



Earnings Conference Call  
Second Quarter 2018

## External Environment: changes compared to the last Conference Call

### Tailwinds

- **Anglo American approves Quellaveco:**
  - Total investment estimated between USD 5.0-5.3 billion.
  - Start of operations in 2022 with approximately 300 thousand metric tons.
- **Other important mining projects: Mina Justa and Toromocho's expansion, each for USD 1.3 billion.**
- **Stronger than expected recovery in economic activity.**

### Headwinds

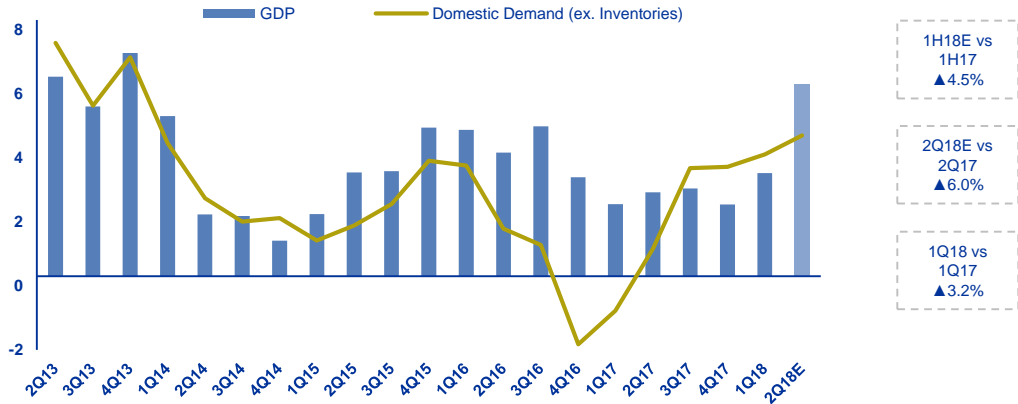
- **Lower price of copper:**
  - From USD/lb. ~3.10 to ~2.80.
  - External headwinds from trade tensions.

### Politics

- **Presidential State of Nation:**
  - Referendum to address on re-election of members of congress; reforms regarding financing for political parties; a reform of the judiciary system; and a return to a bicameral parliamentary system.
  - El Nino Reconstruction for S/ 4.0 billion in 2018.
- **Political Environment:**
  - Business confidence has recovered in the past 3 months.
  - Turmoil in the Judiciary System.

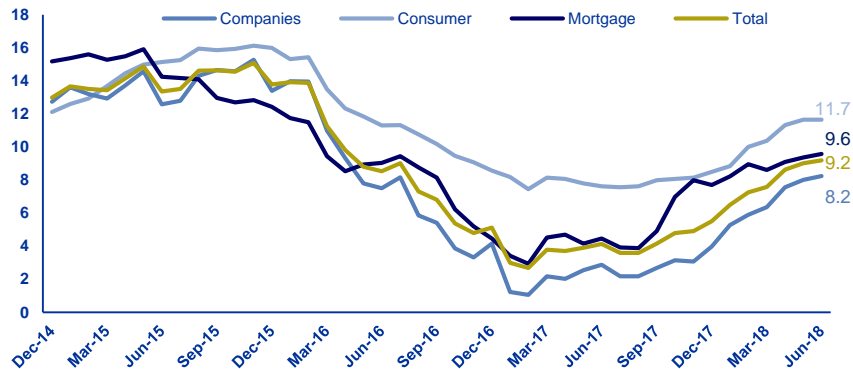
**Chart 1: Peru: GDP and Domestic Demand**

(% change YoY) <sup>(1)</sup>



**Chart 2: Peru: Financial System loans by type**

(% change YoY, nominal) <sup>(2)</sup>



(1) Source: BCRP, BCP – Economic Research. 2Q18 and 1H18 include actual figures for April and May, and an estimate for June.

(2) Source: Central Bank of Peru (BCRP)

## Universal Banking

		BCP	BCP Bolivia
2Q18 Contribution <sup>(1)</sup>		72%	2%
	2Q17	21.5% <sup>(2)</sup>	17.9%
ROAE	1Q18	23.0% <sup>(2)</sup>	11.8%
	2Q18	22.2% <sup>(2)</sup>	13.9%

### BCP Stand-alone:

- + Continuous improvement in cost of risk.
- + Slight acceleration in loan growth.
- Net loss on sale of securities due to market conditions.

### BCP Bolivia:

- + Loan growth
- Pressure on margins due to competition.

## Microfinance

		mibanco
2Q18 Contribution <sup>(1)</sup>		12%
	2Q17	23.8%
ROAE	1Q18	28.7%
	2Q18	27.9%

- + Mibanco's loan growth is above that of its peers, in line with the improvement in productivity.
- + Mibanco banked 70,600 clients in 1H18, 46% above the figure posted in 1H17<sup>(3)</sup>.
- + Credicorp increased its stake in Mibanco to 97.7% after acquiring a minority interest of 4.5%.
- + 33% YoY increase in clients on the liability side through deposits
- Slight increase in provisions.

## Insurance & Pension Funds

		pacifico	PRIMA AFP
2Q18 Contribution <sup>(1)</sup>		7%	3%
	2Q17	13.9% <sup>(4)</sup>	30.2%
ROAE	1Q18	11.2% <sup>(4)</sup>	24.3%
	2Q18	10.7% <sup>(4)</sup>	23.0%

### Pacifico:

- + Life insurance posts good performance, mainly due to Rentaflex.
- + Health insurance and medical care continue to improve.
- Conditions for car insurance remain challenging.

### Prima AFP:

- Market volatility affected profitability of FuMs and thus of Prima's legal reserves.

## Investment Banking & Wealth Management

		CREDICORP capital	ASB
2Q18 Contribution <sup>(1)</sup>		1%	3%
	2Q17	13.4%	22.4%
ROAE	1Q18	11.1%	15.4%
	2Q18	6.1%	16.1%

- + Fee income from asset management is gradually improving.
- Credicorp Capital and ASB posted a decrease on net gain on sale of securities due to market conditions.

(1) Contribution calculated with Credicorp's Net income, which includes Others (Grupo Credito, Atlantic Security Holding Corporation and others Holdings of Credicorp Ltd).

(2) ROAE is calculated for BCP Consolidated, which includes Mibanco.

(3) Figures as of May18 and May17.

(4) Figures include unrealized gains that are considered in Pacifico's Net Equity from the investment portfolio of Pacifico Vida. ROAE excluding such unrealized gains was 17.4% in 2Q17, 15.1% in 1Q18 and 14.5% in 2Q18.

			QoQ	YoY
<b>Profitability</b>	<b>Net income:</b>	<b>S/ 978 million</b>	▼ 5.8%	▲ 6.3%
	<b>ROAE:</b>	<b>18.1%</b>	▼ 120 bps	▼ 10 bps
	<b>ROAA:</b>	<b>2.3%</b>	▼ 10 bps	- 0 bps
<b>Loan portfolio</b>	<b>Quarter-end balances:</b>	<b>S/ 102.8 billion</b>	▲ 2.2%	▲ 9.7%
	<b>Average daily balances:</b>	<b>S/ 102.8 billion</b>	▲ 2.4%	▲ 9.2%
	<b>Net provisions for loan losses:</b>	<b>S/ 313.2 million</b>	▼ 15.6%	▼ 27.7%
	<b>Cost of risk:</b>	<b>1.22%</b>	▼ 26 bps	▼ 63 bps
<b>NII &amp; NIM</b>	<b>Net interest income</b>	<b>S/ 2,063 million</b>	▲ 0.9%	▲ 4.8%
	<b>NIM</b>	<b>5.28%</b>	▲ 13 bps	▲ 3 bps
	<b>Risk-adjusted NIM</b>	<b>4.48%</b>	▲ 26 bps	▲ 39 bps
<b>Efficiency</b>	<b>Efficiency ratio</b>	<b>43.9%</b>	▲ 110 bps	▲ 10 bps
<b>Capital</b> (BCP Stand-alone)	<b>BIS ratio:</b>	<b>15.07%</b>	▼ 84 bps	▼ 164 bps
	<b>Tier 1 ratio:</b>	<b>11.09%</b>	▼ 66 bps	▼ 66 bps
	<b>CET1 ratio:</b>	<b>11.11%</b>	▼ 11 bps	▼ 43 bps

## 1H18 vs. 1H17

## Profitability

Net income:	S/ 2,016 million	▲	11.4%
ROAE:	18.5%	▲	60 bps
ROAA:	2.4%	▲	10 bps

## Loan portfolio

Quarter-end balances:	S/ 102.8 billion	▲	9.7%
Average daily balances:	S/ 101.6 billion	▲	8.1%
Net provisions for loan losses:	S/ 684.2 million	▼	29.4%
Cost of risk:	1.33%	▼	74 bps

## NII &amp; NIM

Net interest income	S/ 4,107 million	▲	3.2%
NIM	5.23%	▼	12 bps
Risk-adjusted NIM	4.36%	▲	31 bps

## Efficiency

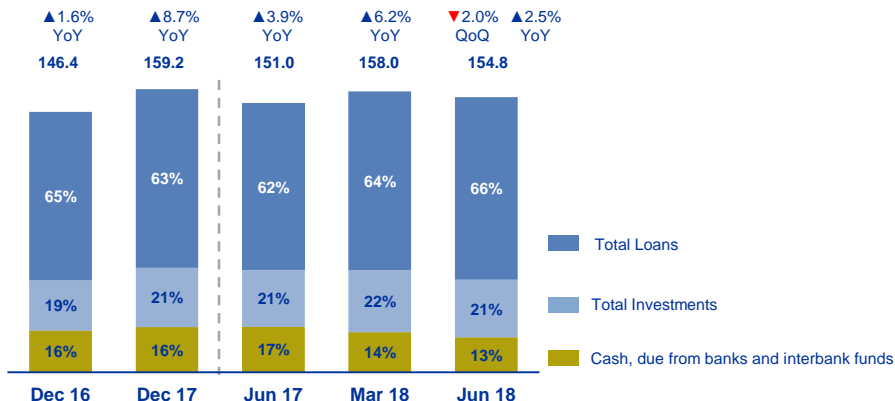
Efficiency ratio	43.3%	▲	50 bps
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Capital  
(BCP Stand-alone)

BIS ratio:	15.07%	▼	164 bps
Tier 1 ratio:	11.09%	▼	66 bps
CET1 ratio:	11.11%	▼	43 bps

### Chart 1: Interest-Earning Assets

(S/ billion – quarter-end balances)



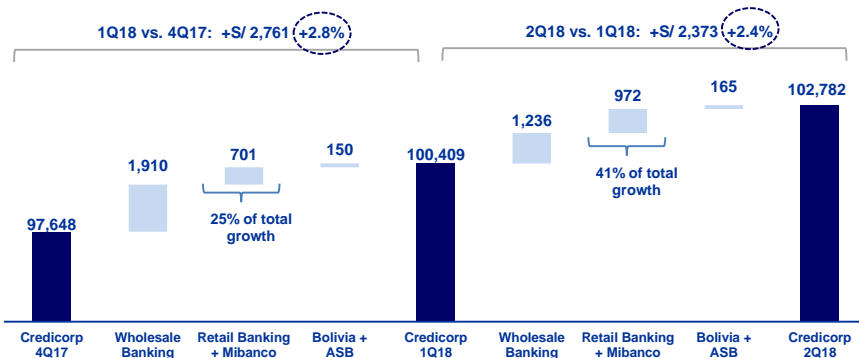
IEAs posted:

- A slight contraction QoQ due to a decrease in investments.
- YoY growth due to loan expansion, the most profitable asset.

Jun 18 (Quarter-end balance)	% change	
	QoQ	YoY
Total loans	2.2%	9.7%
Total investments	-7.5%	2.0%

### Chart 2: Loan portfolio in average daily balances

(volume growth in S/ million)



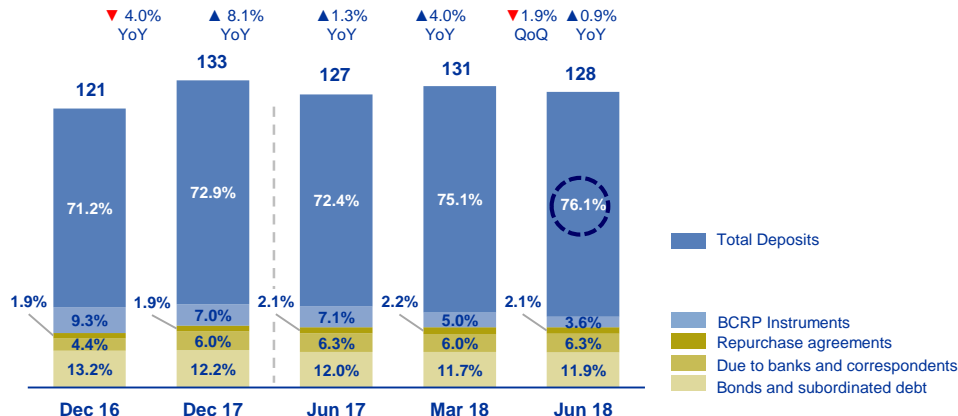
### Chart 3: Loan evolution by currency

(average daily balances)

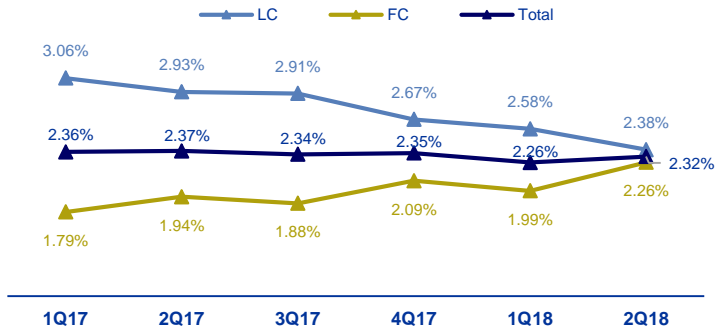
Jun 18	% change	
	QoQ	YoY
LC loans	1.7%	9.4%
FC loans	2.4%	8.6%
<b>Total Loans</b>	<b>2.4%</b>	<b>9.2%</b>

### Chart 1: Evolution of Funding Structure

(\$/ billion- quarter-end balances)



### Chart 2: Funding Cost – Credicorp<sup>(1)</sup>



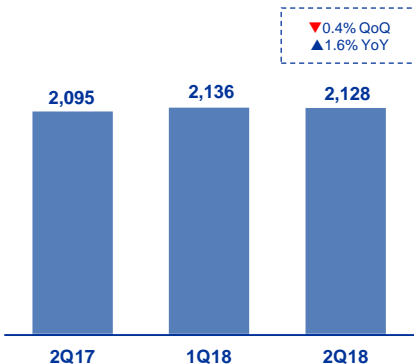
(1) Local currency (LC) only includes Soles and Foreign currency includes mainly US\$, which represents 88% of total FC.



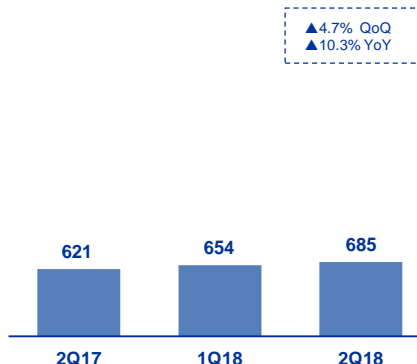
**Net Interest Income**  
(S/ million)

2Q17	1Q18	2Q18	QoQ	YoY	1H17	1H18	1H18/1H17
1,968	2,044	2,063	0.9%	4.8%	3,981	4,107	3.2%

**Chart 1: Interest Income in Local Currency (LC)**  
(S/ Million)



**Chart 2: Interest Income in Foreign Currency (FC)**  
(S/ Million)



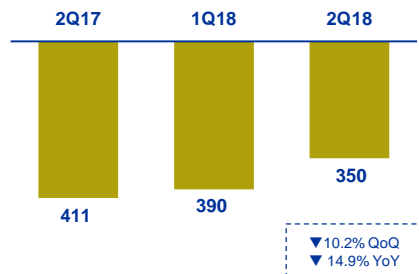
Loan growth has been led primarily by Wholesale Banking, but Retail Banking also recovered pace of growth

Loan growth was posted both in FC and LC

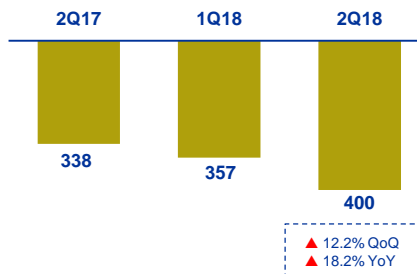
Lower interest income on securities due to a drop in the Investment portfolio at BCP

**Interest Income**  
(S/ million)

**Chart 3: Interest Expenses in Local Currency (LC)**  
(S/ Million)



**Chart 4: Interest Expenses in Foreign Currency (FC)**  
(S/ Million)



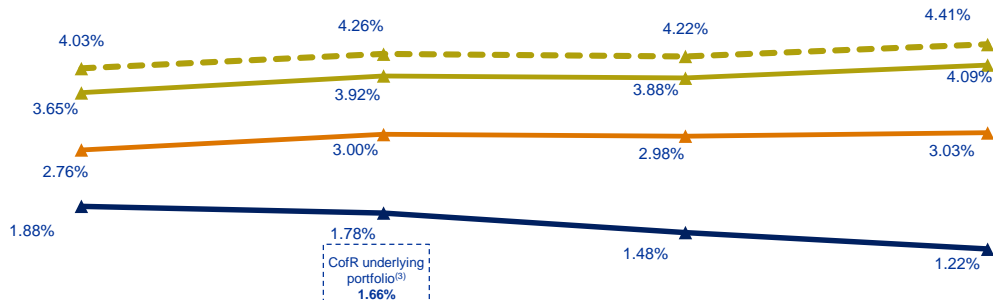
Growth in interest expenses on deposits in FC related to the increase in U.S. market rates

Reduction in interest expense on deposits related to lower LC interest rates, mainly for Time Deposits

Expiration of Central Bank Instruments (LC) and substitution with lower-cost deposits

**Interest Expenses**  
(S/ million)

### Evolution of delinquency indicators



2016

2017

Mar 18

Jun 18

Adjusted NPL ratio (1)

Internal Overdue Loans (IOL) ratio

NPL ratio

Cost of risk (2)

#### Main drivers of the downward trend in the Cost of Risk:

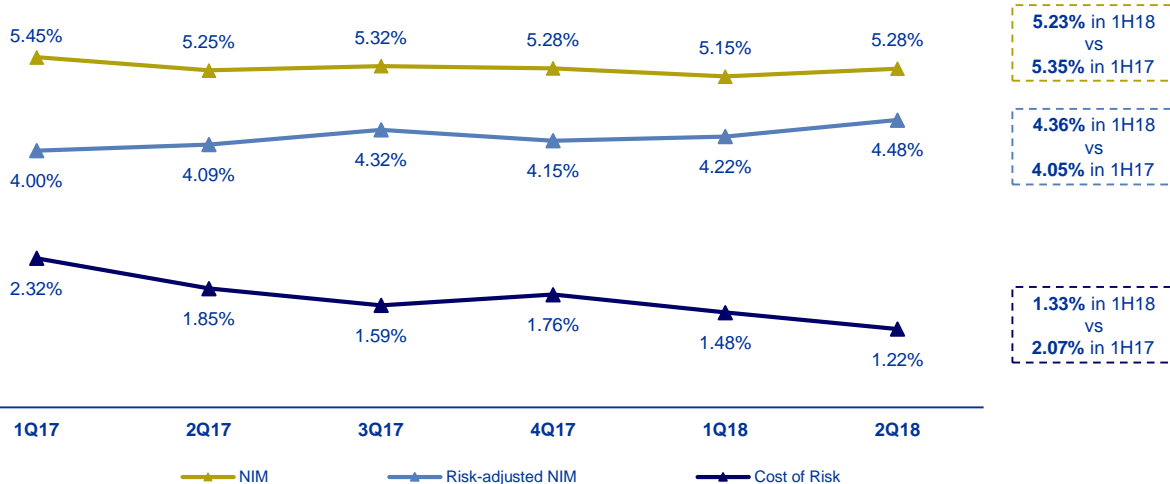
- Improvement in the risk quality of new vintages at Mibanco and in the SME-Pyme (2015-2017), Consumer and Credit card (2016-2017) segments.
- Although these segments combined represent approximately 30% of Credicorp's loan portfolio, they accounted for 82% of the total provisions for loan losses made, on average, in the last four years.
- Slight and gradual recovery in the macroeconomic scenario.
- The **forward-looking** nature of expected loss under the IFRS9 methodology **captures in advance** the improvement in the risk quality of Mibanco, SME-Pyme, Consumer and Credit card segments.

(1) Adjusted NPL ratio = (Non-performing loans + Charge-offs) / (Total loans + Charge-offs).

(2) Cost of risk = Annualized provisions for loan losses net of recoveries / Total loans.

(3) The cost of risk of the underlying portfolio of 2017 was calculated by eliminating provisions for the construction sector and the El Nino weather phenomenon.

Quarterly evolution

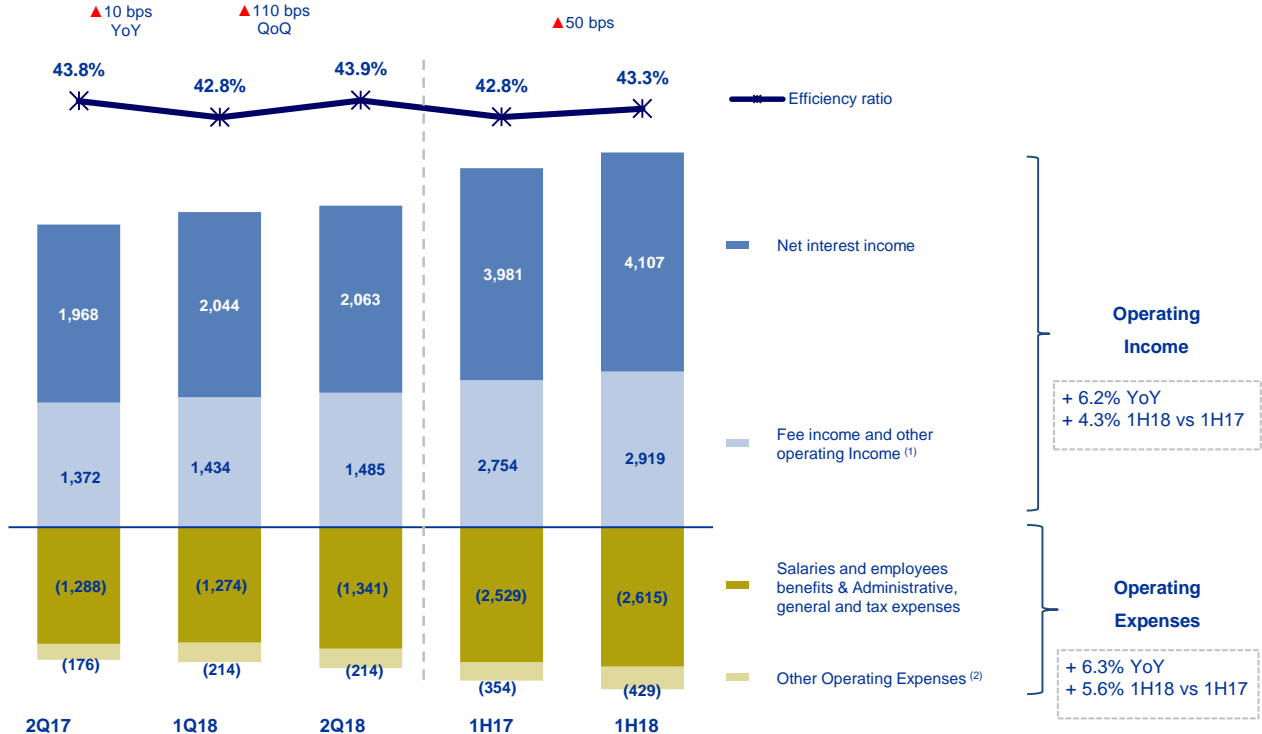


The decrease in cost of risk is associated with lower margins given that the risk quality at the loan origination level has improved.



NIM evolved favorably QoQ and YoY due to higher growth in NII, which in turn was led by the improvement in the dynamic of loan expansion and a more favorable funding structure.

## Operating Income and Expenses (\$/ Million)



(1) "Fee income and other operating income" includes Fee income, Net earned premiums, Net gain on foreign exchange transactions, Net gain from associates, Net gain on derivatives and Result on Exchange difference.

(2) Other operating expenses includes Depreciation, amortization and Acquisition cost.

Macroeconomic indicators	2018 FY Guidance
Real GDP growth %	≈3.5%
Domestic demand real growth%	≈3.7%
Private investment growth %	≈3.5%
Public investment growth %	≈11.5%
BCRP reference rate year-end	2.75%
Inflation %	2.5%
Exchange rate Year-end	3.20 - 3.25

Revised Guidance FY2018	
≈4.0%	↑
≈4.0%	↑
≈4.5%	↑
≈4.0%	↓
2.75%	
2.5%	
3.25 - 3.30	↑

Credicorp	2018 FY Guidance	YTD Jun18
Loan growth (average daily balances)	6% - 8%	6.8% <sup>(1)</sup>
Cost of Risk	1.6% - 1.7%	1.33%
NIM	5.3% - 5.5%	5.23%
Efficiency ratio	Stable - Slight decrease (full year 2017: 43.7%)	43.30%
BCP Stand-alone CET1	No less than 10.5% every 1Q (quarter in which we reflect the declaration of dividends each year).	11.1%
ROAE 2018	17.5% - 18.5%	18.50%
Sustainable ROAE	≈19.00%	N.A.

Revised Guidance FY2018
7% - 9%
1.3% - 1.5%
5.3% - 5.5%
Stable - Slight increase (full year 2017: 43.7%)
No less than 10.5% every 1Q (quarter in which we reflect the declaration of dividends each year).
17.5% - 18.5%
≈19.00%

(1) Loan growth in average daily balances, 1H18 versus FY 2017.

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. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on the Company’s current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions.

Forward-looking statements can be identified by words such as: “anticipate”, “intend”, “plan”, “goal”, “seek”, “believe”, “project”, “estimate”, “expect”, “strategy”, “future”, “likely”, “may”, “should”, “will” and similar references to future periods. Examples of forward-looking statements include, among others, statements or estimates we make regarding guidance relating to Return on Average Equity, Sustainable Return on Average Equity, Cost of Risk, Loan growth, Efficiency ratio, BCP Stand-alone Common Equity Tier 1 Capital ratio and Net Interest Margin, current or future volatility in the credit markets and future market conditions, expected macroeconomic conditions, our belief that we have sufficient liquidity to fund our business operations during the next year, expectations of the effect on our financial condition of claims, litigation, environmental costs, contingent liabilities and governmental and regulatory investigations and proceedings, strategy for customer retention, growth, product development, market position, financial results and reserves and strategy for risk management.

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. Our actual results and financial condition may differ materially from those indicated in the forward-looking statements. Therefore, you should not rely on any of these forward-looking statements.

Any forward-looking statement made in this material is based only on information currently available to the Company and speaks only as of the date on which it is made. 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.

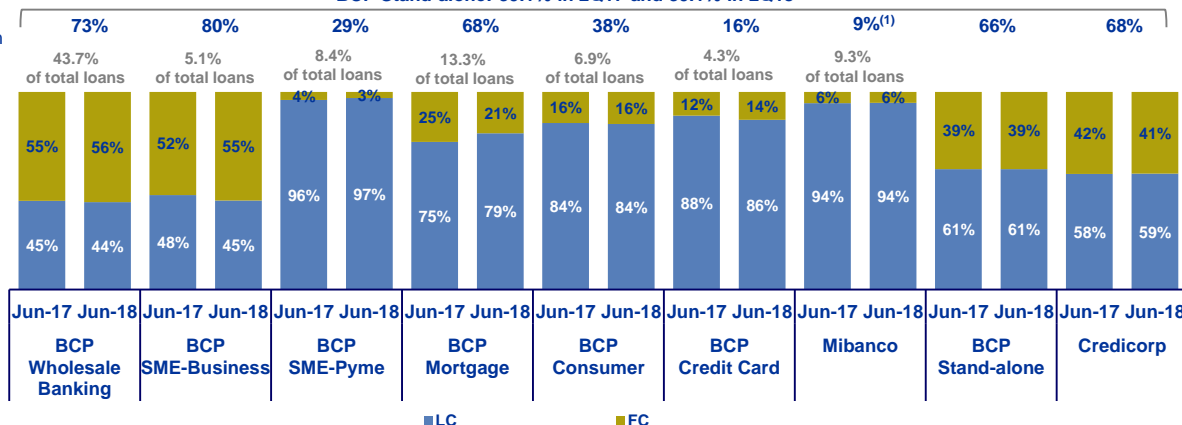


**Appendix**  
Earnings Conference Call  
Second Quarter 2018

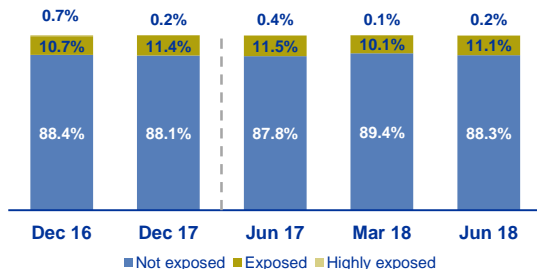
### Loan Portfolio Dollarization

FC portfolio participation:  
**Credicorp: 41.5% in 2Q17 and 41.4% in 2Q18**  
**BCP Stand-alone: 39.1% in 2Q17 and 39.1% in 2Q18**

Level of dollarization in 2009



### FX Risk on credit risk – BCP Stand Alone



The analysis by business segments shows a reduction in the dollarization level in the Mortgage segment and to a lesser extent, in the SME-Pyme segment



The dollarization level of our loan portfolio does not translate into significant credit risk



Dedollarization in the Mortgage segment was due to the decreasing interest rate differential between LC and FC loans.

(1) The maximum level of dollarization for Mibanco was in 2015.



Annual evolution

