale investments								
Debt instruments	3,991,892	3,134,421	-	7,126,313	4,544,915	2,398,794	-	6,943,709
Royalty Pharma	-	-	189,827	189,827	-	-	168,584	168,584
Participations in mutual funds and investment funds	191,977	246,713	303,407	742,097	258,513	123,215	246,127	627,855
Shares of private Peruvian and foreign entities and other	285,034	6,139	-	291,173	372,844	664	-	373,507
Derivatives receivable	-	441,703	-	441,703	-	241,195	-	241,195
	<u>4,507,424</u>	<u>3,828,976</u>	<u>493,234</u>	<u>8,829,634</u>	<u>5,212,577</u>	<u>2,763,868</u>	<u>414,711</u>	<u>8,391,155</u>
Accrued interest				69,746				64,932
				<u>8,899,380</u>				<u>8,456,087</u>
Liabilities								
Derivatives payable	-	370,649	-	370,649	-	278,236	-	278,236

Financial assets included in Level 3 are those measured by using assumptions and data that do not correspond to prices of operations traded on the market. The fair value is estimated by using a discounted cash flow model. The valuation requires that Management makes certain assumptions on the model's variables and data, including the projection of the cash flow, the discount rate, the credit risk and the volatility. The probabilities of the estimations within the range can be reasonable assessed and are used in the estimation that Management performs on the fair value of these non-quoted investments.

Notes to the consolidated financial statements (continued)

26. Fiduciary activities and funds management

The Company provides services of safekeeping, trust, investment management and advisory to third parties; therefore, the Company makes decisions of purchase and sale in relation to a wide range of financial instruments. Assets held as trust are not included in the consolidated financial statements.

As of September 30, 2015, December 31, 2014, and January 1, 2014, the administrated value of the financial assets managed as off-balance sheet accounts is as follows:

	<u>As of September 30, 2015</u>	<u>As of December 31, 2014</u>	<u>As of January 1, 2014</u>
	S/.(000)	S/.(000)	S/.(000)
Investments funds	10,056,632	8,422,056	7,259,794
Mutual funds	<u>2,697,068</u>	<u>2,568,649</u>	<u>2,444,515</u>
Total	<u>12,753,700</u>	<u>10,990,705</u>	<u>9,704,309</u>

27. Additional explanation for the English translation

The accompanying consolidated financial statements are presented on the basis of the IFRS applicable to financial and insurance entities. Said accounting principles differ in certain respects to generally accepted accounting principles in other countries. In the event of any discrepancy, the Spanish language version prevails.