

**Translation of separate financial statements originally issued in Spanish – Note 18**

**Intercorp Perú Ltd.**

**Separate financial statements as of September 30, 2016, December 31, 2015  
and for the nine-month periods ended September 30, 2016 and 2015**

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**Intercorp Perú Ltd.**

**Separate statements of financial position**

As of September 30, 2016 and December 31, 2015

	<b>Note</b>	<b>2016</b> S/(000)	<b>2015</b> S/(000)
<b>Assets</b>			
<b>Current assets</b>			
Cash and due from banks	15(a)	13,123	5,007
Accounts receivable from shareholder and Subsidiaries	5	<u>2,434</u>	<u>22,671</u>
<b>Total current assets</b>		15,557	27,678
Available-for-sale investments	6	119,979	164,646
Investment property	7	122,394	98,301
Investment in Subsidiaries	8	7,313,787	6,736,887
Other assets		<u>885</u>	<u>1,877</u>
<b>Total assets</b>		<u>7,572,602</u>	<u>7,029,389</u>
<b>Liabilities and equity</b>			
<b>Current liabilities</b>			
Accounts payable to Subsidiaries	15(b)	50,312	189,707
Interest, provisions and other accounts payable	9	86,617	60,315
Notes issued	10	<u>40,656</u>	<u>40,920</u>
<b>Total current liability</b>		177,585	290,942
Corporate bonds	11	<u>1,130,230</u>	<u>1,132,804</u>
<b>Total liabilities</b>		<u>1,307,815</u>	<u>1,423,746</u>
<b>Equity</b>			
Capital stock	12	3,041,307	2,536,133
Reserves		2,336,014	2,336,014
Unrealized results		144,114	(323,250)
Retained earnings		<u>743,352</u>	<u>1,056,746</u>
		<u>6,264,787</u>	<u>5,605,643</u>
<b>Total liabilities and equity</b>		<u>7,572,602</u>	<u>7,029,389</u>

The accompanying notes to the financial statements are an integral part of this statement.

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### Intercorp Perú Ltd.

### Separate income statements

For the nine-month periods ended September 30, 2016 and 2015

	<b>Note</b>	<b>2016</b> S/(000)	<b>2015</b> S/(000)
<b>Participation in income of Subsidiaries</b>	8(b)	396,780	753,140
<b>Income (expenses)</b>			
Financial income	14	1,427	1,238
Financial expenses	14	(67,692)	(92,260)
General expenses		(34,717)	(45,618)
Impairment loss on available-for-sale investments		(293)	(15,762)
Valuation of derivative financial instruments	4	16,080	(1,548)
Exchange difference, net		939	(61,189)
Total expenses, net		<u>(84,256)</u>	<u>(215,139)</u>
<b>Net income</b>		<u>312,524</u>	<u>538,001</u>
<b>Earnings per share (A and B classes) basic and diluted, in Soles</b>	16	<u>2.10</u>	<u>3.64</u>
<b>Weighted average number of outstanding shares (A and B classes), (in thousands)</b>	16	<u>149,019</u>	<u>147,655</u>

The accompanying notes to the financial statements are an integral part of this statement.

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**Intercorp Perú Ltd.**

**Separate statements of other comprehensive income**

For the nine-month periods ended September 30, 2016 and 2015

	<b>2016</b> S/(000)	<b>2015</b> S/(000)
<b>Net income</b>	<b>312,524</b>	<b>538,001</b>
<b>Other comprehensive income for the period:</b>		
Net valuation of available- for- sale investments	5,950	10,219
Unrealized results of Subsidiaries	464,035	(448,781)
Exchange difference on translation of foreign operations	(2,621)	17,588
<b>Total other comprehensive income for the period</b>	<u>467,364</u>	<u>(420,974)</u>
<b>Total comprehensive income for the period</b>	<u>779,888</u>	<u>117,027</u>

The accompanying notes to the financial statements are an integral part of this statement.

**Intercorp Perú Ltd.**

**Separate statements of changes in equity**

For the nine-month periods ended September 30, 2016 and 2015

	Number of shares (in thousands)		Capital stock S/(000)	Treasury stock S/(000)	Reserves S/(000)	Unrealized results S/(000)	Exchange difference on translation of foreign operations S/(000)	Retained earnings S/(000)	Total S/(000)
	Issued	In treasury							
<b>Balance as of January 1, 2015</b>	149,019	(1,834)	2,079,390	(19,347)	2,282,757	53,017	(13,659)	975,372	5,357,530
<b>Comprehensive Income</b>									
Net income	-	-	-	-	-	-	-	538,001	538,001
<b>Other comprehensive Income</b>									
Valuation of available-for-sale investments	-	-	-	-	-	10,219	-	-	10,219
Unrealized results of Subsidiaries	-	-	-	-	-	(448,781)	-	-	(448,781)
Translation result	-	-	-	-	-	-	17,588	-	17,588
<b>Total comprehensive income</b>	-	-	-	-	-	(438,562)	17,588	538,001	117,027
Declared dividends, note 12(a)	-	-	-	-	-	-	-	(45,975)	(45,975)
Transfer, note 12(a) (d)	-	-	456,743	-	53,257	-	-	(510,000)	-
Acquisition of treasury stock	-	(351)	-	(7,405)	-	-	-	-	(7,405)
Sale of treasury stock, note 12 (b)	-	2,185	-	26,752	-	-	-	32,379	59,131
Others	-	-	-	-	-	-	-	(17,681)	(17,681)
<b>Balance as of September 30, 2015</b>	149,019	-	2,536,133	-	2,336,014	(385,545)	3,929	972,096	5,462,627
<b>Balance as of January 1, 2016</b>	149,019	-	2,536,133	-	2,336,014	(351,878)	28,628	1,056,746	5,605,643
<b>Comprehensive Income</b>									
Net income	-	-	-	-	-	-	-	312,524	312,524
<b>Other comprehensive Income</b>									
Valuation of available-for-sale investments	-	-	-	-	-	5,950	-	-	5,950
Unrealized results of Subsidiaries	-	-	-	-	-	464,035	-	-	464,035
Translation result	-	-	-	-	-	-	(2,621)	-	(2,621)
<b>Total comprehensive income</b>	-	-	-	-	-	469,985	(2,621)	312,524	779,888
Declared dividends, note 12(a)	-	-	-	-	-	-	-	(101,700)	(101,700)
Transfer, note 12(a)	-	-	505,174	-	-	-	-	(505,174)	-
Others	-	-	-	-	-	-	-	(19,044)	(19,044)
<b>Balance as of September 30, 2016</b>	149,019	-	3,041,307	-	2,336,014	118,107	26,007	743,352	6,264,787

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### Intercorp Perú Ltd.

#### Separate statements of cash flows

For the nine-month periods ended September 30, 2016 and 2015

	<b>2016</b>	<b>2015</b>
	S/(000)	S/(000)
<b>Reconciliation of net income with cash used in operating activities</b>		
Net income	312,524	538,001
<b>Plus (less)</b>		
Participation in income of Subsidiaries	(396,780)	(753,140)
(Income) loss from valuation of derivative financial instruments	(16,080)	1,548
Impairment loss on available-for-sale investments	293	15,762
<b>Net changes in assets and liabilities accounts</b>		
Decrease (increase) of other accounts receivable	24,402	(6,833)
Increase of interest, provisions and other accounts payable	64,900	11,077
	<u>(10,741)</u>	<u>(193,585)</u>
<b>Net cash used in operating activities</b>		
<b>Investing activities</b>		
Dividends received	372,461	421,525
Collection from (Payment to) related parties	16,843	(10,781)
Capital contribution to Subsidiaries	(110,134)	(117,518)
Acquisition of investment property	(24,423)	(48,458)
Maturity of available-for-sale investments	48,293	-
Acquisition of available-for-sale investments	(1,650)	(63,483)
	<u>301,390</u>	<u>181,285</u>
<b>Net cash provided by investing activities</b>		
<b>Financing activities</b>		
Issuance of corporate bonds	-	1,071,562
Payment of corporate bonds	(72,992)	(769,064)
Payment of notes	-	(89,283)
Loans paid to Subsidiaries	(133,086)	(172,453)
Payment of dividends	(76,455)	(64,662)
	<u>(282,533)</u>	<u>(23,900)</u>
<b>Net cash used in financing activities</b>		
Net cash increase (decrease)	8,116	(36,200)
Balance of cash at the beginning of year	5,007	63,855
	<u>13,123</u>	<u>27,655</u>
<b>Balance of cash at the end of period</b>		

## Intercorp Perú Ltd.

### Notes to the separate financial statements

As of September 30, 2016, December 31, 2015, and for the nine-month periods ended September 30, 2016 and 2015

#### 1. Business activity, Group reorganization and acquisitions

(a) Business activity-

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

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

The Company holds investments in a variety of entities domiciled mainly in Peru, in The Bahamas and in the Republic of Panama. The activities and the most important information about the Subsidiaries as of September 30, 2016 and December 31, 2015, are disclosed in Notes 2 and 8.

The accompanying consolidated separate financial statements reflect the individual activity of Intercorp Perú and the investment in its Subsidiaries at equity value as of September 30, 2016, without including the consolidation effects, pursuant to the applicable Peruvian legislation on financial information disclosure and in accordance with the International Financial Reporting Standards. These financial statements must be read jointly with the consolidated financial statements of Intercorp Perú Ltd. and Subsidiaries, which will be presented singly within the legal timeframe.

The table below presents a summary of the consolidated financial statements of Intercorp Perú Ltd. and Subsidiaries as of September 30, 2016, and December 31, 2015:

	<b>30.09.2016</b>	<b>31.12.2015</b>
	S/(000)	S/(000)
<b>Consolidated statements of financial position</b>		
Total assets	50,237,194	61,163,814
Total liabilities	42,898,191	53,150,295
Equity attributable to Intercorp Perú’s shareholders	6,262,975	5,605,643
Non-controlling interest	1,076,028	2,407,876

The accompanying separate financial statements were approved by Management on October 31, 2016, and the audited separate financial statements as of December 31, 2015, were approved by the General Shareholders’ meeting held on April 14, 2016.



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### 2. Organization of Intercorp Perú Group

Following is the description of the entities that are part of Intercorp Group.

#### 2.1. Financial and insurance entities

##### Intercorp Financial Services Inc.-

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

As of September 30, 2016, the Company holds, directly and indirectly, 78.46 percent of the issued capital stock of IFS and 77.52 percent of the outstanding capital stock of IFS (directly and indirectly 78.08 percent and 77.22 percent, respectively, as of December 31, 2015).

As of September 30, 2016, and December 31, 2015, IFS holds 99.30 percent of the outstanding capital stock of Interbank and 100 percent of Interseguro, Inteligo Group and San Borja Global Opportunities S.A.C.

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

- (i) Banco Internacional del Perú S.A.A. - Interbank and Subsidiaries -  
Interbank is incorporated in Peru and it is authorized by the Superintendence of Banking, Insurance and Private Pension Funds Administrators (henceforth “SBS”) to operate as a universal bank in accordance with the legal provisions in force in Peru. Interbank’s operations are governed by the General Act of the Financial and Insurance System and the Organic Act of the SBS (henceforth the “Banking and Insurance Act”) – Act 26702, that establishes the requirements, rights, obligations, guarantees, restrictions and other operating conditions that Peruvian financial and insurance entities must comply with.

As of September 30, 2016, and December 31, 2015, Interbank operated 289 and 290 offices, respectively, and a branch established in the Republic of Panama. Additionally, it holds 100 percent of the shares of the following Subsidiaries:

<b>Entity</b>	<b>Activity</b>
Interfondos S.A. Sociedad Administradora de Fondos	Management of mutual funds and investment funds.
Internacional de Títulos Sociedad Titulizadora S.A. - Intertítulos S.T.	Management of securitization funds.
Inversiones Huancavelica S.A.	Real estate activities.
Contacto Servicios Integrales de Crédito y Cobranzas S.A.	Collection services.
Corporación Inmobiliaria de La Unión 600 S.A.	Real estate activities.
Compañía de Servicios Conexos S.A. – Expressnet S.A.C.	Services related to credit card transactions or products related to the brand “American Express”.
IBK Securitizadora	A special purpose entity (SPE), through which Interbank issued negotiable long-term notes.

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- (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.

As of September 30, 2016, and December 31, 2015, Interseguro controls the following Subsidiaries:

Entity	Activity
Centro Comercial Estación Central S.A.	Administration of "Centro Comercial Estación Central", located in Lima; as of September 30, 2016, and December 31, 2015, Interseguro holds 75 percent of its capital stock and Real Plaza S.R.L, a Subsidiary belonging to the retail and real estate business of the Group (see Note 2.2), holds the remaining 25 percent.
Empresa Administradora Hipotecaria S.A.	Incorporated in February 2014 in Peru. It does not have operations and is under the process of being liquidated. As of September 30, 2016, Interseguro holds 100 percent of its shares and it has a paid in capital of S/1 (S/2,550 as of December 31, 2015).

Patrimonio Fideicometido D.S.093-2002-EF, Interproperties Perú (henceforth, "PF Interproperties Perú") is a structured entity, incorporated in April 2008, in which several investors (all of them direct and indirect Subsidiaries of Intercorp Perú) contributed investment properties; each investor has ownership of and specific control over the contributed investment property (considered as "silos" under IFRS 10). Interseguro has the ownership and the decision-making power on the properties that it contributed, and it has the exposure or rights over their returns; consequently, Interseguro consolidates the silos containing investment properties that it controls. The other Subsidiaries consolidate the silos that contain the investment properties that they control.

- (iii) **Inteligo Group Corp. and Subsidiaries -**  
Inteligo Group Corp. is an entity incorporated in the Republic of Panama. As of September 30, 2016, and December 31, 2015, it holds 100 percent of the shares of the following Subsidiaries:

Entity	Activity
Inteligo Bank Ltd.	Incorporated in The Bahamas and has a branch established in the Republic of Panama which operates under an international license issued by the Superintendence of Banks of the Republic of Panama. Its main activity is private and institutional banking services.
Inteligo Sociedad Agente de Bolsa S.A. -	Incorporated in Peru and provides brokerage services.

- (iv) **San Borja Global Opportunities S.A.C.**  
It is a company whose corporate purpose is the acquisition and holding of shares and securities. As of September 30, 2016 and December 31, 2015, it had no operations.

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### 2.2. Retail and real estate

#### (i) Intercorp Retail Inc.-

It is a limited liability holding company, incorporated in the Republic of Panama in December 2010, in order to group the entities of Intercorp Group engaged in the retail business in Peru.

As of September 30, 2016, and December 31, 2015, the Company holds 100 percent of the capital stock of Intercorp Retail Inc., which owns the following Subsidiaries:

Entity	Activity
<p>InRetail Perú Corp. (As of September 30, 2016, and December 31, 2015, Intercorp Retail Inc. holds 58.72 and 58.11 percent, respectively of its outstanding capital stock. Also, as of such dates, Intercorp Perú, through its Subsidiaries, holds 71.12 and 70.38 percent, respectively (directly and indirectly) of the outstanding capital stock of InRetail Perú Corp.</p>	<p>Holding incorporated in the Republic of Panama in January 2011, which holds 100 percent of the capital stock of the following Subsidiaries, which operate several businesses:</p> <p>(a) Shopping centers: developed by InRetail Real Estate Corp., owner of Patrimonio en Fideicomiso InRetail Shopping Malls, which in turn is owner of (i) Real Plaza S.R.L., (ii) Patrimonio en Fideicomiso – D.S. No. 093-2002-EF-Interproperties Holding and Patrimonio en Fideicomiso -D.S. No. 093-2002-EF Interproperties Holding II, which are special-purpose entities; see description in paragraph 2.2(v);</p> <p>(b) Patrimonio en Fideicomiso Inretail Consumer: Incorporated in August 2014, which develops the following retail businesses:</p> <p>(i) Supermarkets: Developed by Supermercados Peruanos S.A. and Subsidiaries, a company that as of September 30, 2016, and December 31, 2015, operates hypermarkets, supermarkets and discount stores, under the trademarks “Plaza Veá”, “Plaza Veá Súper”, “Vivanda”, “Mass” and “Economax” and;</p> <p>(ii) Drugstores: Developed by Eckerd Perú S.A. and Subsidiaries, a company that as of September 30, 2016, and December 31, 2015, operates 980 and 848 stores, under the trademark “Inkafarma”.</p> <p>(c) Inretail Properties Management S.R.L., company dedicated to personnel management and operations of Patrimonio en Fideicomiso.</p>
<p>IFH Retail Corp. (As of September 30, 2016, and December 31, 2015, Intercorp Retail Inc. holds 63.54 percent of its capital stock)</p>	<p>Holding incorporated in the Republic of Panama in September 2006, owner as of September 30, 2016, and December 31, 2015, of 44.23 percent of Tiendas Peruanas S.A. and Subsidiaries, see Note 2.2 (ii), a company engaged in retail business through department stores under the trademark “Oeschle” (23 and 21 premises as of September 30, 2016, and December 31, 2015, respectively) and holder of 96 percent of Financiera Oh! S.A., as of September 30, 2016, and December 31, 2015, a company that provides financial support to the companies of Intercorp Group engaged in the retail business.</p>

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<b>Entity</b>	<b>Activity</b>
<p>HPSA Corp. (As of September 30, 2016, and December 31, 2015, Intercorp Retail Inc. holds 65 percent of its capital stock)</p>	<p>Holding incorporated in the Republic of Panama, owner of Homecenters Peruanos S.A. and Subsidiary, a company engaged in the operation of the business of home improvement stores under the trademark "Promart" (22 and 21 stores as of September 30, 2016, and December 31, 2015, respectively).</p>
<p>Lince Global Opportunities Corp. (As of September 30, 2016, and December 31, 2015, Intercorp Retail Inc. holds 100 percent of its capital stock)</p>	<p>Holding incorporated in the Republic of Panama in December 2010, which holds 98.71 percent of the capital stock of Inmobiliaria Milenia S.A., a company engaged in the real estate business.</p>
<p>(ii) Callao Global Opportunities - Subsidiary of Intercorp Perú, incorporated in 2011, as a limited liability holding company, in the Republic of Panama. As of September 30, 2016, and December 31, 2015, the Company holds 54.29 percent of the capital stock of Tiendas Peruanas S.A. and Subsidiaries.</p> <p>On the other hand, as indicated in Note 2.2(i), Intercorp Perú holds 63.54 percent of IFH Retail Corp which, in turn, holds 44.23 percent of Tiendas Peruanas S.A., and therefore the joint shareholding of Intercorp Perú in Tiendas Peruanas is equivalent to 82.39 percent of its capital stock as of September 30, 2016 and December 31, 2015.</p>	
<p>(iii) Intercorp Investments Perú Inc.- It is a limited liability holding company incorporated in September 2006 in the Republic of Panama. As of September 30, 2016 and December 31, 2015, the Company holds 100 percent of its capital stock. Intercorp Investments Perú Inc. is the sole shareholder of Horizonte Global Opportunities Corp., a holding company incorporated in the Republic of Panama, owner of Horizonte Global Opportunities Perú S.A.C., whose sole asset is a land lot located in the district of Independencia in Lima.</p>	
<p>(iv) Urbi Propiedades S.A. - As of September 30, 2016 and December 31, 2015, the Company holds 100 percent of the capital stock of this entity, incorporated in Peru in 1998, engaged in real estate management and in the provision of structuring and real estate project management. In addition and through its Subsidiaries, it is developing a number of real estate projects.</p> <p>In January 2016, Urbi Propiedades S.A performed an equity spin-off amounting to S/6,019,000 which was transferred to Urbi Proyectos S.A., subsidiary of Intercorp Perú, incorporated in September 2015, to develop real estate projects.</p>	

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As of September 30, 2016 and December 31, 2015, Urbi holds 100 percent of the following Subsidiaries:

<b>Entity</b>	<b>Activity</b>
Alameda Colonial S.A.	Incorporated in Lima in May 2006, to build apartments under the Government's program "Mi Vivienda".
Domus Hogares del Norte S.A.	Incorporated in Lima in June 2009, to develop a real estate project called "Domus Hogares del Norte".
Club de Socios S.A.	Incorporated in Lima in August 2007 in order to engage in the management, administration and organization of recreational, sports and social activities, among others. As of September 30, 2016 and December 31, 2015, Urbi Propiedades S.A. and Intercorp Perú hold 61.76 and 38.24 percent of the capital stock of this entity, respectively.
Urbi Solutions S.A.C.	Incorporated in Lima in June 2014 to engage in 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 – D.S. No. 093-2002-EF, Interproperties Holding and Patrimonio en Fideicomiso – D.S. No. 093-2002-EF, Interproperties Holding II (henceforth and collectively "Interproperties Holding") were incorporated with the purpose of creating autonomous equity trusts, independent from each investor constituted as originator.

Through these equity trusts, investments in real estate projects are made, and their yields back (i) the certificates of participation issued, and (ii) the compliance with other obligations assumed directly or through third parties in order to obtain the resources that are necessary to make said investments. As of September 30, 2016 and December 31, 2015, the company that consolidates financial information with Intercorp Perú and that holds 100 percent of the participations in Interproperties Holding is InRetail Perú Corp.

Through these equity trusts Intercorp Group holds the ownership of the property where the shopping malls called "Real Plaza" operate. As of September 30, 2016 there were 20 shopping malls (17 as of December 31, 2015) located in the cities of Chiclayo, Trujillo, Huancayo, Arequipa, Juliaca, Nuevo Chimbote, Huánuco, Cajamarca, Piura, Pucallpa and Lima.

- (vi) Intercorp Re Inc. - It is a limited liability holding incorporated in August 2015 in the Republic of Panama. As of September 30, 2016 and December 31, 2015, 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 an interest in a land lot controlled by Interseguro and located in the district of San Isidro in Lima.

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### 2.3. Educational business -

#### (i) NG Education Holdings Corp. -

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

As of September 30, 2016, the Company sold 50 percent of its shareholding in Colegios Peruanos (equivalent to 10,585,563 shares) to NG Education Holdings IV Corp. (a related entity). As result of this transaction, Intecorp Perú holds 67.89 percent of the capital stock of NG Education Holdings Corp. (50 percent as of December 31, 2015).

NG Education Holdings Corp. is the owner of the following Subsidiaries:

Entity	Activity
Colegios Peruanos S.A.C. (As of September 30, 2016 NG Education Holdings Corp. holds 39.56 percent of its capital stock and 91.45 percent as of December 31, 2015).	As of September 30, 2016, it operates 35 schools under the trademark "Innova Schools" (29 schools as of December 31, 2015).
NG Education S.A.C. (As of September 30, 2016 and December 31, 2015, NG Education Holdings Corp. holds 99.9 percent of its capital stock)	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"> <li>(a) Universidad Tecnológica del Perú S.A.C.: incorporated in Lima in February 1998. It has the following 6 business units: UTP University, IDAT Institute, Post-Graduate School, Language Center, Information Technologies and Systems Center (CETIS, by its Spanish acronym) and Rangers Academy.</li> <li>(b) Promotora de la Universidad Tecnológica de Chiclayo S.A.C.: An entity with operations in Peru. As of September 30, 2016 and December 31, 2015, it has 1 premises.</li> </ul>

#### (ii) NG Education Holdings Corp. II -

It is a limited liability holding company incorporated in October 2013 in the Republic of Panama. As of September 30, 2016 and December 31, 2015, Intercorp Perú holds 50 percent of the capital stock of NG Education Holdings Corp. II, which in turn owns the following Subsidiary:

Entity	Activity
Servicios Educativos Perú S.A.C. (As of September 30, 2016 and December 31, 2015, NG Education Holdings Corp. II holds 100 percent of its capital stock)	Company incorporated in Peru in October 2013. As of September 30, 2016 and December 31, 2015, it holds 80 percent of the capital stock of Servicios Educativos Empresariales S.A.C., 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 company incorporated in July 2013 in the Republic of Panama. As of September 30, 2016, Intercorp Perú holds 76.93 percent of its capital stock and, in turn, holds 12.27 percent of the capital stock of Colegios Peruanos S.A (50 percent and 6.55 percent as of December 31, 2015, respectively).

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### 2.4. Other entities

As of September 30, 2016 and December 31, 2015, the Company holds 100 percent of the capital stock of the following Subsidiaries:

<b>Company</b>	<b>Activity</b>	<b>Country of incorporation</b>
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
Ronepeto S.A.	Real estate	Peru
La Punta Global Opportunities Corp.	Specialized investments	Republic of Panama

### 3. Significant accounting principles and practices

The accompanying separate financial statements have been prepared based on accounting records of Intercorp Perú, in accordance with the IFRS as issued by the International Accounting Standards Board (henceforth “IASB”). The accounting principles and practices as of September 30, 2016 are consistent with respect to the rules applied as of December 31, 2015, and are included in the audited financial statements dated March 22, 2016.

## Translation of separate financial statements originally issued in Spanish – Note 18

### 4. Foreign currency transactions and foreign exchange risk exposure

Transactions in foreign currency are performed by using exchange rates prevailing on the free market. As of September 30, 2016, the weighted average exchange rate of free market per US Dollar was S/3.397 bid and S/3.403 ask (S/3.408 and S/3.413 as of December 31, 2015, respectively).

As of September 30, 2016, the exchange rate for the accounting of assets and liabilities accounts in foreign currency set by the SBS was S/3.400 per US\$1 (S/3.411 as of December 31, 2015).

The table below presents the detail of the Company's foreign currency assets and liabilities, stated in US Dollars as of September 30, 2016 and December 31, 2015:

	<b>2016</b> US\$(000)	<b>2015</b> US\$(000)
<b>Assets</b>		
Cash and due from banks	3,628	736
Accounts receivable from shareholder and Subsidiaries	-	6,101
Available-for-sale investments	25,693	36,770
Other assets	137	380
	<u>29,458</u>	<u>43,987</u>
<b>Liabilities</b>		
Accounts payable to Subsidiaries	1,022	1,035
Interest, provisions and other accounts payable	25,210	14,745
Notes issued	12,000	12,000
Corporate bonds	245,767	244,989
	<u>283,999</u>	<u>272,769</u>
<b>Liability position, net</b>	<u>(254,541)</u>	<u>(228,782)</u>

As of September 30, 2016 and December 31, 2015, Management has decided to assume the exchange risk generated by this position; consequently, it has not performed any hedging operation with derivative instruments.

During 2016, Intercorp holds one forward contract with Interbank for a notional amount of US\$80,000,000. As a consequence of this operation, considered as trading financial derivative instrument, the Company recorded gains amounting to S/16,080,000 (loss amounting to S/1,548,000 as of September 30, 2015), which are presented in the "Valuation of derivative financial instruments" caption of the separate income statements. This operation expired in May 2016.



Notes to the financial statements (continued)

5. Accounts receivable from shareholder and Subsidiaries

(a) As of September 30, 2016 and December 31, 2015, this caption is comprised by the following:

	2016 S/(000)	2015 S/(000)
Shareholder ( b )	-	20,729
Others	2,434	1,942
	<u>2,434</u>	<u>22,671</u>

(b) As of December 31, 2015, it corresponds to short-term loans that bear interest at market rates which they were collected in August 2016.

6. Available-for-sale investments

(a) As of September 30, 2016 and December 31, 2015, this caption is comprised by the following:

	2016				2015			
	Unrealized amount				Unrealized amount			
	Amortized cost S/(000)	Gains S/(000)	Losses S/(000)	Fair value S/(000)	Amortized cost S/(000)	Gains S/(000)	Losses S/(000)	Fair value S/(000)
Participations in foreign mutual funds (b)	40,779	27,229	-	68,008	39,703	22,729	-	62,432
Participations in foreign investment funds (c)	18,120	14,866	-	32,986	25,312	14,067	-	39,379
Global Bonds of the Republic of Peru (d)	17,897	515	-	18,412	62,113	-	(141)	61,972
	<u>76,796</u>	<u>42,610</u>	<u>-</u>	<u>119,406</u>	<u>127,128</u>	<u>36,796</u>	<u>(141)</u>	<u>163,783</u>
<b>Add – Accrued interest</b>				573				863
				<u>119,979</u>				<u>164,646</u>

(b) As of September 30, 2016 and December 31, 2015 the accumulated impairment loss on available-for-sale investments amounting to S/19,965,000 and S/19,672,000, respectively.

(c) It corresponds to participations in NG Capital Partners, a related investment fund domiciled in Canada and engaged in investing mainly in entities established in Peru.

(d) As of September 30, 2016, Global Bonds of the Republic of Peru are denominated in US Dollars and have maturities in March 2019 to accrue interest at annual effective interest rates of 8.375 percent. As of December 31, 2015, the company holds Global Bonds of the Republic of Peru which are denominated in US Dollars and have maturities in May 2016 and March 2019; accrue interest at annual effective interest rates of 8.375 percent and 7.125 percent, respectively. During the nine-month period ended September 30, 2016, they accrued interest for approximately S/553,000 (S/728,000 for the same period of 2015). Said amounts are presented in the “Financial income” caption in the separate income statements; see note 14.

Notes to the financial statements (continued)

**7. Investment property**

Correspond to disbursements made on the purchase of a land lot located in the San Martín de Porres district in the city of Lima and whose ownership is represented by “certificates of participation” issued by Interproperties Perú.

**8. Investments in Subsidiaries**

(a) As of September 30, 2016 and December 31, 2015 the detail of the investments in Subsidiaries is as follows:

Entity	Direct and indirect ownership		Equity value	
	2016 %	2015 %	2016 S/(000)	2015 S/(000)
Intercorp Financial Services Inc. and Subsidiaries	77.52	77.22	3,601,828	3,190,191
Intercorp Retail Inc. and Subsidiaries	100.00	100.00	2,916,087	2,822,338
NG Education Holdings Corp. and Subsidiaries	67.89	50.00	199,043	164,523
Intercorp RE Inc. and Subsidiaries	100.00	100.00	106,260	105,457
Intercorp Investments Perú Inc. and Subsidiaries	100.00	100.00	112,791	113,778
Callao Global Opportunities Corp.	100.00	100.00	86,358	111,457
San Miguel Global Opportunies S.A.C	100.00	100.00	67,289	67,515
La Punta Global Opportunities Corp.	100.00	100.00	118,874	64,026
Urbi Propiedades S.A. and Subsidiaries	100.00	100.00	73,289	85,581
Other Subsidiaries	-	-	31,968	12,021
			7,313,787	6,736,887

Notes to the financial statements (continued)

- (b) The table below presents the movement of the investments in Subsidiaries for the nine-month periods ended September 30, 2016 and 2015:

	<b>2016</b> S/(000)	<b>2015</b> S/(000)
<b>Balance as of January, 1 st</b>	6,736,887	6,413,491
Participation in income of Subsidiaries	396,780	753,140
Dividends received in cash (i)	(372,461)	(421,525)
Net variation of unrealized results in financial instruments of Subsidiaries, net of taxes	464,035	(448,781)
Capital contribution in Subsidiaries (ii)	110,134	117,518
Translation result of Subsidiary	(2,621)	17,588
Acquisition of treasury stock by Subsidiary	-	(7,405)
Profit from sale of treasury stock	-	32,379
Sale of treasury stock made by Subsidiaries	-	26,752
Others	(18,967)	(24,662)
<b>Balance as of September, 30</b>	<u>7,313,787</u>	<u>6,458,495</u>
<b>Balance as of December, 31 st</b>		<u>6,736,887</u>

- (i) During the nine-month periods ended September 30, 2016 and 2015, the Company recorded dividends from the following Subsidiaries:

	<b>2016</b> S/(000)	<b>2015</b> S/(000)
Intercorp Financial Services Inc.	368,961	420,275
Other minor Subsidiaries	3,500	1,250
	<u>372,461</u>	<u>421,525</u>

Notes to the financial statements (continued)

- (i) During the nine-month periods ended September 30, 2016 and 2015, the Company recorded capital contribution in the following Subsidiaries:

	<b>2016</b> S/(000)	<b>2015</b> S/(000)
NG Education Holdings Corp. III	46,121	17,054
La Punta Global Opportunities Corp.	42,142	6,257
Intercorp Retail Inc.	-	53,692
Callao Global Opportunities Corp.	-	30,050
Others	21,871	10,465
	<hr/>	<hr/>
	110,134	117,518
	<hr/>	<hr/>

**9. Interest, provisions and other accounts payable**

- (a) As of September 30, 2016 and December 31, 2015, the detail of the investments in Subsidiaries is as follows:

	<b>2016</b> S/(000)	<b>2015</b> S/(000)
Dividends payable, Note 12(a)	50,820	25,575
Interest payable on corporate bonds, Note 11	9,841	28,379
Interest on notes issued, Note 10	1,319	3,792
Other accounts payable and provisions	24,637	2,569
	<hr/>	<hr/>
	86,617	60,315
	<hr/>	<hr/>

**10. Notes issued**

As of September 30, 2016 and December 31, 2015, the notes issued correspond to non-subordinated obligations amounting to US\$12,000,000, equivalent to S/40,656,000 and S/40,920,000, respectively, which do not present specific guarantees and were placed through private offers. The table below presents the characteristics of the current issued notes:

Amount of issuance	Series D: US\$12,000,000
Date of issuance	May 4, 2016
Currency	US Dollars
Maturity	May 4, 2017
Interest rate	8.000%
Interest payment	At maturity

As of September 30, 2016 and December 31, 2015, interest payable is presented in the “Interest, provisions and other accounts payable” caption; see Note 9.

Notes to the financial statements (continued)

11. Corporate bonds

(a) The components of this caption are presented below:

Issuances	Issuance year	Annual interest rate	Interest payment	Maturity	Issuance amount	2016	2015
		%			(000)	S/(000)	S/(000)
Senior bonds	2015	5.875	Semiannually	February 12, 2025	US\$ 250,000	832,667	835,426
Senior bonds	2015	7.656	Semiannually	February 10, 2030	S/301,500	297,563	297,378
						<u>1,130,230</u>	<u>1,132,804</u>

(i) In February 2015, the Company made a private offering in the local and international market of "Senior Notes due 2025" and "Senior Notes due 2030" for US\$250,000,000 and S/301,500,000, respectively. Issuance expenses amounted to approximately S/18,800,000, which are presented as a deduction of the issued amount approximately for S/2,027,000 and S/700,000 as of September 30, 2016 and December 31, 2015, respectively, accrued as part of the interest rate. Proceeds from these issuances were used, mainly for:

- Redemption of corporate bonds "8.625% Secured Notes due 2019" issued by Intercorp Perú, see (ii), and payment of the premium for the repurchase of these bonds, see Note 14(a).
- Payment of other financial obligations.

(ii) These bonds were redeemed with the proceeds of the issuance performed in February 2015.

(b) During the nine-month periods ended, the Company recognized interest income for approximately S/57,143,000 (approximately S/50,949,000 in year 2015), which is recorded in the "Financial expenses" caption in the separate income statements; see Note 14. Likewise, as of September 30, 2016, and December 31, 2015, interest payable remains and it is presented in the "Interest, provisions and other accounts payable" caption; see Note 9.

(c) These issuances have some requirements of information disclosure and others, including restrictions and compliance ratios to increase the Company's debt position starting at the bond issuance date. In Management's opinion, these clauses do not limit the Company's operations and are complied with by following the international standard practices for these transactions.

Notes to the financial statements (continued)

**12. Equity**

(a) Capital stock -

As of September 30, 2016 and December 31, 2015, the Company's capital stock was represented by 14,901,892 Class A shares and 134,117,024 Class B shares. Both classes of shares have the same economic rights. The difference between them is that Class A shares grant the right to choose the majority of the Board of Directors' members (5 directors), while Class B shares can choose one director.

The shareholding structure of the Company as of September 30, 2016 and December 31, 2015 is presented below:

<b>Shareholders</b>	<b>Total ownership %</b>
Class A shares:	
International Financial Holding Inc.	7.73
Southern Hill Corp.	2.27
Class B shares:	
Bank of New York - ADR Programs	40.19
International Financial Holding Inc.	21.79
Shetland Securities Inc.	16.37
Southern Hill Corp.	10.60
Other minor shareholders	1.05
	<hr style="width: 100%; border: 0.5px solid black;"/>
	100.00

The General Shareholders' Meeting held on April 14, 2016, agreed to capitalize approximately S/505,174,000. As a result, the nominal value per share was modified from 6 to 7 US Dollars, while the number of shares was kept the same. Likewise, it was agreed to distribute dividends for US\$30,000,000 (equivalent to approximately S/101,700,000), which have been paid in four equal quarterly installments since June, 2016 to March, 2017. As of September 30, 2016 the first two installment has been paid.

The Board of Directors' session held on November 17, 2015, agreed to distribute dividends for US\$15,000,000 (equivalent to approximately S/49,515,000), which have been paid in two equal installments, in December, 2015 and March, 2016.

The General Shareholders' Meeting held on April 15, 2015, agreed to capitalize approximately S/456,743,000. As a result, the nominal value per share was modified from 5 to 6 US Dollars, while the number of shares was kept the same. Likewise, it was agreed to distribute dividends for US\$15,000,000 (equivalent to approximately S/45,975,000), which have been paid in two equal installments in June, 2015 and September, 2015.

(b) Treasury stock -

During 2015, Inteligo Bank held 2,185,540 shares issued by the Company causing an effect in equity of S/32,379,000.

Notes to the financial statements (continued)

- (c) **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, and amendments. As of September 30, 2016, and December 31, 2015, the Company has met the aforementioned requirements.
- (d) **Reserves -**  
 The General Shareholders' Meeting held on April 15, 2015, approved the establishment of additional reserves for S/53,257,000, charged to retained earnings.
- (e) **Unrealized results -**  
 Unrealized results correspond to those generated by the fluctuation of available-for-sale investments held by the Company and the valuation of financial instruments held by Subsidiaries in the application of the equity method for the recording of investments.

**13. Tax situation**

- (a) The Company and its Subsidiaries incorporated and domiciled abroad are not subject to any taxes, due to the legal rules of the corresponding countries where they have been incorporated.
- (b) The Subsidiaries of Intercorp Perú incorporated and domiciled in Peru are subject to the Peruvian Tax Regimen and they calculate their Income Tax on the basis of their separate financial statements according to the legislation in force in Peru. As of September 30, 2016 and December 31, 2015, the applicable Income Tax rate is 28 percent over the taxable income.

In accordance with Act No. 30296, published on December 31, 2014, and in force since January 1, 2015, the Income Tax rate applicable on the taxable income, after deducting workers' profit sharing, is as follows:

<b>Years</b>	<b>%</b>
2015 and 2016	28
2017 and 2018	27
2019 onwards	26

Legal entities or individuals not domiciled in Peru are subject to an additional tax on dividends received from entities domiciled in Peru. The corresponding tax is withheld by the entity that distributes the dividends.

According to Act No. 30296, the additional tax on dividends for the income generated since 2015 is as follows:

<b>Income generated in years</b>	<b>%</b>
2015 and 2016	6.8
2017 and 2018	8
2019 onwards	9.3

Notes to the financial statements (continued)

On the other hand, with the amendment introduced by Act No.29645 to the Income Tax Act in Peru, it is considered as Peruvian-source income, and therefore subject to payment of Income Tax in Peru, the income obtained from the indirect sale of shares or ownership interests of legal entities domiciled in the country. For that purpose, an indirect sale shall be considered to have occurred when shares or ownership interests of a legal entity are sold and this legal entity is not domiciled in the country and, in turn, it is the holder—whether directly or through another legal entity or entities—of shares or ownership interests of one or more legal entities domiciled in the country, provided that certain conditions established by law occur. Said Act also defines the cases in which the issuer is jointly and severally liable.

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

- (c) As indicated in (b), the Subsidiaries of Intercorp Perú domiciled in Peru record and pay their taxes on the basis of their separate financial statements. Also, the Tax Authority is legally entitled to review and, if applicable, correct the Income Tax calculated by such Subsidiaries for a period of four years subsequent to the year of the filing of the tax return.

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

	Income tax	IGV (Value Added Tax)
Banco Internacional del Perú S.A.A. - Interbank	2011 to 2015	2011 to 2015
Interseguro Compañía de Seguros S.A.	2011 to 2015	2011 to 2015
Supermercados Peruanos S.A.	2011 to 2015	2011 to 2015
Universidad Tecnológica del Perú S.A.C.	2013 to 2015	2013 to 2015
Tiendas Peruanas S.A.C.	2011 to 2015	2011 to 2015
Colegios Peruanos S.A.C.	2012 to 2015	2012 to 2015
Homecenter Peruanos S.A.C.	2011 to 2015	2011 to 2015
Eckerd Perú S.A.	2013 to 2015	2013 and 2015
Eckerd Amazonía S.A.C.	2012 to 2015	2012 to 2015
Financiera Oh! S.A.	2011 to 2015	2011 to 2015
Inmobiliaria Milenia S.A.	2015	2011 to 2015
Urbi Propiedades S.A.	2011 to 2015	2011 to 2015
Real Plaza S.R.L.	2015	2010 to 2015
InRetail Properties Management S.R.L.	2011 to 2015	2011 to 2015

Since tax regulations are subject to interpretation by the Tax Authority, it is not possible to determine to date whether the revisions performed will or will not result in liabilities for the Subsidiaries that affect its equity value. Nevertheless, the Managements of the Company and Subsidiaries domiciled in Peru consider that the effect of any subsequent additional tax settlement would not be significant for the separate financial statements of the Company as of September 30, 2016 and December 31, 2015.



Notes to the financial statements (continued)

- (d) Interbank's Income Tax corresponding to 2010 is under review process by the Tax Authority.

On the other hand, during the last years and as of the date of these financial statements, SUNAT has performed different tax audits over the Income Tax returns of the Bank (tax years 2000 to 2009). According to said audits, SUNAT has concluded that for tax years 2007, 2008 and 2009 it does not correspond any additional settlement of the Income Tax.

Notwithstanding the aforementioned, regarding the audits performed over the Income Tax returns of the Bank for tax years 2000 to 2006, SUNAT has identified some controversies over which the Bank has filed several complaint and appeal procedures that are pending of resolution.

Supermercados Peruanos S.A. has been audited by the Tax Authority on its Income Tax returns and its monthly Value Added Tax (henceforth "IGV", by its Spanish acronym) returns for the tax years 2004 to 2010. Said audits resulted in Assessment Resolutions generating higher tax payments, fines and interest for an approximate total of S/162,000,000 as of September 30, 2016. The resolutions issued for tax years 2004 to 2009 have been challenged and these cases are pending at the Tax Court. In the opinion of its Management, the resolutions issued for tax year 2010 are yet to be appealed before the Tax Administration within the established legal deadlines.

Eckerd Amazonía S.A.C. filed claims against several Assessment Resolutions on supposed omissions of IGV from January 2003 to June 2005 for approximately S/33,000,000. In the opinion of Management of the Company and the Subsidiary, as well as in the opinion of its legal advisors, no important liabilities will be generated as of September 30, 2016 and December 31, 2015.

UTP S.A.C. maintains several lawsuits (labor and civil) and contentious administrative procedures with different municipalities and the Tax Administration. As of September 30, 2016, the approximate amount of such proceedings and procedures amounted to approximately S/10,023,000 (S/10,000,000 as of December 31, 2015). In the opinion of Management of the Company, and the Subsidiary, as well as in the opinion of its legal advisors, these legal actions will not generate any additional material liabilities for the Company.

Notes to the financial statements (continued)

**14. Financial income and expenses**

For the nine-month periods ended September 30, 2016 and 2015, this caption is comprised by the following:

	<b>2016</b> S/(000)	<b>2015</b> S/(000)
<b>Financial income</b>		
Interest on Global Bonds of the Republic of Peru	553	728
Interest on loans granted to Subsidiaries and Shareholder	865	382
Interest on time deposits	-	121
Others	9	7
<b>Total</b>	<u>1,427</u>	<u>1,238</u>
<b>Financial expenses</b>		
Interest on corporate bonds, Note 11 (b)	(57,143)	(50,949)
Interest on bank loans	(7,285)	(3,793)
Interest on notes issued, Note 10	(2,421)	(4,491)
Bonds premium expenses, net (a)	-	(30,307)
Others	(843)	(2,720)
<b>Total</b>	<u>(67,692)</u>	<u>(92,260)</u>

- (a) It includes the payment of approximately S/37,432,000 corresponding to the premium assumed as a result of the repurchase of corporate bonds "8.625% Secured Notes due 2019", net of the issuance premium of such bonds for approximately S/7,125,000, see Note 11 (a) (ii).

**15. Transactions with Subsidiaries and related companies**

- (a) As of September 30, 2016 December 31, 2015 the available funds are mainly deposited in the following Subsidiaries:

	<b>2016</b> S/(000)	<b>2015</b> S/(000)
Banco Internacional del Perú S.A. – Interbank	1,536	5,007
Inteligo Bank Ltd.	11,587	-
	<u>13,123</u>	<u>5,007</u>

Notes to the financial statements (continued)

- (b) As of September 30, 2016 and December 31, 2015, the balances receivable from Subsidiaries are presented in Note 5. As of those dates, balances payable to Subsidiaries are short term and they are the following:

	<b>2016</b> S/(000)	<b>2015</b> S/(000)
<b>Accounts payable to Subsidiaries</b>		
Banco Internacional del Perú S.A. – Interbank (i)	44,287	178,148
Inteligo Bank Ltd. (ii)	3,462	3,529
Inversiones Río Nuevo S.A.C.	1,382	1,363
Intercorp Retail Inc.	1,181	1,181
Urbi Propiedades S.A. (iii)	-	5,486
	<hr/>	<hr/>
	50,312	189,707

- (i) As of September 30, 2016 and December 31, 2015, it corresponds to promissory notes in Soles, which bear interest at market rate, with current maturity and without guarantees. Loans as of December 31, 2015, were canceled in May 2016.
- (ii) As of September 30, 2016 and December 31, 2015, it corresponds to two loans in US Dollars amounting to US\$1,000,000, which bear annual interest at market rates, with current maturity.
- (iii) As of December 31, 2015 it corresponds to financing facilities in Soles, which bear annual interest at market rates, with current maturity and do not have specific guarantees. It was canceled in June 2016.
- (c) As of September 30, 2016 and December 31, 2015, the Company holds participations in NG Capital Partners I investment fund, which are classified as available-for-sale investments, recorded at fair value and amount to S/32,986,000 and S/39,379,000, respectively, see Note 6(a).
- (d) As of September 30, 2016 and 2015, the Company recorded the following income (expense) from operations with its Subsidiaries and related companies:

	<b>2016</b> S/(000)	<b>2015</b> S/(000)
<b>Financial expense</b>		
Banco Internacional del Perú S.A.A. – Interbank	(6,853)	(3,675)
Inteligo Bank Ltd.	(432)	(118)
Inretail Shopping Malls	(425)	(263)
Intercorp Financial Services Inc.	(280)	(1,175)
Urbi Propiedades S.A.	(97)	(670)
Inversiones Río Nuevo S.A. C.	(41)	(218)
<b>Income (expense) from valuation of derivative financial instruments</b>	16,080	(1,548)
<b>Other expenses</b>	(22,672)	(24,123)

- (e) As of September 30, 2016 and December 31, 2015, the Company had no employees, and therefore its operations and management are carried out through its Subsidiaries.

Notes to the financial statements (continued)

**16. Earnings per share**

The table below presents the calculation of the weighted average of shares and the earnings per share (basic and diluted):

	<b>Outstanding shares</b>  (in thousands)	<b>Shares considered in computation</b> (in thousands)	<b>Days as of the end of year</b>	<b>Weighted average number of shares</b> (in thousands)
<b>Period 2015</b>				
Balance as of January 1, 2015	147,185	147,185	270	147,185
Purchase of treasury stock	(351)	(351)	205	(267)
Sale of treasury stock	<u>2,185</u>	<u>2,185</u>	91	<u>736</u>
<b>Balance as of September 30, 2015</b>	<u>149,019</u>	<u>149,019</u>		<u>147,655</u>
<b>Net income for the period S/(000)</b>				<u>538,001</u>
<b>Earnings per share, in Soles</b>				<u>3.64</u>
<b>Period 2016</b>				
Balance as of January 1, 2016	<u>149,019</u>	<u>149,019</u>	270	<u>149,019</u>
<b>Balance as of September 30, 2016</b>	<u>149,019</u>	<u>149,019</u>		<u>149,019</u>
<b>Net income for the period S/(000)</b>				<u>312,524</u>
<b>Earnings per share, in Soles</b>				<u>2.10</u>

## Notes to the financial statements (continued)

### 17. Structure of risk management and risk assessment

The Board of Directors is responsible for establishing an adequate risk management and for encouraging an internal environment that eases its control. The Board of Directors is kept permanently updated on the exposure degree of the various risks that the Company manages.

It should be noted that each of the Subsidiaries have a structure and organization specialized in management, measurement systems and mitigation and hedging processes, considering the specific needs and regulatory requirements of the business they develop. The Company's Subsidiaries operate independently but in coordination with the general provisions issued by the Board of Directors and Management of the Company.

The main risks, which due to the nature of its operations the Company faces are: credit risk, liquidity risk, operational risk and market risk.

#### (a) Credit risk -

Credit risk originates from the inability of debtors to comply with the payment of their obligations as they mature. As of September 30, 2016 and December 31, 2015, the assets that are potentially exposed to concentrations of credit risk correspond to cash from due banks and accounts receivable; however, Management deems that said financial instruments are not exposed in a significant manner to credit risk due to the following reasons:

- Cash and due from banks corresponds to current accounts maintained in Interbank and Inteligo Bank, both financial entities of renowned prestige which are also Subsidiaries of the Company.
- Accounts receivable are mainly maintained with its shareholders and Subsidiaries, therefore it is not expected to incur in significant losses due to credit risk.
- The financial instruments that the Company holds are not subject to enforceable netting agreements.

#### (b) Liquidity risk -

Liquidity risk originates from the inability to obtain the funds needed to comply with the commitments assumed by the Company.

As of September 30, 2016 and December 31, 2015, the Company is exposed mainly to requirements of payment of interest and principal of issued corporate bonds, notes and accounts payable to Subsidiaries. In order to pay said financial obligations, the Company solely depends on the generation of dividends from its Subsidiaries or the obtaining of credit lines. Notes 10, 11 and 15(b) present the maturities of the financial instruments payable.

#### (c) Market risk -

Market risk is the risk of suffering losses in positions of the separate statements of financial position arising from changes in market prices. These prices comprise three types of risk: (i) exchange rate; (ii) interest rates; and (iii) "securities" prices and others.

##### (i) Exchange rate risk

It is the risk that the fair value of future cash flows of a financial instrument fluctuates due to changes in the exchange rate. Exchange risk arises when the Company has mismatches between its assets and liabilities and off-balance sheets in the foreign currency it operates, which is mainly US Dollars; see Note 4.

Notes to the financial statements (continued)

(ii) Interest rate risk -

It is the risk that the fair value or future cash flows of a financial instrument fluctuates due to changes in the market interest rates.

The exposure to this risk occurs due to possible fluctuations in the interest rates of bonds classified as available-for-sale investments, Notes and corporate Bonds issued by the Company.

As of September 30, 2016 and December 31, 2015, the Company manages its interest rate risk through investments in liquid financial instruments and the obtaining of financial obligations at fixed interest rates, as is the case with the Global Bonds of the Republic of Peru, the Notes and corporate Bonds issued and the loans obtained from Subsidiaries. As of September 30, 2016 and December 31, 2015, the Company did not have any operations with derivative financial instruments for hedging or trading, and therefore the effect of derivative financial instruments earmarked for interest rates is not included.

(iii) Price risk -

The Company's exposure to this risk occurs due to changes in prices of equity securities, basically mutual funds and investment funds classified in the separate statements of financial position as available-for-sale investments, whose fair value amount to S/119,979,000 and S/164,646,000 as of September 30, 2016 and December 31, 2015, respectively.

(d) Fair value of financial instruments -

(i) Financial instruments measured at their fair value and fair value hierarchy.

As of September 30, 2016 and December 31, 2015, available-for-sale investments are presented at their fair value; see Note 6. The corresponding hierarchy levels of fair value are the following:

	Hierarchy level 2016
Global Bonds of the Republic of Peru	1
Foreign mutual funds	2
Foreign investment funds	3

The fair value hierarchy level is determined based on the lowest level of the data used that are significant for the measurement of fair value as a whole:

- Level 1 – Quoted prices (not adjusted) in active markets for identical assets and liabilities.
- Level 2 – Valuation techniques by which the lowest significant level of information for measurement at fair value is directly or indirectly observable.
- Level 3 – Valuation techniques by which the lowest significant level of information for measurement at fair value is not observable.

As of September 30, 2016 and December 31, 2015, the unrealized gain on Level 3 financial instruments (participations in foreign investment funds) amounts to S/14,866,000 and S/14,067,000, respectively, see Note 6.

Notes to the financial statements (continued)

Investments classified in Level 3 are valued by using assumptions and data that do not correspond to prices of operations traded on the market. Fair value is estimated using a discounted cash flow (DCF) model. Valuation requires Management to make certain assumptions about the model variables and data, including forecasts of cash flow, discount rate, credit risk and volatility. The probabilities of the estimations within the range can be reasonably assessed and are used in the estimation made by Management on the fair value of these unlisted investments.

(ii) Financial instruments not measured at fair value

Cash and due from banks is not exposed to any significant credit risk or interest rate risk, so it is estimated that its book value does not differ from its estimated fair value.

Accounts receivable and accounts payable have mostly short-term maturities and/or generate interest rates that can be readjusted in the event of changes in market conditions; consequently, their book value is considered as a good estimate of fair value as of the date of the separate statements of financial position.

Taking into account that the interest rate of the issued notes do not differ significantly from the market interest rate for this type of financial instruments, Management considers that their fair value is equivalent to their book value at each date of the separate statements of financial position.

**18. Additional explanation for the English translation -**

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