

CREDICORP



Earnings Conference Call  
Fourth Quarter 2014

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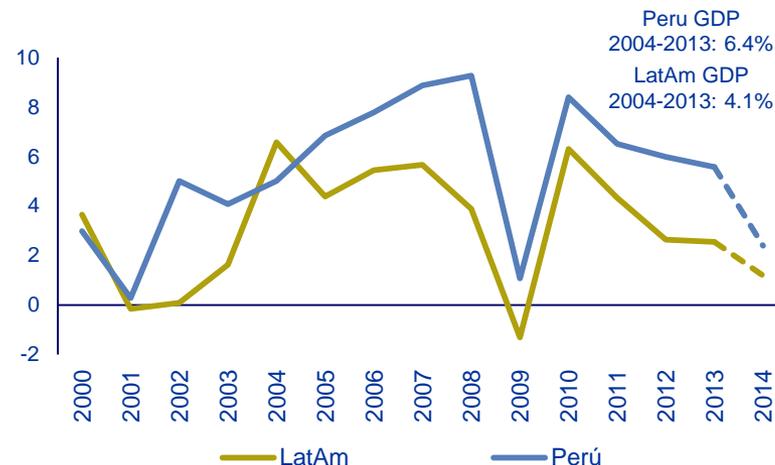
- Macroeconomic environment
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- Overview

In 2014, Peru's GDP grew around 2.4% as a result of both external and internal factors

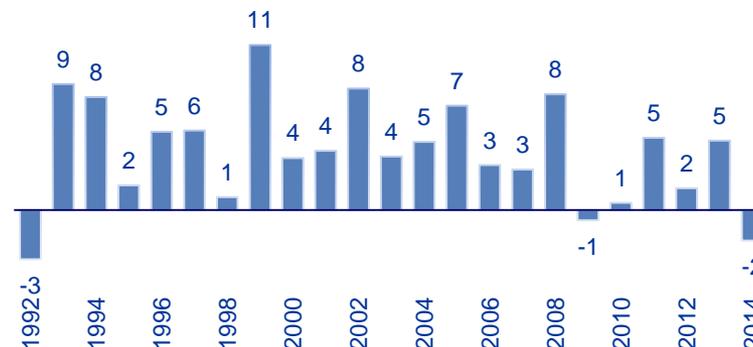


1. Latin America grew at its lowest rate in twelve years (excluding 2009).
2. Terms of trade fell 5.8% (biggest drop since 2008).
3. Primary sectors fell 2.1% (worst performance in 22 years).
  - *Fishing*: 22% decline (worst year since El Niño 1998).
  - *Mining*: copper production remained stagnant due to technical problems in Antamina and Toromocho. Gold production fell 10% due to the lower informal production in Madre de Dios.
  - *Agriculture*: coffee decreased 19% due to the yellow rust plague.
4. Public investment fell 3.6% when it was expected to grow 15%.

**LatAm and Peru GDP (%)**



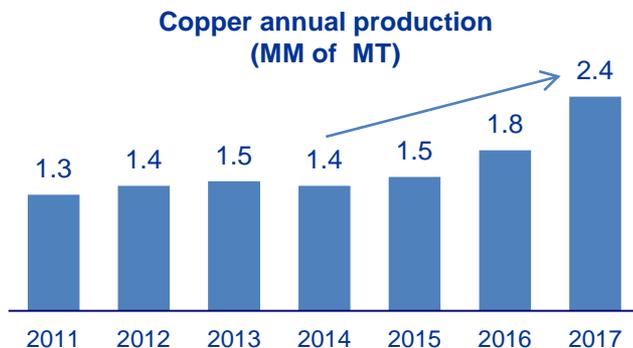
**Primary sectors (%)**



Our estimates reveal that Peru will grow between 4.0% and 4.5% in 2015.

We expect higher growth in 2015 as a result of:

1. Better performance in primary sectors. Mining would expand 6.3% due to the increase in copper production.
2. Record infrastructure investment.
3. As a net oil importer, Peru would benefit from the fall in oil prices.
4. Expansive fiscal and monetary policy.
  - MEF: stimulus equivalent to 2.2% of GDP
  - BCRP: reduction in reserve requirement and monetary policy rates (Jan-15: 3.25%).



Main investment projects 2014 - 2018 (USD million)		
1	Line 2 of Lima's Metro	5,660
2	Gas pipeline in the south	4,000
3	Modernization of Talara refinery	3,500
4	Electric Node in the South of Peru	1,000
5	Parque Rimac express way	750
6	Chavimochic - Statge III	715
7	International Airport of Chinchero	658
8	New highways in Lima	590
9	Longitudinal de la Sierra road project, Section 2	552
10	Moyobamba - Iquitos Transmission Line and associated substations	500
11	Project Olmos	414
12	Pisco port	182
<b>Total</b>		<b>18,521</b>

At first glance, 4Q14 results below expectations with ROAE of 14.5%...but numbers hide a significantly better performance...



Summary of Results		Quarter		% Change	Year to date		% Change
		3Q14	4Q14	QoQ	Dec -13	Dec -14	YoY
Results	Net Income (PEN million)	645.4	495.6	-23.2%	1,538.7	2,387.9	55.2%
	EPS (PEN)	8.09	6.21	-23.2%	19.3	29.9	54.9%
	Operating Income (PEN million) <sup>(1)</sup>	931.1	742.9	-20.2%	2,619.2	3,389.1	29.4%
	Net Interest Income (PEN million)	1,686.2	1,711.4	1.5%	4,964.6	6,409.8	29.1%
Profitability	ROAE (%) <sup>(2)</sup>	19.7%	14.5%	-520 bps	13.7%	18.5%	480 bps
	ROAA (%) <sup>(2)</sup>	2.0%	1.5%	-50 bps	1.4%	1.9%	50 bps
	NIM, interest earning assets (%)	5.75%	5.65%	-10 bps	5.11%	5.68%	57 bps
	NIM on loans BCP (%)	9.01%	8.77%	-24 bps	7.96%	8.81%	85 bps
Loan Portfolio Quality	Total Loans (PEN billion)	75.7	79.9	5.5%	64.3	79.9	24.3%
	PDL (%)	2.59%	2.51%	-8 bps	2.24%	2.51%	27 bps
	Annualized Net Provisions/Total loans (%)	2.29%	2.19%	-10 bps	1.93%	2.15%	22 bps
Insurance Indicators	Net Premiums Earned (PEN million)	555.2	569.9	2.6%	2,136.5	2,188.2	2.4%
	Insurance underwriting result (PEN million) <sup>(3)</sup>	117.6	104.0	-11.6%	383.9	422.9	10.2%
	Medical services gross margin (PEN million)	28.8	23.5	-18.6%	64.1	98.2	53.1%
Efficiency	Efficiency Ratio (%)	41.5%	43.3%	+180 bps	43.3%	42.4%	-90 bps

(1) Income before translation results and income taxes.

(2) Averages are determined as the average of period-beginning and period-ending balances.

(3) Doesn't include technical result from medical subsidiaries.

Substantial extraordinary expenses affected results and when excluded, leave a ROAE for the 4Q of 18.2%...

**Non-recurrent expenses and adjusted net income**  
(PEN million)

	4Q14	2014
<b>Reported net income (A)</b>	<b>496</b>	<b>2,388</b>
Non-recurrent expenses in Mibanco and Edyficar	-39.7	-77.7
Impairment Credicorp Capital and others <sup>(1)</sup>	-69.8	-69.8
Valuation of Calls and Puts - Credicorp Capital	-25.1	-51.8
Shutdown of Tarjeta Naranja	-0.8	-7.6
Real estate sale - Prima	-	7.6
Compensation from reinsurers - ASB	-	40.8
Deferred Tax Asset (DTA)	-23.9	-23.9
Non-recurrent gain from investments	28.0	105.0
<b>Total adjustments to operating income (B)</b>	<b>-131.4</b>	<b>-77.3</b>
Translation result	-1.8	0.4
Tax adjustment	3.0	3.8
<b>Total non-operating adjustments (C)</b>	<b>1.2</b>	<b>4.3</b>
<b>Adjusted net income (A)-(B)-(C)</b>	<b>626</b>	<b>2,461</b>

<b>Reported ROAE</b>	<b>14.5%</b>	<b>18.5%</b>
<b>Adjusted ROAE</b>	<b>18.2%</b>	<b>18.6%</b>
<b>Adjusted ROAE excl. Mibanco</b>	<b>19.1%</b>	<b>19.1%</b>

	2013
<b>Reported net income (A)</b>	<b>1,539</b>
Non-operating forward contracts losses	-118.0
Loss in market value of bond holdings	-31.2
Others expenses <sup>(2)</sup>	-39.0
Impairment Credicorp Capital	-39.1
<b>Total adjustments to operating income (B)</b>	<b>-227.3</b>
Translation result	-284.1
Tax adjustment	62.9
<b>Total non-operating adjustments (C)</b>	<b>-221.1</b>
<b>Adjusted net income (A)-(B)-(C)</b>	<b>1,987</b>

<b>Reported ROAE</b>	<b>13.7%</b>
<b>Adjusted ROAE</b>	<b>17.3%</b>

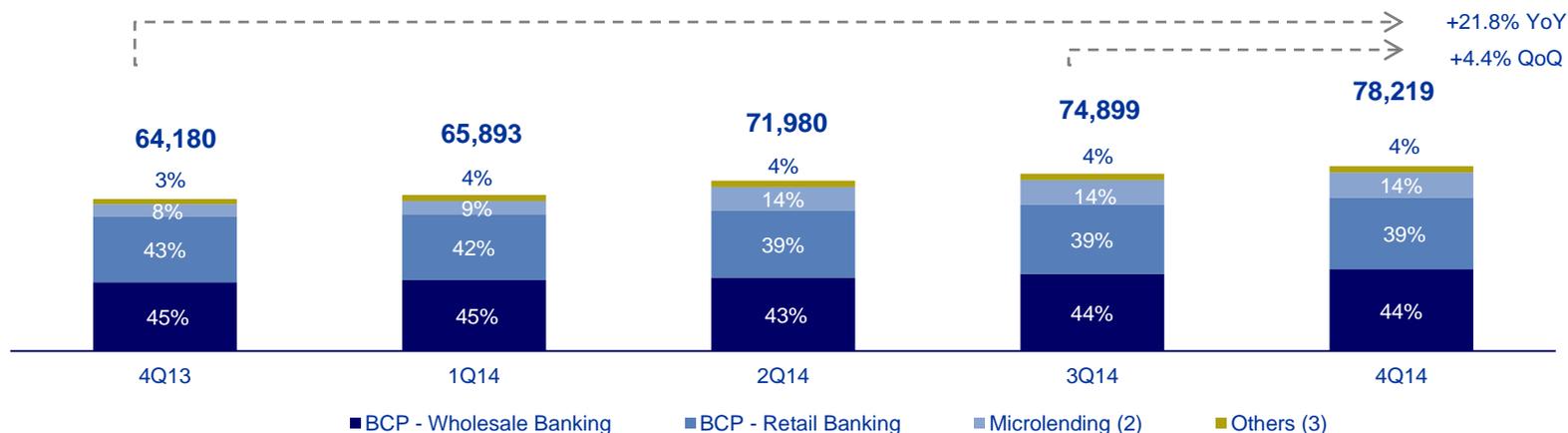
(1) Includes Impairment of PEN 2.3 million at SAHSAC in Pacifico.

(2) Includes payments to SUNAT for previous periods; contingent charges in Bolivia; de-recognition of assets associated with system development and installations; among others.

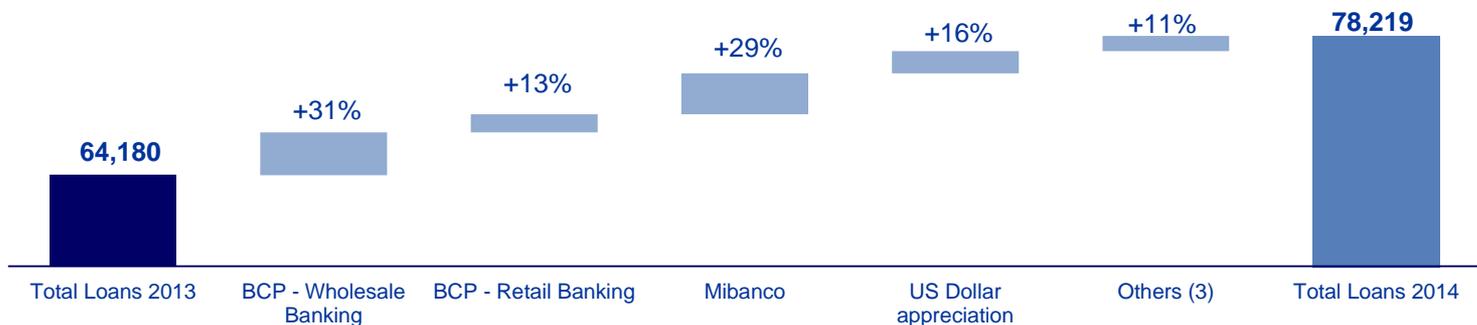
Credicorp's loan portfolio expanded despite a dramatic economic slowdown...



## Loan portfolio evolution



## Loan growth breakdown (Dec 14 vs. Dec 13)

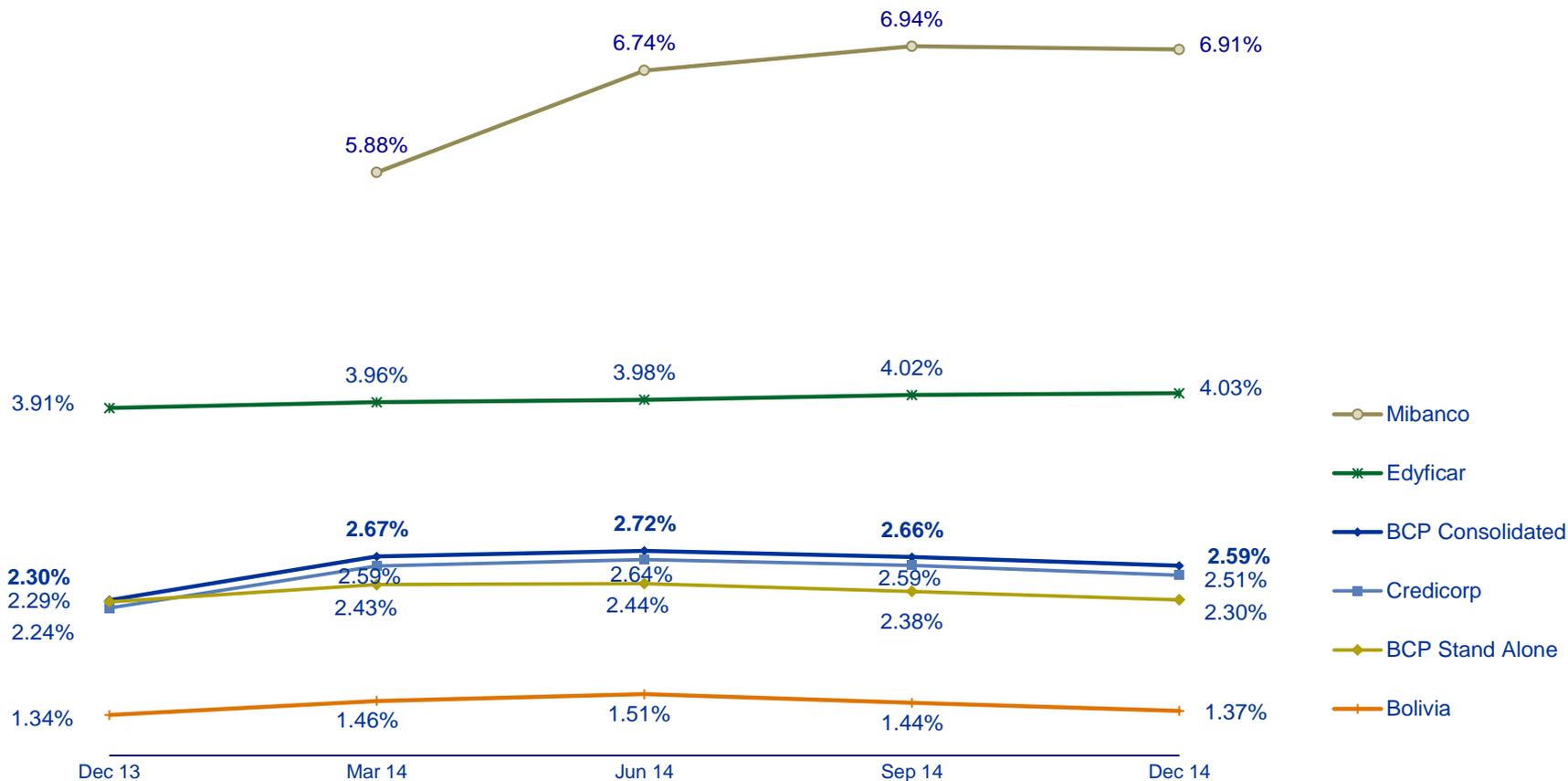


(1) Averages daily balances in PEN million.  
 (2) Includes Edyficar, Mibanco and BCP Bolivia.  
 (3) Includes ASB, Work Out Unit, and other banking.

The 4Q shows continued portfolio quality improvements...



### PDL ratio by business (%)



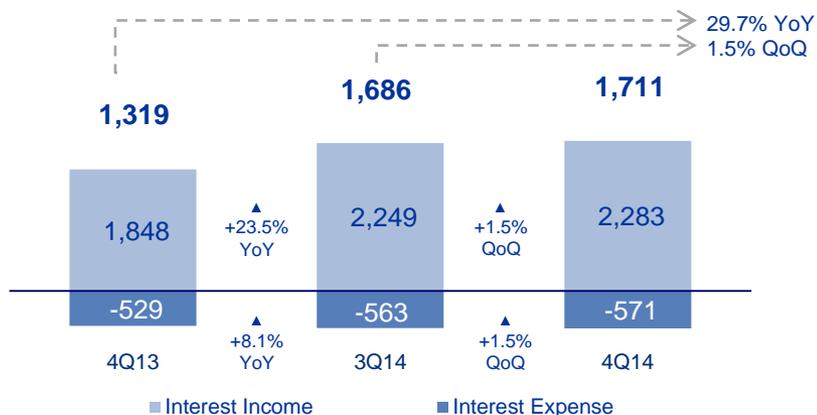
2.17%	2.07%	2.62%	2.29%	2.19%	<b>Quart. Cost of Risk <sup>(1)</sup></b>
1.93%				2.15%	<b>Annual. Cost of Risk <sup>(1)</sup></b>

(1) Cost of risk = Net provision for loan losses / Total loans.

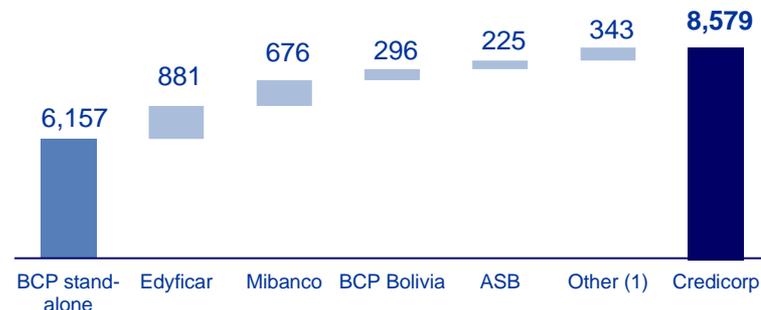
NIMs fairly stable, though slightly affected by income generation falling behind portfolio growth...



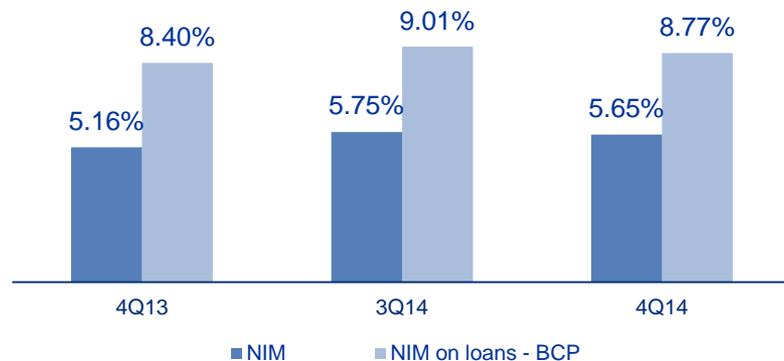
### Net interest income (PEN million)



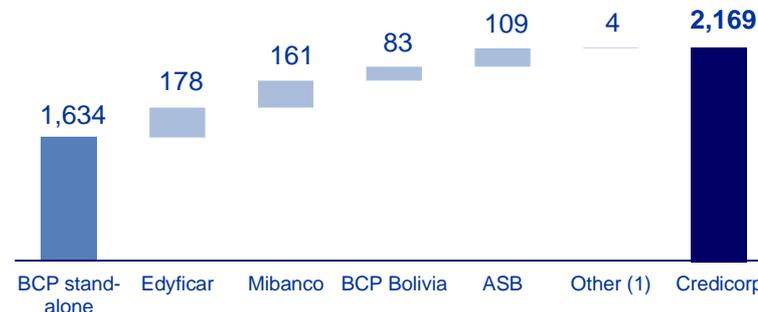
### Interest income for 2014 (PEN million)



### Net interest margin



### Interest expense for 2014 (PEN million)



(1) Others are mainly explained by PGA, Credicorp Capital, Prima, and eliminations

Strong NIM expansion for 2014 of 62bps reveals positive trends despite the slight drop in the last Q...

## Credicorp – NIM Breakdown

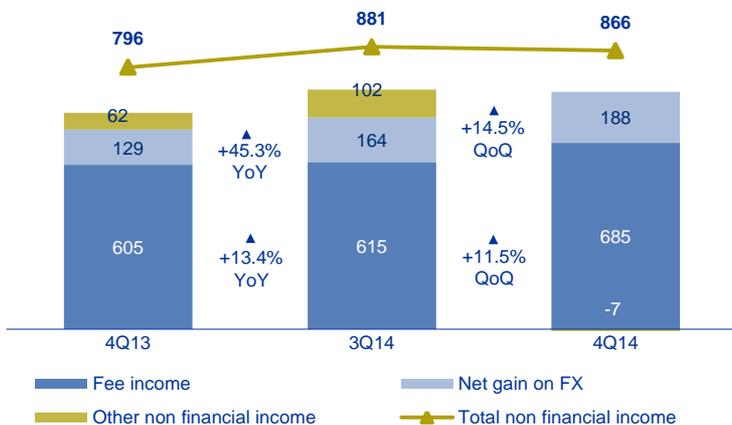
	BCP Stand-alone	Edyficar	Mibanco	BCP Bolivia	BCP Cons.	ASB	Others <sup>(1)</sup>	Credicorp
<b>NIM for 3Q14</b>	5.05%	15.42%	12.20%	4.73%	<b>6.02%</b>	2.07%	7.47%	<b>5.75%</b>
<b>NIM for 4Q14</b>	5.00%	16.25%	11.82%	4.54%	<b>5.94%</b>	2.17%	4.61%	<b>5.65%</b>
<b>Var. 4Q14 vs 3Q14</b>	-5 bps	+83 bps	-38 bps	-19 bps	<b>-8 bps</b>	+10 bps	-286 bps	<b>-10 bps</b>
<b>NIM for 2013</b>	4.63%	18.97%	-	4.66%	<b>5.26%</b>	2.12%	7.47%	<b>5.06%</b>
<b>NIM for 2014</b>	5.00%	16.89%	8.94%	4.49%	<b>5.93%</b>	2.11%	10.22%	<b>5.67%</b>
<b>Var. 2014 vs 2013</b>	+37 bps	-208 bps	-	-17 bps	<b>+67 bps</b>	-1 bps	+275 bps	<b>+61 bps</b>

Net Interest Margin (NIM) is calculated using the following formula: Annualized net interest income / Average period end and period beginning interest earning assets.

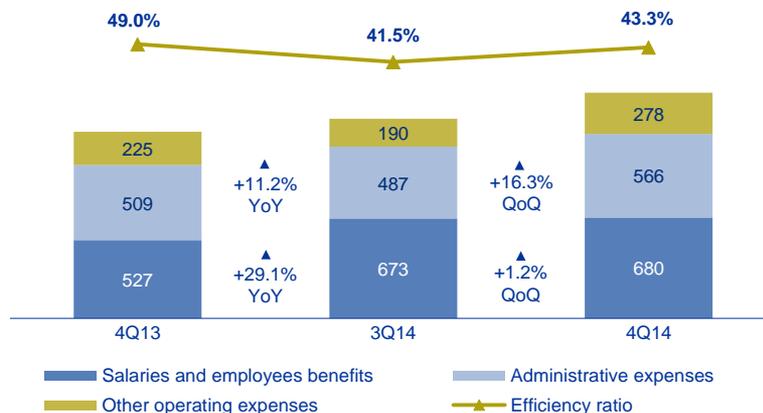
(1) Others include Financiera Solución, Grupo Crédito, Prima AFP, Credicorp Capital, PGA and Eliminations for consolidation.

Solid growth of core Non Financial Income affected by non-recurrent expenses booked in other NFI...

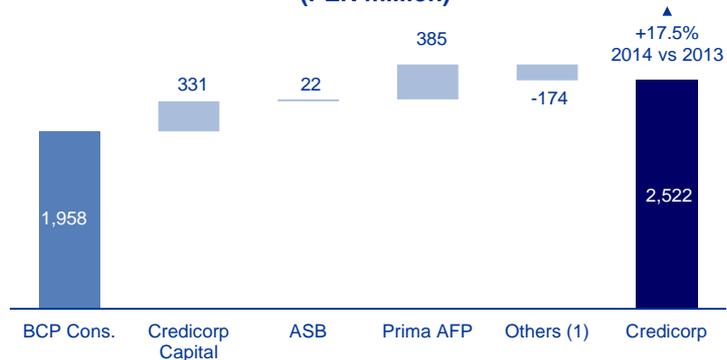
### Non financial income (PEN million)



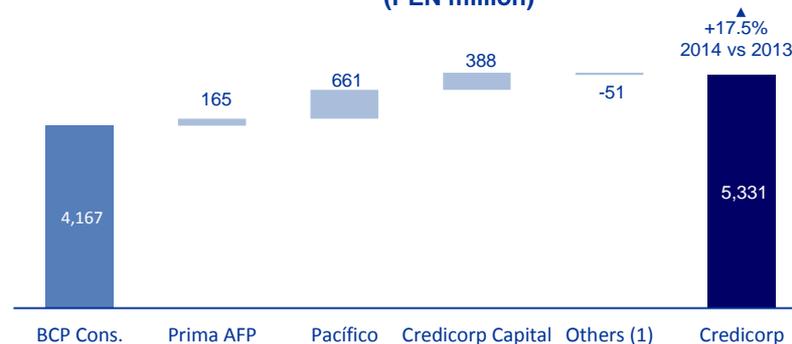
### Operating expenses (PEN million)



### Non financial income breakdown 2014 (PEN million)



### Operating expenses breakdown 2014 (PEN million)



(1) Others are mainly explained by PGA and eliminations from bancassurance.

(1) Others include ASB, Grupo Credito and Eliminations for consolidations.

Credicorp's Efficiency ratio shows gradual improvements...



## Credicorp –Efficiency Ratio

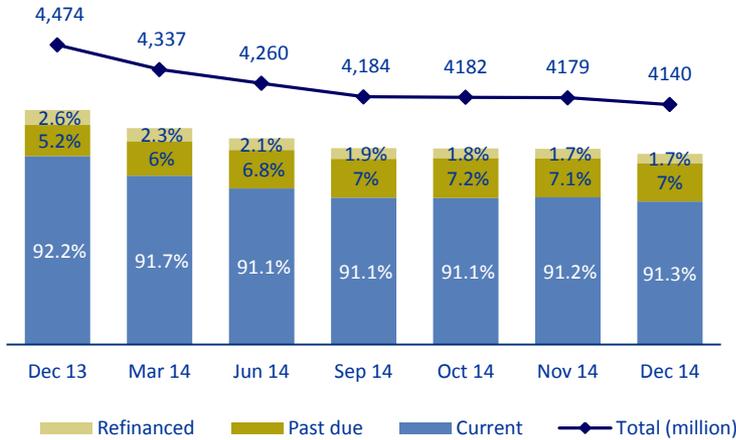
	BCP Stand - Alone	Edyficar	Mibanco	BCP Cons	PGA	Others <sup>(1)</sup>	Credicorp
<b>Efficiency ratio 3Q14</b>	42.20%	53.70%	58.90%	44.90%	20.20%	66.30%	<b>41.50%</b>
<b>Efficiency ratio 4Q14</b>	45.00%	53.07%	60.50%	48.00%	18.70%	69.10%	<b>43.30%</b>
<b>Var. 4Q14 vs. 3Q14</b>	+280 bps	-63 bps	+160 bps	+310 bps	-150 bps	+280 bps	<b>+180 bps</b>
<b>Efficiency ratio 2013</b>	47.10%	51.60%	-	47.70%	20.30%	75.50%	<b>43.30%</b>
<b>Efficiency ratio 2014</b>	44.20%	54.55%	60.40%	46.60%	19.40%	69.20%	<b>42.40%</b>
<b>Var. 2014 vs. 2013</b>	-290 bps	+295 bps	-	-110 bps	-90 bps	-630 bps	<b>-90 bps</b>

Efficiency ratio is calculated using the following formula: (Operating expenses – Other expenses) / (Net interest income + Fee income + Gain in FX + Net earned premiums + Gross margin from medical Subsidiaries)

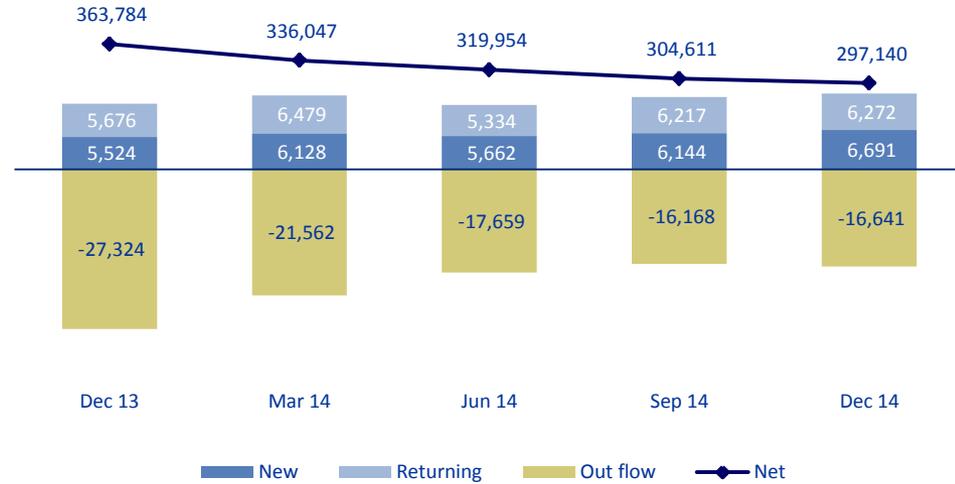
(1) Others include BCP Bolivia, Financiera Solución, Grupo Crédito, ASB, Prima AFP, Credicorp Capital and Eliminations for consolidation.

Thus far this year we have focused on stabilizing Mibanco in order to prepare for the integration with Edyficar...

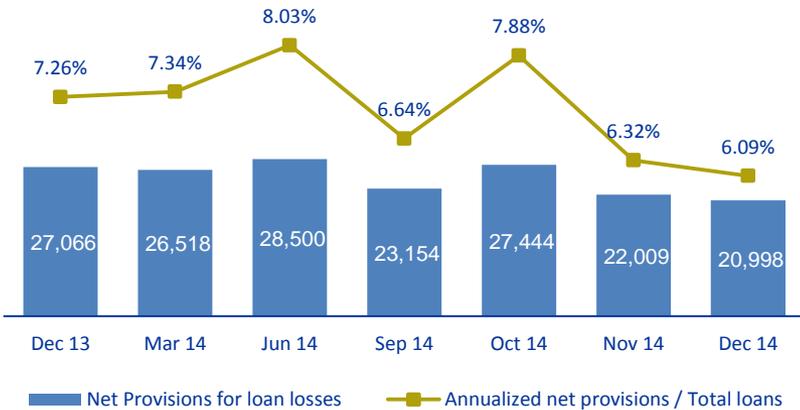
% of Total Loans



Number of Customers



Net provision for loan losses & Cost of Risk



Sales Force Turnover



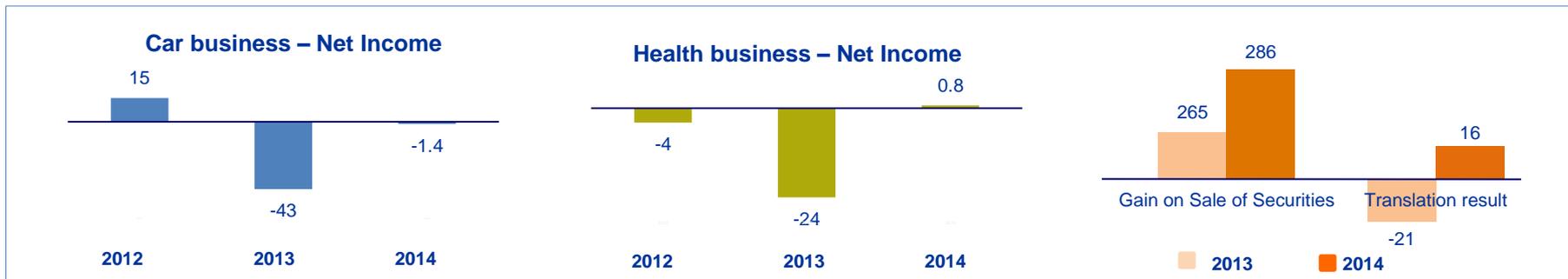
\* Peru GAAP.

## Main drivers of 2014 results (PEN million)

### P&C

### Health

### Life



#### P&C business:

- **Car business:** Review of pricing model, service levels in Car Assistance, active referral to preferred workshops, model calibrations and less exposure in provinces resulted in improvement of the loss ratio (54% vs. 67%).
- **Wholesale line:** Extraordinary income from reinsurance receivables from previous years (PEN12 million)
- **Direct channel and provinces:** Sales force reduction (119 vs. 325), increase in productivity, refocus on health business and adjustment in business model. Reduction of offices in provinces (17 vs.9)

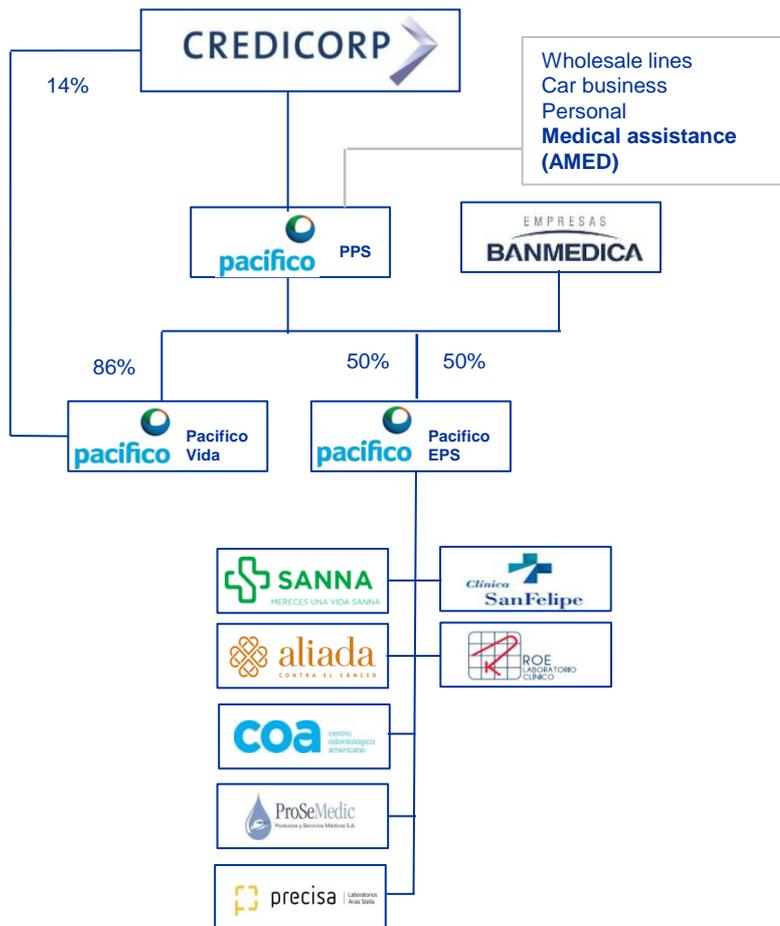
#### Health business:

- **Health:** Consolidation of healthcare businesses by capitalizing on infrastructure investments from previous year.
- **PGA-Banmédica JV:** Banmédica participates with 50% of PPS's Medical Assistance business through capital contribution of US\$25 million. Banmédica participates with 50% of EPS and Medical Services businesses through contribution of US\$ 32 million in capital, Clínica San Felipe and Laboratorio Roe.

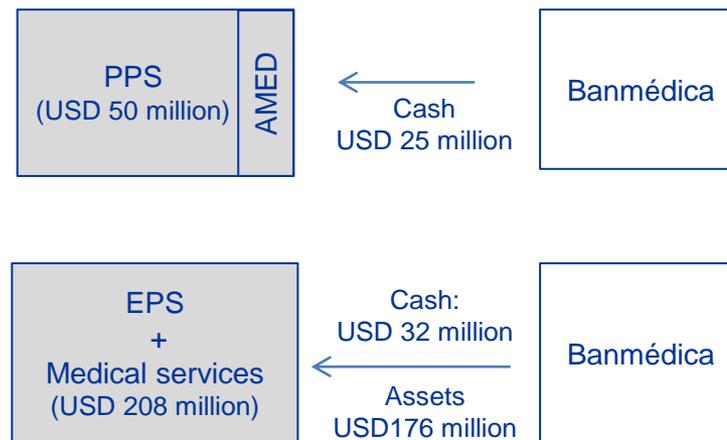
#### Life business:

- **Business lines:** Good results in business lines, net gain on sale of securities (PEN 286 million vs. PEN 265 MM) and translation results (PEN 16 million vs. PEN -21 million).

A partnership that will become a milestone in the development of the insurance and health care business in Peru...



## Partnership structure PGA - BanMédica



To improve BCP's capitalization ratios...



## BCP - Regulatory Capital and Capital Adequacy Ratios (PEN million)

	Balance as of			% Change	
	4Q13	3Q14	4Q14	QoQ	YoY
Total Regulatory Capital	10,755	12,524	12,704	1.4%	18.1%
Common Equity Tier 1 ratio <sup>(1)</sup>	7.52%	7.20%	7.45%	+25 bps	-7 bps

## Estimated impact from sale of BCI shares in BCP's CET1

- Capitalization of earnings from sale of BCI shares	+ 36 bps
- Impact from release of capital allocated for investment in BCI	<u>+ 11 bps</u>
	+ 47 bps

(1) Common Equity Tier I = Capital + Reserves – 100% of applicable deductions (investment in subsidiaries, goodwill, intangibles and deferred tax assets that rely on future profitability) + retained earnings + unrealized gains.

Results for 4Q14 affected by non-recurrent expenses, but full year results still solid with strong ROAE of 18.5%...

**Earnings Contributions (PEN million)**

	Earning contribution (PEN million)						ROAEs			
	4Q13	3Q14	4Q14	QoQ	YoY	Dec-13	Dec-14	YoY	4Q14	2014
Banco de Crédito BCP (1)	392	572	441	-23%	12%	1,246	1,903	53%	18.6%	21.4%
BCB (2)	12	17	15	-16%	17%	47	66	43%	12.5%	15.1%
Edyficar (3)	28	20	-4	-119%	-113%	94	76	-19%	-1.2%	9.0%
PGA	13	60	55	-9%	316%	108	199	84%	11.8%	11.7%
Atlantic Security Bank	34	28	22	-23%	-37%	138	159	16%	13.9%	27.4%
Prima	34	37	37	-1%	9%	138	153	11%	26.2%	29.8%
Credicorp Capital (4)	-32	11	-54	-576%	66%	-9	-14	55%	-33.1%	-2.2%
Credicorp Ltd. (5)	5	-48	1	-101%	-90%	-41	28	-168%	-	-
Others (6)	-24	-15	-6	-62%	-76%	-42	-41	-3%	-	-
<b>Net Income attributable to Credicorp</b>	<b>422</b>	<b>645</b>	<b>496</b>	<b>-23%</b>	<b>17%</b>	<b>1,539</b>	<b>2,388</b>	<b>55%</b>	<b>14.5%</b>	<b>18.5%</b>

(1) Includes Banco de Crédito de Bolivia, Edyficar and Mibanco.

(2) The figure is lower than the net income of BCB because Credicorp owns 97.7% of BCB (directly and indirectly).

(3) Includes investment in Mibanco.

(4) Includes Credicorp Inv, which includes IM Trust, Credicorp Capital Individual, Credicorp Capital Colombia and CSI; and Credicorp Capital Peru which includes Credicorp Capital Bolsa, Credicorp Capital Fondos and Credicorp Capital Titulizadora.

(5) Includes taxes on BCP's and PPS's dividends, and other expenses at the holding company level.

(6) Includes Grupo Crédito excluding Prima (Servicorp and Emisiones BCP Latam), others of Atlantic Security Holding Corporation and others of Credicorp Ltd.

## Safe Harbor for Forward-Looking Statements



This material includes “forward-looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934. All statements other than statements of historical information provided herein are forward-looking and may contain information about financial results, economic conditions, trends and known uncertainties.

The Company cautions readers that actual results could differ materially from those expected by the Company, depending on the outcome of certain factors, including, without limitation: (1) adverse changes in the Peruvian economy with respect to the rates of inflation, economic growth, currency devaluation, and other factors, (2) adverse changes in the Peruvian political situation, including, without limitation, the reversal of market-oriented reforms and economic recovery measures, or the failure of such measures and reforms to achieve their goals, and (3) adverse changes in the markets in which the Company operates, including increased competition, decreased demand for financial services, and other factors. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof.

The Company undertakes no obligation to release publicly the result of any revisions to these forward-looking statements which may be made to reflect events or circumstances after the date hereof, including, without limitation, changes in the Company’s business strategy or planned capital expenditures, or to reflect the occurrence of unanticipated events.