



**FOR IMMEDIATE RELEASE:**

For additional information please contact:

Jose Hung

Investor Relations

Banco de Credito

Phone: (511) 349-0590

E-mail: [jhung@bcp.com.pe](mailto:jhung@bcp.com.pe)

Web site: <http://www.credicorpnet.com>

Alfredo Montero

General Manager

Banco de Credito New York Branch

Phone: (212) 644-6644

Fax: (212) 826-9852

E-mail: [amonero@bcpsy.com](mailto:amonero@bcpsy.com)

**CREDICORP LTD. ANNOUNCES FINANCIAL RESULTS  
FOR THE QUARTER ENDED JUNE 30, 2000**

(Lima, Perú, August 8, 2000) - Credicorp Ltd. ("Credicorp") (NYSE:BAP;LSE:BAPC1) today announced its financial results for the quarter ended June 30, 2000.

Credicorp announced consolidated net income, for the six month period ended June 30, 2000, of US\$5.8 million, increasing over US\$4.2 million in the prior year period, or US\$0.071 and US\$0.051 per share, respectively. Net income for the second quarter 2000 was US\$1.4 million, lower than US\$2.6 million in the 1999 quarter, or US\$0.017 and US\$0.033 per share, respectively. Second quarter 2000 results compared to the prior year quarter, show similar net interest income, but higher loan loss provisions and losses in the sale of securities, partly offset by lower non-interest expenses and decreased translation losses.

**I. CREDICORP LTD. AND SUBSIDIARIES**

**CREDICORP LTD. AND SUBSIDIARIES  
SUMMARY OF RESULTS**

*(In U.S.\$ millions, except net income per share)*

	Three months ended			Six months ended	
	30.06.99	31.03.00	30.06.00	30.06.99	30.06.00
Net interest income	94.7	89.5	96.0	185.8	185.5
Provisions for possible loan losses, net	37.3	39.3	50.4	88.4	89.7
Other income	88.6	84.4	81.4	169.7	165.8
Claims on insurance activities	22.0	20.3	23.8	42.6	44.1
Other expenses	111.6	99.7	97.3	215.7	197.1
Translation result	(8.7)	(4.8)	(2.0)	2.4	(6.8)
Income before income tax and — minority interest	3.7	9.8	3.9	11.2	13.7
Income Tax	1.8	(4.3)	(1.4)	(2.4)	(5.7)
Minority Interest	(2.9)	(1.1)	(1.1)	(4.7)	(2.2)
<b>Net Income</b>	<b>2.6</b>	<b>4.4</b>	<b>1.4</b>	<b>4.2</b>	<b>5.8</b>
Net Income per share (1)	0.033	0.054	0.017	0.051	0.071

(1) Based on 81.00 million net outstanding shares in all periods. The total number of shares is 94.38 million, however, as 13.38 million are held by affiliates as treasury shares, the net consolidated outstanding shares are 81.00 million.

## **I.1 PERUVIAN ECONOMIC SITUATION**

In the current quarter, overall economic activity continued to recover compared to the slowdown felt in the first half of 1999. After 6.6% growth in the first quarter of 2000, GDP grew 6.0% in the six months through June, according to recently released figures that estimate GDP based on relative weights by economic sector having 1994 as the base year (the previous base year was 1979).

Current year's growth rates cannot be strictly compared to prior year data because statistics restated with the new 1994 base year are not yet available. Nonetheless, according to available 1979 basis data, GDP grew in the first and second quarters of 1999 1.1% and 5.2%, respectively, and 3.3% in the first six months of 1999, mostly driven by the fishing sector that grew 124.3%.

With the new base, GDP amounted to approximately US\$52 billion (S/.176 billion) in 1999, which declines -10.2% or US\$6 billion, with respect to the estimate using 1979 as a base year. The change of base year to 1994 significantly reduced the relative importance of primary sectors, with Mining decreasing its weight from 13.1% in 1979 to 4.9% in 1994, and Agriculture from 11.0% in 1979 to 7.8% in 1994. Service sectors increase their weights, with Communications and Shipping increasing from 6.4% to 8.2% and Other Services (Private Education, Private Health, Restaurants and Hotels, Services rendered to Businesses, among others) that increase their relative weights from 18.7% to 27.2% between 1979 to 1994.

All sectors show cumulative positive growth through June 2000, with the best performance noted in Fishing (20.2%), Manufacturing (11.6%), Commerce (8.3%), and Agriculture (5.9%). Growth in the first half of 1999, with 1979 base year data, was uneven: the Fishing sector grew 124.3%, while Construction and Commerce declined -16.8% and -4.1%, respectively. Through June 2000, Construction grew only 1.6%, decreasing approximately -2% in the second quarter, indicating a slowdown in aggregate demand. Domestic demand, after declining -6.4% in the first half of 1999, is expected to grow approximately 6% in the second quarter of 2000, slowing down compared to the recovery noted in the two preceding quarters, when it grew 9.4% and 7.5% in the first quarter 2000 and fourth of 1999, respectively.

The consumer price index in Perú rose 0.6% in second quarter 2000 lower than 1.1% in the first quarter and 1.2% in the year-ago period. The wholesale price index grew 0.8% in this quarter, remaining similar to the prior periods. For the preceding twelve months, the consumer and wholesale price indexes grew 3.2% and 4.2%, respectively.

The average free market Nuevos Soles exchange rate in Perú was S/.3.49 at June 30, 2000 unchanged since the preceding quarter, and lower than S/.3.51 at year-end 1999, revaluing by -0.6%. After devaluing 5.9% in the first quarter of 1999, to S/.3.33, due to the financial crisis in Brasil, the exchange rate remained stable through June 1999.

International reserves of the Central Bank reached US\$8.7 billion at June 30, 2000, decreasing US\$93 million since March 31, 2000, but remains over the US\$8.4 billion balance of year-end 1999. In the second quarter 2000, the Current Account Balance is expected to have a deficit of -3.3% of GDP, amounting to US\$560 million, similar to the deficit in the prior year period. The Trade Balance deficit in the second quarter 2000 is expected to reach US\$170 million, higher than US\$135 million in the same quarter in 1999 and US\$139 million in first quarter 2000. For the first six months of 2000, compared to the prior year period, exports are expected to grow 16%, to US\$3.3 billion, and imports by 13% to US\$3.6 billion.

Total liquidity in the financial system as of June 30, 2000, amounted to S/.54.8 billion, 13% higher, in nominal terms, than the June 1999 balance, and 1.8% over the March 31, 2000 balance. In the

quarter, Nuevo Sol liquidity was almost unchanged at S/.21.2 billion, while foreign currency liquidity grew by 2.5% to US\$9.6 billion.

SBS statistics as of June 30, 2000, show deposits in the financial system (banks and finance and leasing companies) at S/.45.4 billion (US\$13.0 billion), 1.2% higher in nominal terms since March 2000, with local currency deposits decreasing -1.5%, but foreign currency growing 0.7% (in U.S. Dollar terms). Total deposits increased 4.3% compared with the June 1999 balance.

During the quarter major banks continued to show excess liquidity, while total loans in the financial system increased 0.9% to S/.45.4 billion (US\$13.0 billion), local currency loans decreased -4.0%, but grew 0.5% in foreign currency, in nominal terms. In the year since June 1999, total loans decreased -6.1% partly due to transferred or exchanged problem loans under government programs in the third and fourth quarters of 1999. BCP decided not to take advantage of these transfer or exchange programs.

As of June 30 of 2000, Peruvian bank's past due ratio was 10.1%, increasing from 9.8% at March 2000 and from 8.4% as of last December, even after the effect of the exchange programs. Past due loans increased 4.1% during the current quarter and 18.0% since December 1999 (in nominal terms).

In the second quarter 2000, commercial banking rates and net interest spreads continued a slightly declining trend. Local currency average loan rates (TAMN) were 31.2% and deposits rates (TIPMN) 9.9% in the current quarter, compared to 32.3% and 10.5% in first quarter 2000, respectively. Foreign currency loan rates (TAMEX) were 14.1% and 14.5% in the same periods, and deposit rates (TIPMEX) were 4.7% and 4.8%, respectively.

## I.2 INTEREST INCOME AND OTHER INCOME

In the second quarter of 2000 net interest income reached US\$96.0 million, slightly above US\$94.7 million in the previous year quarter, due to higher interest margins which more than offset lower volumes of interest earning assets. Net interest margin (net interest income over average interest earning assets), on an annualized basis, was 6.27% during the second quarter of 2000, above 5.91% in the same quarter of the previous year, and 5.88% in the first quarter of 2000. The increase compared to the preceding first quarter of 2000 was due to higher loan and investment revenue, recovery of suspense accounts interest receivables, and also lower deposit rates. Interest earning assets, as averages of beginning and ending balances, were US\$6.1 billion in the second quarter of 2000, decreasing 4.5% compared to US\$6.4 billion in the year-ago period.

Non-interest income was US\$81.4 million in the second quarter of 2000, decreasing 8.2% from non-interest income of US\$88.6 million in the same period of 1999, and 3.6% from US\$84.4 million in the preceding first quarter of 2000. The non-interest income components had the following growth rates with respect to the prior year quarter and to the preceding first quarter of 2000:

<i>(% change and US\$Mn)</i>	<b>2Q99</b>	<b>1Q00</b>	<b>2Q00</b>	<b>2Q00 vs 1Q00</b>	<b>2Q00 vs 2Q99</b>
Commissions for banking services	34.1	36.6	36.3	-0.9%	6.4%
Net premiums	29.1	28.1	28.9	3.1%	-0.6%
Gains from sale of securities	4.5	1.0	-0.2	N/A	N/A
Gains from foreign exchange	6.2	6.5	5.9	-8.3%	-4.2%
Other non-interest income	14.7	12.2	10.4	-14.9%	-29.4%
<b>Total Non-Interest Income</b>	<b>88.6</b>	<b>84.4</b>	<b>81.4</b>	<b>-3.6%</b>	<b>-8.2%</b>

### I.3 OTHER NON-INTEREST EXPENSES

Other non-interest expenses, which include provisions for assets received in lieu of loan repayment and employee profit sharing expense, amounted to US\$97.3 million in the second quarter of 2000, -12.8% below expenses in the same period of the previous year. Credicorp's other expense components had the following variations:

<i>(% change and US\$ Mn)</i>	<b>2Q99</b>	<b>1Q00</b>	<b>2Q00</b>	<b>2Q00 vs 1Q00</b>	<b>2Q00 vs 2Q99</b>
Salaries and employee benefits	45.9	43.8	44.0	0.7%	-4.0%
General, administrative, and taxes	39.5	35.7	36.0	1.0%	-9.0%
Depreciation and amortization	12.3	12.1	12.1	0.2%	-1.2%
Other	13.9	8.2	5.1	-37.6%	-63.2%
<b>Total Other Expenses</b>	<b>111.6</b>	<b>99.7</b>	<b>97.3</b>	<b>-2.4%</b>	<b>-12.8%</b>

The efficiency ratio (adjusted operating expense, determined by netting provisions for assets received in lieu of loan repayment and employee profit sharing expense, as a percentage of total income) improved to 53.1% in the second quarter of 2000, from 58.5% in the second quarter of last year. Adjusted operating expenses as a percentage of average total assets was 5.0% in the current quarter, also improving from 5.4% in the same quarter of the previous year.

### I.4 ASSETS AND LIABILITIES

Credicorp's total assets were US\$7.5 billion at June 30, 2000, decreasing -5.6% compared to the balance at the year-ago quarter, and -0.8% since the end of the first quarter 2000. The loan portfolio as of June 30, 2000 totaled US\$4.5 billion, -0.6% below the balance at the end of March 2000, and -8.1% below the year-ago balance.

Deposits and other obligations reached US\$5.5 billion at the end of June 2000, -1.5% below the year-ago balance, and -0.6% versus March 2000. Due to banks and correspondents decreased slightly in the quarter from US\$578.5 million at March 2000 to US\$557.3 million at the end of June 2000, remaining below the US\$879.3 million balance of June 1999.

Loan quality indicators improved in the current quarter compared to the preceding one, as shown in the following table:

<i>(In US\$Mn)</i>	<b>2Q99</b>	<b>1Q00</b>	<b>2Q00</b>
Total loans	4,930.0	4,557.6	4,528.7
Past due loans	379.8	424.7	418.5
Loan loss reserves	288.7	358.7	380.5
Past due / Total loans	7.7%	9.3%	9.2%
Reserves / Past due	76.0%	84.5%	90.9%

The balance of past due loans decreased from US\$424.7 million last quarter, to US\$418.5 million at the end of the second quarter 2000, mainly related to commercial loans to middle market segment clients, and after charge-offs amounting to US\$27.9 million

## I.5 SUBSIDIARIES

Credicorp's principal subsidiaries contributed to consolidated net income as follows:

<i>(US\$Mn)</i>	<b>2Q99</b>	<b>1Q00</b>	<b>2Q00</b>	<b>6m99</b>	<b>6m00</b>
Banco de Credito	US\$ 2.7	US\$ 4.1	US\$ 5.7	US\$ 2.9	US\$ 9.8
Atlantic	2.7	4.6	3.0	7.1	7.5
PPS	1.0	0.3	-1.0	3.5	-0.7
Banco Tequendama	-2.0	-0.7	-2.2	-5.0	-2.8
Credicorp and others*	-1.8	-3.9	-4.1	-4.3	-8.0
<b>Consolidated Net Income</b>	<b>US\$ 2.6</b>	<b>US\$ 4.4</b>	<b>US\$ 1.4</b>	<b>US\$ 4.2</b>	<b>US\$ 5.8</b>

\* Includes Inversiones Crédito and Grupo Capital.

In the second quarter of 2000 BCP contributed US\$5.7 million to Credicorp's net income, while its results according to Peruvian accounting principles reported in Section II, amounted to a net profit of US\$4.1 million, with the difference mainly due to translation losses (US\$-0.6 million) being lower than inflation adjustment losses (US\$-2.4 million) recorded in Peruvian books.

PPS's negative contribution in the current quarter also differs from its results according to Peruvian accounting principles, of US\$1.0 million reported in Section IV, partly due to a reversal of provisions for un-earned premiums of approximately US\$4.4 million allowed by new local regulations which have no effect in Credicorp's records, prepared in accordance with International Accounting Standards (IAS).

In the current quarter, Banco Tequendama contributed a net loss of US\$-2.2 million to consolidated net income, and, additionally, Credicorp had to increase provisions charged against income by US\$4.2 million (US\$2.1 million in the first quarter of 2000), to cover for losses related to substandard loans and foreclosed assets transferred from Banco Tequendama. The Bank's net income contribution to Credicorp is negative, compared to net profits in local books, due to translation losses and losses in the sale of assets that show in Credicorp's accounting records based in U.S. Dollars.

Subsidiaries not commented in the next sections of this report can be briefly highlighted as follows:

### ***Banco de Crédito de Bolivia ("BCB"), Bolivia***

Credicorp holds a 99.7% interest in BCB, directly and through various subsidiaries, and is consolidated within BCP's financial statements. The economic slowdown that affected 1999 Bolivia's GDP growth, continued through the second quarter of 2000, with total loans in the banking system decreasing to US\$3.9 billion at June 2000, or -1.7% since March 2000 and -4.5% since December 1999. In the quarter, inflation and devaluation were -0.1% and 1.48%, respectively, and 4.21% and 6.54% for the last twelve months.

BCB's deposit market share decreased from 13.11% at March 2000 to 12.91% as of June 2000, ranking as the number four bank among Bolivian banks. In terms of loans, BCB is ranked number three, with a 12.70% market share, increasing from 12.46% at March 2000. At June 30, 2000 BCB had total loans of US\$491.9 million, compared to US\$496.5 million at March 2000, and US\$541.6 million at June 1999. BCB had net income of US\$1.7 million in second quarter 2000, higher than US\$1.1 million in the prior year period, mostly due to increased net interest income.

### ***Banco Tequendama, Colombia***

After the recession that Colombia suffered in 1999, which led to a GDP decline of -4.5% in the year, a return to moderate 2% GDP growth is expected for 2000. In the first quarter 2000, GDP grew 2.2% but unevenly between sectors, with industrial production growing 8.5% led by exports, and construction declining -6.4%. Slowing trends will lead to weaker growth in most sectors in the following periods. Inflation was 5.4% in the first quarter of 2000, and 1.5% in the second. The exchange rate was highly volatile in the second quarter ending at Co\$2,139, a 9.5% devaluation in the quarter and 14.5% since December 1999. As of June 2000 interest rates were showing a slightly increasing trend, with the DTF rate at 11.97%, but still remaining below year-end 1999 levels. Loan demand remains weak with total banking system loans remaining at approximately US\$15.0 billion, the same level since last December.

At June 30, 2000, Banco Tequendama had total loans of US\$208.6 million, increasing over US\$194.1 million at March 2000, but below US\$218.9 million in June 1999. Total deposits amounted to US\$129.2 million at the end of the second quarter, decreasing from US\$133.6 million as of March 2000. As of May 2000, Banco Tequendama ranked 17<sup>th</sup> out of 27 banks in terms of total loans, with a 1.2% market share, similar to the March 2000 market share. At the same dates, its deposit market share remained at 0.7%. According to the Bank's local records, net income for the first six months of 2000 was Co\$0.8 billion, compared to a loss of Co\$4.3 billion in the prior year period.

### ***Banco Capital, El Salvador***

Inflation in El Salvador was 1.8% in the second quarter of 2000 and 3.1% through June, compared to a -1.0% deflation in total 1999. The exchange rate remained stable at C/8.75. Total banking system loans were US\$5.1 billion at June 2000, remaining stable since last December. Total deposits grew 2.8% since December 1999 to US\$5.9 billion.

At June 30, 2000, Banco Capital had total loans amounting to US\$138.9 million, increasing from US\$131.9 million at March 2000, and from US\$109.7 million at June 1999. In the current quarter total deposits reached US\$88.0 million, increasing from US\$74.8 million at the end of March 2000. Loan market share increased to 2.67% at June 2000, from 2.53% last December, and for deposits to 1.46% from 1.15% at the same dates. Net income for the first six months of 2000 was US\$447 thousand, above US\$246 thousand in the prior year period.

## II. BANCO DE CREDITO DEL PERU AND SUBSIDIARIES (“BCP”)

### II.1 NET INCOME

Consolidated net income for the six month period ended June 30, 2000 was S/.19.0 million (US\$5.5 million), decreasing from S/.56.2 million (US\$16.1 million) in the same period of 1999. Net income for the second quarter of 2000 was S/.14.4 million (US\$4.1 million), increasing from S/.6.0 million (US\$1.7 million) in the 1999 quarter. Second quarter 2000 net income, compared to the year-ago period, increased principally due to lower non-interest expense and higher net interest income, partly offset by increased provisions for possible loan losses. Net income decreases in cumulative six month period figures, principally due to losses in the result from exposure to inflation caption in the current year compared to gains in 1999, partly offset by lower non-interest expense.

#### BANCO DE CREDITO DEL PERU AND SUBSIDIARIES SUMMARY OF RESULTS (1)

(In constant S/. and U.S.\$ millions, except net income per share)

	Three months ended				Six months ended		
	30.06.99	31.03.00	30.06.00	30.06.00	30.06.99	30.06.00	30.06.00
				US\$			US\$
Net interest income	283.3	280.3	295.8	\$84.8	571.7	576.1	\$165.1
Provisions for loan losses, net	119.4	131.0	154.4	\$44.3	288.8	285.4	\$81.8
Other income	158.7	162.1	154.6	\$44.3	312.3	316.6	\$90.7
Other expenses	296.1	286.9	270.5	\$77.5	589.2	557.4	\$159.7
Result from exposure to inflation	(20.2)	(17.3)	(8.3)	(\$2.4)	58.9	(25.6)	(\$7.3)
Income before income tax	6.4	7.2	17.2	\$4.9	64.9	24.4	\$7.0
Income Tax	0.4	2.6	2.8	\$0.8	8.7	5.4	\$1.5
Net Income	<b>6.0</b>	<b>4.6</b>	<b>14.4</b>	<b>\$4.1</b>	<b>56.2</b>	<b>19.0</b>	<b>\$5.5</b>
Net Income per share (2)	0.006	0.005	0.015	\$0.004	0.060	0.020	\$0.006

(1) Financial statements prepared according to Peruvian GAAP. The financial information is in constant soles as of June 30, 2000. Figures in US\$ have been translated at the exchange rate of S/.3.49 to the dollar.

(2) Based on 937.2 million outstanding shares in all periods.

### II.2 NET INTEREST INCOME

Interest income, net of interest payments, reached S/.295.8 million (US\$84.8 million) during the second quarter of 2000, increasing 4.4% compared to the prior year quarter. Current quarter's net interest income grew 5.5% compared to revenue in the preceding first quarter of 2000, due to higher net interest margins which offset a slight -0.6% decline in average interest earning assets.

In the second quarter of 2000, the net interest margin was 6.55%, above 5.80% in the same quarter of the prior year, and over 6.17% in the first quarter of 2000. Compared to the first quarter of 2000, the increase in net interest margin resulted from higher loan and other lending rates, specially in U.S. Dollar currency loans, recovery of suspense accounts interest receivables, and also lower local currency deposit rates.

### II.3 NON-INTEREST INCOME

Non-interest income, including fee revenue and other non-interest items, decreased -2.6% to S/.154.6 million (US\$44.3 million) in the second quarter of 2000 with respect to the same period in the prior year mainly due to lower gains in securities transactions.

In the second quarter of 2000, fees from banking services amounted to S/.111.1 million (US\$31.8 million), 10.8% over such income in the same period in 1999, principally from increased fees for fund transfer services. Fees on the most important banking services had the following growth rates:

<i>(In constant S/. Mn.)</i>	<b>2Q99</b>	<b>2Q00</b>	<b>Growth</b>
Contingent credits	7.8	8.0	2.7%
Foreign Trade	6.1	7.3	20.3%
Account Maintenance	29.8	29.1	-2.4%
Insurance	8.1	8.8	8.6%
Collections fees	17.5	16.1	-8.0%
Fund transfer services	13.9	23.1	66.5%
Credit card fees	9.8	13.6	39.0%
Brokerage	5.6	3.6	-35.0%
Other	1.7	1.5	-11.8%
<b>Total</b>	<b>100.3</b>	<b>111.1</b>	<b>10.8%</b>

In the second quarter of 2000, gains on securities transactions were S/.0.9 million (US\$0.2 million), decreasing from gains of S/.14.2 million (US\$4.1 million) in the year-ago quarter which experienced a recovery in the Lima Stock Exchange, compared to a downturn in the current period.

Gains from foreign exchange transactions were S/.18.6 million (US\$5.3 million) in the second quarter of 2000, decreasing -5.8% versus the prior year quarter because of lower margins, while transaction volumes remained at a similar level.

Comparing the second quarter of 2000 to the same period in 1999, the Other Income caption, which includes reversal of prior year expenses and provisions, and recoveries of certain operating costs from clients, remained at approximately S/.24.0 million (US\$6.9 million).

### II.4 OTHER NON-INTEREST EXPENSES

Non-interest expenses were S/.270.5 million (US\$77.5 million) in the second quarter of 2000, -8.6% below the prior year period, while adjusted operating expenses, determined by netting provisions for assets received in lieu of loan repayment and employee profit sharing expense, reached S/.260.3 million (US\$74.6 million) during the second quarter of 2000, decreasing -7.4% compared to S/.281.1 million (US\$80.5 million) in the same period in 1999. Expenses declined mainly due to lower personnel and general expenses. Provisions for assets received in lieu of loan repayment amounted to S/.10.2 million (US\$2.9 million) in the current quarter and S/.15.0 million (US\$4.3 million) in the year-ago period.

Approximately 45% of total other non-interest expenses were attributable to employee salaries and other expenses related to personnel. Personnel expenses decreased -1.4% to S/.121.9 million (US\$34.9 million) compared to the same period of the previous year. In the current quarter the number of employees were 7,384 increasing from 7,266 at March 2000, mostly due to increased sales force in Solución Financiera de Crédito.



General and administrative expenses, which represented 32% of overall other expenses, were S/.87.5 million (US\$25.1 million) in the second quarter of 2000, decreasing -8.5% compared to expenses in the same quarter of last year. The most significant general and administrative expenditures were:

<i>(In constant S/. Mn.)</i>	<b>2Q99</b>	<b>2Q00</b>	<b>Growth</b>
Office supplies and operating costs	18.1	12.3	-31.8%
Communications	10.2	9.7	-4.7%
Third party fees	13.6	14.5	6.4%
Insurance and security	12.0	10.9	-8.8%
Transport of currency and securities	13.5	12.0	-11.2%
Systems and maintenance	14.6	16.4	12.5%
Advertising and marketing	11.4	10.0	-12.2%
Other G&A	2.2	1.7	-24.1%
<b>Total G&amp;A</b>	<b>95.6</b>	<b>87.5</b>	<b>-8.5%</b>

The Other caption within Other Non-Interest Expenses, decreased from S/.30.6 million (US\$8.8 million) in the second quarter of 1999 to S/.19.9 million (US\$5.7 million) in the second quarter of 2000, mostly because of lower provisions for assets received in lieu of loan payments which decreased from S/.15.0 million (US\$4.3 million) to S/.10.2 million (US\$2.9 million), respectively. Provisions for seized assets decreased principally due to regulatory changes that required lower provisions in the case of real estate. The new regulations allowed for a reversal of provisions for approximately US\$4 million, which were partly applied to new requirements.

The ratio of adjusted operating expenses (determined by excluding provisions for assets received in lieu of loan repayment and employee profit sharing expense) as a percentage of average total assets remained at 4.92% during the second quarters of 1999 and 2000.

Adjusted operating expenses, as a percentage of total income, improved from 63.6% to 57.8% for the second quarters of 1999 and 2000, respectively.

## **II.5 ASSETS AND LIABILITIES**

Total assets of BCP were S/.21.1 billion (US\$6.0 billion) at the end of June 2000, -7.4% below the year-ago balance, and also -1.2% below the March 2000 balance.

Total loans were S/.13.9 billion (US\$4.0 billion) at June 2000, -10.3% below the prior year balance and -0.7% under the preceding quarter balance. At June 30, 2000, the loan portfolio, net of provisions, represented 60.0% of total assets, compared to 63.8% in the prior year quarter-end. At June 30, 2000 the Nuevos Soles portion of the loan portfolio was 12.2%, decreasing from 13.1% at the end of the preceding quarter and also compared to 12.6% at June 30, 1999.

As of June 30, 2000, total deposits were S/.17.3 billion (US\$4.9 billion), decreasing -4.0% since the prior year quarter, and -1.4% from the balance at the end of March 2000. During the second quarter of 2000, savings deposits declined -2.3%, demand deposits by -1.2%, and time deposits decreased -0.9%. At the end of the second quarter of 2000, Nuevos Soles deposits comprised 16.1% of total deposits, compared to 17.1% at the year-ago period, and 16.8% as of March 31, 2000.

BCP's subsidiaries had the following loan, net of provisions, and deposit contributions:

<i>(In % and constant S/. Mn.)</i>	Loans, net			Total Deposits		
	2Q99	1Q00	2Q00	2Q99	1Q00	2Q00
Banco de Crédito del Perú	69.8%	69.8%	69.9%	78.1%	79.2%	79.7%
Banco de Crédito de Bolivia	12.7%	13.0%	13.0%	8.9%	9.3%	9.2%
Banco de Crédito Overseas	11.9%	11.3%	11.2%	9.9%	9.0%	8.5%
Crédito Leasing	4.5%	4.8%	4.7%	2.6%	2.2%	2.3%
Solución Financiera de Crédito	1.1%	1.1%	1.2%	0.5%	0.3%	0.3%
<u>TOTAL%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
<b>BCP consolidated Total</b>	<b><u>S/.14,499</u></b>	<b><u>S/.12,805</u></b>	<b><u>S/.12,642</u></b>	<b><u>S/.17,975</u></b>	<b><u>S/.17,488</u></b>	<b><u>S/.17,252</u></b>

BCP had a market share in the Peruvian market, considering operations of Banco de Crédito, Credileasing and Solución, of 23.7% of total loans (23.9% at June 30, 1999) and 29.8% of total deposits (30.4% at June 30, 1999). (According to SBS statistics at June 30, 2000.)

Loan portfolio composition by business segment developed as follows:

<i>(In % of total and constant S/. Mn)</i>	30.06.99	31.03.00	30.06.00
Corporate	41.4%	43.0%	43.0%
Middle market	33.4%	29.9%	30.0%
Retail:	25.2%	27.1%	27.0%
- small business	11.4%	11.5%	11.2%
- home mortgage	7.7%	8.8%	8.6%
- consumer	4.1%	3.7%	4.1%
- credit cards	2.5%	3.1%	3.0%
<u>Total</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
<b>Total Loans</b>	<b><u>S/.15,472</u></b>	<b><u>S/.13,977</u></b>	<b><u>S/.13,877</u></b>

During the second quarter of 2000, loan balances decreased -0.7%, with lower retail market loans by -1.1%, to S/.3.7 billion (US\$1.1 billion), corporate loans by -0.7% to S/.6.0 billion (US\$1.7 billion), and middle market loans decreasing -0.4% to S/.4.2 billion (US\$1.2 billion). Retail loans by product were as follows:

<i>(% change and constant S/. Mn)</i>	2Q99	1Q00	2Q00	2Q00 vs 1Q00	2Q00 vs 2Q99
Small business loans	1,767	1,600	1,569	-2.0%	-11.2%
Mortgage loans	1,193	1,224	1,187	-3.1%	-0.5%
Consumer loans	564	522	565	8.2%	0.3%
Credit card loans	382	436	423	-3.1%	10.7%
<b>Total Retail</b>	<b>3,906</b>	<b>3,782</b>	<b>3,744</b>	<b>-1.1%</b>	<b>-4.1%</b>

At the close of June 30, 2000, contingent credits were S/.2.9 billion (US\$827.4 million), similar to the balance at March 2000, and 1.1% above the year-ago balance. Guarantees and stand-by letters of credit, which comprised 53.8% of such contingent credits, decreased -3.7% to S/.1.6 billion (US\$444.8 million) since March 2000. Letters of credit which totaled S/.400.2 million (US\$114.7 million) at June 30, 2000, increased 13.2% from the balance of S/.353.4 million (US\$101.3 million) at March 31, 2000.

Foreign exchange futures operations increased from S/.304.0 million (US\$87.1 million) as of March 31, 2000, to S/.441.9 million (US\$126.6 million) at the end of the second quarter of 2000.

## II.6 LOAN QUALITY

Past due loans as a percentage of total loans were 10.05% at June 2000, remaining similar to the ratio at March 2000. At the end of the second quarter of 2000, past due loans were S/.1.4 billion (US\$400.0 million), decreasing -0.7% from the March 2000 balance. Past due loans decreased principally in the middle market segment, and partly due to charge-offs amounting to US\$27.9 million made in the current quarter as explained below.

Refinanced loans amounted to S/.559.8 million (US\$160.4 million) as of June 2000, increasing from S/.465.2 million (US\$133.3 million) at the preceding quarter, mainly due to additional refinanced loans to numerous middle sized companies principally in the manufacturing and fishing sectors. The balance of refinanced loans at June 1999 was S/.244.5 million (US\$70.1 million).

Loans believed to be unrecoverable, which were fully provisioned in prior periods, were written off during the second quarter of 2000 for a total of S/.97.4 million (US\$27.9 million), of which approximately 13% were related to consumer loans. This compared to charge-offs of S/.5.2 million (US\$1.5 million) in the first quarter of 2000, and S/.88.2 million (US\$25.3 million) in the second quarter of 1999.

Loans classified as Substandard, (i.e., Deficient, Doubtful and Loss) increased from 20.6% at the end of March 2000, to 23.0% of the total loan portfolio at the end of the second quarter of 2000, and also from 16.4% at June 30, 1999. The loan classification is as follows:

<i>(% of Total loans and S/.Mn const.)</i>	<b>30.06.99</b>	<b>30.03.00</b>	<b>30.06.00</b>
A: Normal	70.1%	66.8%	63.3%
B: Potential Problem	13.5%	12.6%	13.7%
C: Deficient	7.6%	9.7%	12.1%
D: Doubtful	5.9%	7.3%	7.1%
E: Loss	2.9%	3.6%	3.8%
<u>Total</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
<b>Total Loans</b>	<b>S/.15,472</b>	<b>S/.13,977</b>	<b>S/.13,877</b>

As of June 30, 2000, loan loss provisions outstanding totaled S/.1,235.3 million (US\$353.9 million) increasing 5.4% compared to the preceding quarter balance. The ratio of loan provisions to past due loans reached 88.5% at the end of the second quarter of 2000, increasing from 83.5% at the end of the preceding quarter, and from 76.7% at June 30, 1999.

Of total provisions outstanding at the end of the second quarter of 2000, S/.121.3 million (US\$34.8 million) corresponded to generic provisions assigned to loans in the Normal(A) risk category, remaining similar to generic provisions at March 31, 2000.

During the second quarter of 2000, S/.154.4 million (US\$44.3 million) of loan loss provisions, net of recoveries, were charged against income, increasing from S/.119.4 million (US\$34.2 million) made during the second quarter of last year. During the first quarter of 2000, such provision expense reached S/.131.0 million (US\$37.5 million).

Provision expense charged by business segment was:

<i>(% of Provision expense and S/.Mn const.)</i>	<b>2Q99</b>	<b>1Q00</b>	<b>2Q00</b>
Corporate Banking	7.2%	10.3%	21.1%
Middle Market	46.7%	41.4%	50.9%
Retail	46.1%	48.3%	28.0%
<u>Total</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
<b>Total Provision Expense, net</b>	<b>S/.119.4</b>	<b>S/.131.0</b>	<b>S/.154.4</b>

## II.7 CAPITAL ADEQUACY

At the end of the second quarter of 2000, BCP's unconsolidated ratio of risk-weighted assets to regulatory capital was 8.1 to 1.0 (12.3%), while the corresponding consolidated ratio was 8.6 to 1.0 (11.6%). Risk-weighted assets include S/.884.6 million (US\$253.5 million) of market risk exposure whose coverage require S/.80.4 million (US\$23.0 million) of regulatory capital. Peruvian regulations limits risk-weighted assets to a ratio of 11.0 to 1.0 (9.1%).

As of June 30, 2000, BCP's consolidated "regulatory capital" was S/.1,938.1 million (US\$555.3 million), remaining similar to the balance at the first quarter of 2000. Regulatory capital included S/.239.0 million (US\$68.5 million) of subordinated debt at June 2000, similar to the preceding quarter balance.

<i>(In constant S/. Mn.)</i>	<b>BCP unconsolidated</b>		<b>BCP consolidated</b>	
	<b>30.06.99</b>	<b>30.06.00</b>	<b>30.06.99</b>	<b>30.06.00</b>
Regulatory capital	1,525	1,515	1,908	1,938
Risk weighted assets	14,406	12,330	18,447	16,702
Weighted assets / Capital	9.4	8.1	9.7	8.6
Capital / Weighted Assets	10.6%	12.3%	10.3%	11.6%

### III. ATLANTIC SECURITY HOLDING CORPORATION AND SUBSIDIARIES (“ASHC”)

Consolidated net income for the six month period ended June 30, 2000 was US\$8.5 million, compared to US\$9.1 million in the same period of 1999. Second quarter 2000 net income was US\$4.0, lower than US\$4.7 million in the year-ago quarter mainly due to lower net interest income partly offset by increased gains on securities transactions and from the sale of fixed assets.

Net interest income before risk provisions, which includes dividend income, was US\$5.3 million in the second quarter of 2000, lower than US\$6.7 million in the same quarter of 1999, principally due to lower volume of earning assets and lower dividends from Credicorp. Without including dividends, net interest income was US\$4.2 million in the second quarter of 2000, compared to US\$4.4 million in the prior year quarter. Net interest margin, without considering dividends and investments in equity shares, was 2.4% during this quarter higher than the 2.0% margin in the prior year period.

Other Income, which includes realized gains on securities transactions net of provisions, increased from US\$2.3 million in the second quarter of 1999 to US\$3.2 million due to higher gains on securities and from sale of assets. Earnings on securities transactions amounted to a net loss of US\$0.1 million in the second quarter of 2000, during which US\$1.9 million of provisions for market value were registered. In the second quarter of 1999, securities transactions resulted in a net loss of US\$0.8 million (net of US\$1.4 million of provisions).

The loan portfolio, net of provisions, was US\$255.3 million as of June 30, 2000, compared to US\$260.7 million at March 2000, and also lower than the US\$266.5 million balance at the end the second quarter of 1999.

Deposits grew to US\$543.1 million at June 30, 2000 from US\$538.3 million at the end of the preceding quarter, mostly due to increased time deposits maturing after one to two years. Compared to the second quarter of 1999, deposits decreased US\$63.8 million, principally due to the sale of mutual fund shares and other investments under management.

The investment portfolio was US\$245.6 million at June 2000, increasing from the balance of US\$215.5 million at the end of the first quarter 2000, mainly in emerging market short and medium term debt.

Funds under management increased from US\$244.4 million at March 31, 2000, to US\$263.4 million at June 30, 2000, and also compared to the balance of US\$238.9 million at June 1999.

Net equity reached US\$134.2 million at the end of June 2000, increasing from US\$123.8 million in the year-ago quarter, but remains similar to the previous quarter after the dividend payment made last April.

The balance of total risk provisions, which includes reserves for possible loan losses, decreased to US\$2.3 million at the end of the second quarter of 2000, having been US\$2.6 million in the preceding quarter-end. The loan portfolio had no past dues.

The ratio of operating expenses over average assets was 1.4%, annualized, in the second quarter of 2000 higher than 1.2% during the year-ago period. The ratio of operating expenses to average assets including funds under management was 1.0% in the second quarter of 2000, higher than 0.9% in the prior year quarter.

#### IV. EL PACIFICO-PERUANO SUIZA AND SUBSIDIARIES (“PPS”)

Consolidated net income for the six month period ended June 30, 2000, was S/.14.7 million (US\$4.2 million), lower than S/.27.5 million (US\$7.9 million) in the same period of 1999. Net income in the second quarter 2000 was S/.3.6 million (US\$1.0 million), decreasing from S/.12.2 million (US\$3.5 million) in the prior year quarter, principally due to higher reserves related to Life Annuities and to increased claims.

In the second quarter of 2000, total premiums were S/.136.3 million (US\$39.1 million), while net premiums earned, net of reinsured premiums and reserves, were S/.102.6 million (US\$29.4 million), both amounts similar to results in the prior year quarter. Additions to technical reserves grew to S/.10.9 million (US\$3.1 million) in the second quarter of 2000 from S/.4.1 million (US\$1.2 million) in the preceding year quarter, mostly related to annuities and pension benefits whose premiums have had a high growth rate, requiring additional reserves that negatively affect results in their initial years.

Comparing results during the first six months of 2000 and 1999, in U.S. Dollars terms, consolidated premiums remained at approximately US\$81.3 million. General insurance lines at PPS, including Pacífico Salud, declined -4.0% to US\$56.6 million, compared to a 13.7% growth, to US\$24.7 million, in premiums by Pacífico Vida. During the first six months of 2000, growth of the health and medical assistance insurance line (25.4% of total premiums) was 12.3%; the automobile insurance line (12.0% of total premiums) decreased -22.9%; while property lines (26.0% of total premiums), decreased -5.2%. In the six month period, pension fund benefits insurance (6.4% of total premiums) decreased -17.8%, while group life insurance and individual life insurance policies (13.6% of total premiums) grew 2.2%. Sales of Life Annuities amounted to US\$7.0 million, increasing 148.0% compared to the first six months of 1999.

Net underwriting results were S/.6.0 million (US\$1.7 million) in the second quarter of 2000, decreasing from S/.18.4 million (US\$5.3 million) in the prior year quarter, mainly due to higher reserves and increased claims. The ratio of net underwriting results (net premiums less reserves and claims as a percentage of total premiums) was 4.4% in the second quarter of 2000, decreasing from 13.4% in the prior year period. Net claims incurred in the second quarter of 2000 were S/.86.6 million (US\$24.8 million), higher than S/.76.5 million (US\$21.9 million) in the 1999 period. The net loss ratio (net claims to net premiums) rose to 76.4% in the current quarter, from 71.4% in the 1999 quarter. Higher claims were noted in the health, auto, fire and pension fund lines.

The combined ratio (the sum of net claims, general expenses and commissions, as a percentage of net premiums) grew to 107.1% in the second quarter of 2000, from 103.1% in the prior year period, mainly because of higher net claims and declining premiums earned during the quarter. Operating expenses over net premiums increased from 22.6% to 23.0% comparing the second quarters of 1999 and 2000, respectively.

Net financial income was S/.15.1 million (US\$4.3 million) in the second quarter of 2000, below S/.17.7 million (US\$5.1 million) in the prior year period. In the current quarter extraordinary income resulted from the reversal of excess reserves for outstanding contracts of S/.15.3 million (US\$4.4 million) determined according to revised accrual methods by new regulations.

Investments in real estate and financial assets were S/.574.3 million (US\$164.5 million) at the end of June 2000, increasing 15.7% from the balance at the prior year quarter-end. As of June 30, 2000, total assets were S/.892.7 million (US\$255.8 million) increasing 9.6% compared to the prior year quarter.

The Peruvian insurance market continued with a declining trend through June 30, 2000, decreasing -3.3% with respect to the prior year period. Premiums for general risks lines decreased -12.8%, while life and pension fund lines grew 17.8%. For the first six months of 2000, PPS's market share in total premiums was 29.5%, with the share in general risks lines being 31.5%, 31.0% in life insurance, and 15.6% in the pension fund benefits lines.

\*\*\* 8 Tables To Follow \*\*\*

**CREDICORP LTD. AND SUBSIDIARIES**

**Table 1**

**CONSOLIDATED BALANCE SHEETS**

*(In thousands of U.S. Dollars)*

ASSETS	As of			
	Jun. 30, 1999	Dec. 31, 1999	Mar. 31, 2000	Jun. 30, 2000
<b>CASH AND DUE FROM BANKS</b>				
Cash and non interest bearing deposits in banks	230,419	341,584	320,165	186,936
Interest bearing deposits in banks	1,440,188	1,249,441	1,371,972	1,450,936
	<b>1,670,607</b>	<b>1,591,025</b>	<b>1,692,137</b>	<b>1,637,872</b>
MARKETABLE SECURITIES, net	456,463	450,500	591,174	587,454
<b>LOANS</b>	<b>4,930,023</b>	<b>4,737,689</b>	<b>4,557,566</b>	<b>4,528,663</b>
Current	4,550,213	4,377,524	4,132,898	4,110,141
Past Due	379,810	360,165	424,668	418,522
Less - Reserve for possible loan losses	(288,740)	(316,826)	(358,685)	(380,502)
<b>LOANS NET</b>	<b>4,641,283</b>	<b>4,420,863</b>	<b>4,198,881</b>	<b>4,148,161</b>
INVESTMENT SECURITIES AVAILABLE FOR SALE	300,905	307,465	305,283	346,533
REINSURANCE ASSETS	55,632	50,768	49,894	44,747
PREMIUMS AND OTHER POLICYHOLDER RECEIVABLES	43,218	42,927	39,780	38,625
PROPERTY, PLANT and EQUIPMENT, net	283,672	279,790	272,957	266,745
DUE FROM CUSTOMERS ON ACCEPTANCES	72,175	81,073	71,347	53,709
OTHER ASSETS	460,082	365,176	378,667	412,069
<b>TOTAL ASSETS</b>	<b>7,984,037</b>	<b>7,589,587</b>	<b>7,600,120</b>	<b>7,535,915</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>				
<b>DEPOSITS AND OBLIGATIONS:</b>				
Non-interest bearing	504,229	517,384	620,742	647,667
Interest bearing	5,117,982	5,030,239	4,951,822	4,889,305
	<b>5,622,211</b>	<b>5,547,623</b>	<b>5,572,564</b>	<b>5,536,972</b>
DUE TO BANKS AND CORRESPONDENTS	879,256	600,593	578,534	557,275
ACCEPTANCES OUTSTANDING	72,175	81,073	71,347	53,709
RESERVE FOR PROPERTY AND CASUALTY CLAIMS	118,247	119,321	124,680	136,991
RESERVE FOR UNEARNED PREMIUMS	56,816	53,968	52,354	47,182
REINSURANCE PAYABLE	5,120	13,725	15,540	8,840
OTHER LIABILITIES	393,309	321,859	344,464	352,718
MINORITY INTEREST	96,544	95,684	93,324	93,519
<b>TOTAL LIABILITIES</b>	<b>7,243,678</b>	<b>6,833,846</b>	<b>6,852,807</b>	<b>6,787,206</b>
<b>NET SHAREHOLDERS' EQUITY</b>	<b>740,359</b>	<b>755,741</b>	<b>747,313</b>	<b>748,709</b>
<b>TOTAL LIABILITIES and NET SHAREHOLDERS' EQUITY</b>	<b>7,984,037</b>	<b>7,589,587</b>	<b>7,600,120</b>	<b>7,535,915</b>
<b>CONTINGENT CREDITS</b>	<b>786,768</b>	<b>849,123</b>	<b>796,336</b>	<b>824,158</b>



**CREDICORP LTD. AND SUBSIDIARIES**  
**Table 2**  
**CONSOLIDATED INCOME STATEMENTS**

*(In thousands of U.S. Dollars)*

	Three months ended			Six months ended	
	30.06.99	31.03.00	30.06.00	30.06.99	30.06.00
<b>INTEREST INCOME</b>					
Interest on loans	173,441	150,986	150,351	358,485	301,337
Interest and dividends on investments:	3,701	2,070	3,232	5,103	5,302
Interest on deposits with banks	15,941	20,636	21,326	34,029	41,962
Interest on trading securities	19,918	15,538	18,166	31,456	33,704
Total Interest Income	<b>213,001</b>	<b>189,230</b>	<b>193,075</b>	<b>429,073</b>	<b>382,305</b>
<b>INTEREST EXPENSE</b>					
Interest on deposits	91,658	78,236	75,086	185,141	153,322
Interest on borrowed funds	18,224	15,797	15,723	45,402	31,520
Other interest expense	8,370	5,717	6,231	12,758	11,948
Total Interest Expense	<b>118,252</b>	<b>99,750</b>	<b>97,040</b>	<b>243,301</b>	<b>196,790</b>
Net Interest Income	<b>94,749</b>	<b>89,480</b>	<b>96,035</b>	<b>185,772</b>	<b>185,515</b>
Provision for possible loan losses, net	37,298	39,278	50,393	88,359	89,671
<b>Net interest income after provision for possible loan losses</b>	<b>57,451</b>	<b>50,202</b>	<b>45,642</b>	<b>97,413</b>	<b>95,844</b>
<b>OTHER INCOME</b>					
Fees and commissions from banking services	34,146	36,632	36,322	67,457	72,954
Net gains from sales of securities	4,455	1,038	(185)	4,732	853
Net gains on foreign exchange transactions	6,170	6,450	5,912	14,734	12,362
Net premiums earned	29,116	28,076	28,937	58,123	57,013
Other income	14,739	12,239	10,412	24,612	22,651
	<b>88,626</b>	<b>84,435</b>	<b>81,398</b>	<b>169,658</b>	<b>165,833</b>
<b>CLAIMS ON INSURANCE ACTIVITIES</b>					
Net claims incurred	9,688	8,753	12,241	15,892	20,994
Increase in future policy benefits for life and health	12,299	11,566	11,543	26,730	23,109
	<b>21,987</b>	<b>20,319</b>	<b>23,784</b>	<b>42,622</b>	<b>44,103</b>
<b>OTHER EXPENSES</b>					
Salaries and employee benefits	45,888	43,756	44,044	90,023	87,800
General, administrative, and other taxes	39,549	35,667	36,011	75,169	71,678
Depreciation and amortization	12,285	12,124	12,142	25,660	24,266
Other	13,918	8,198	5,120	24,820	13,318
	<b>111,640</b>	<b>99,745</b>	<b>97,317</b>	<b>215,672</b>	<b>197,062</b>
<b>Translation result</b>	<b>(8,724)</b>	<b>(4,760)</b>	<b>(2,010)</b>	<b>2,444</b>	<b>(6,770)</b>
<b>Income before income tax, and minority interest</b>	<b>3,726</b>	<b>9,813</b>	<b>3,929</b>	<b>11,221</b>	<b>13,742</b>
Income Tax	1,824	(4,320)	(1,424)	(2,361)	(5,744)
Minority Interest	(2,916)	(1,128)	(1,109)	(4,700)	(2,237)
<b>NET INCOME</b>	<b>2,634</b>	<b>4,365</b>	<b>1,396</b>	<b>4,160</b>	<b>5,761</b>

**CREDICORP LTD. AND SUBSIDIARIES**

**Table 3**

**SELECTED FINANCIAL INDICATORS**

	Three months ended			Six months ended	
	30.06.99	31.03.00	30.06.00	30.06.99	30.06.00
<b>Profitability</b>					
Net income per common share (US\$ per share)(1)	0.033	0.054	0.017	0.051	0.071
Net interest margin on interest earning assets (2)	5.91%	5.88%	6.27%	5.74%	6.07%
Return on average total assets (2)(3)	0.13%	0.23%	0.07%	0.10%	0.15%
Return on average shareholders' equity (2)(3)	1.43%	2.32%	0.75%	1.11%	1.53%
No. of outstanding shares (millions)(4)	81.00	81.00	81.00	81.00	81.00
<b>Quality of loan portfolio</b>					
Past due loans as a percentage of total loans	7.70%	9.32%	9.24%	7.70%	9.24%
Reserves for loan losses as a percentage of total past due loans	76.02%	84.46%	90.92%	76.02%	90.92%
Reserves for loan losses as a percentage of total loans	5.86%	7.87%	8.40%	5.86%	8.40%
Reserves for loan losses as a percentage of substandard loans (C+D+E)	38.54%	41.60%	39.86%	38.54%	39.86%
Past due loans - reserves for loan losses as a percentage of shareholders' equity	12.30%	8.83%	5.08%	12.30%	5.08%
<b>Operating efficiency</b>					
Oper. expense as a percent. of total income (5)	58.53%	56.71%	53.07%	58.07%	54.87%
Oper. expense as a percent. of av. tot. assets(2)(3)(5)	5.40%	5.19%	4.98%	5.18%	5.10%
<b>Capital adequacy</b>					
Total Regulatory Capital (US\$Mn)	699.3	727.1	727.8	699.3	727.8
Tier I Capital (US\$Mn)	621.8	621.8	621.8	621.8	621.8
Regulatory capital / risk-weighted assets (6)	10.76%	12.09%	12.19%	10.76%	12.19%
<b>Average balances (US\$Mn) (3)</b>					
Interest earning assets	6,409.5	6,086.8	6,122.3	6,478.4	6,113.0
Total Assets	7,952.2	7,594.9	7,568.0	7,968.3	7,562.8
Net equity	739.0	751.5	748.0	746.4	752.2

(1)The number of shares outstanding of 81.00 million is used for all periods since shares have been issued only for capitalization of profits.

(2)Ratios are annualized.

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

(4)Net of treasury shares. The total number of shares was of 94.38 million.

(5)Total income includes net interest income and other income.

Operating expense is net of provisions for other assets received in lieu of loan repayment and mandatory employee profit sharing expense.

(6)Risk-weighted assets include US\$253.5Mn of market risk assets at 2Q00.

**BANCO DE CREDITO DEL PERU AND SUBSIDIARIES**

**Table 4**

**CONSOLIDATED BALANCE SHEETS**

(Constant Nuevos Soles, as of June 30, 2000, and U.S. Dollars in thousands)

<b>ASSETS</b>	<b>30.06.99</b>	<b>31.12.99</b>	<b>31.03.00</b>	<b>30.06.00</b>	<b>30.06.00</b>
					<b>US\$000(1)</b>
<b>CASH AND DUE FROM BANKS</b>	<b>5,314.078</b>	<b>5,067.842</b>	<b>5,297.424</b>	<b>5,140.162</b>	<b>\$1,472.826</b>
Cash and Checks	747.050	1,157.978	1,067.177	609.214	\$174.560
Deposits in Central Bank of Peru	3,633.790	3,013.185	3,685.570	3,743.221	\$1,072.556
Deposits with local and foreign banks	933.238	896.679	544.677	787.727	\$225.710
<b>MARKETABLE SECURITIES, net</b>	<b>706.335</b>	<b>793.821</b>	<b>1,217.304</b>	<b>1,084.787</b>	<b>\$310.827</b>
<b>LOANS</b>	<b>15,472.176</b>	<b>14,830.768</b>	<b>13,977.181</b>	<b>13,877.016</b>	<b>\$3,976.222</b>
Current	14,203.707	13,605.096	12,572.749	12,481.745	\$3,576.431
Past Due	1,268.468	1,225.672	1,404.432	1,395.271	\$399.791
Less - Reserve for possible loan losses	(972.890)	(1,053.893)	(1,172.264)	(1,235.260)	(\$353.943)
<b>LOANS - NET</b>	<b>14,499.286</b>	<b>13,776.875</b>	<b>12,804.917</b>	<b>12,641.756</b>	<b>\$3,622.280</b>
<b>INVESTMENT SECURITIES AVAILABLE FOR SALE</b>	<b>310.635</b>	<b>389.173</b>	<b>379.740</b>	<b>498.187</b>	<b>\$142.747</b>
<b>PROPERTY, PLANT and EQUIPMENT, net</b>	<b>678.283</b>	<b>673.201</b>	<b>657.079</b>	<b>641.763</b>	<b>\$183.886</b>
<b>OTHER ASSETS</b>	<b>1,226.799</b>	<b>947.733</b>	<b>947.957</b>	<b>1,050.027</b>	<b>\$300.867</b>
<b>TOTAL ASSETS</b>	<b>22,735.416</b>	<b>21,648.645</b>	<b>21,304.421</b>	<b>21,056.682</b>	<b>\$6,033.433</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>DEPOSITS AND OBLIGATIONS:</b>	<b>17,975.385</b>	<b>17,860.377</b>	<b>17,488.439</b>	<b>17,251.298</b>	<b>\$4,943.065</b>
Demand deposits	3,118.640	3,094.162	3,106.860	3,068.708	\$879.286
Saving accounts	5,245.388	5,236.479	5,284.113	5,163.253	\$1,479.442
Time deposits	9,611.357	9,529.736	9,097.466	9,019.337	\$2,584.337
<b>DUE TO BANKS AND CORRESPONDENTS</b>	<b>1,758.428</b>	<b>1,034.272</b>	<b>1,099.979</b>	<b>1,024.385</b>	<b>\$293.520</b>
<b>OTHER LIABILITIES</b>	<b>1,267.597</b>	<b>1,076.307</b>	<b>1,064.565</b>	<b>1,121.045</b>	<b>\$321.216</b>
<b>PROVISION FOR SEVERANCE INDEMNITIES</b>	<b>9.547</b>	<b>8.506</b>	<b>13.766</b>	<b>7.951</b>	<b>\$2.278</b>
<b>SHAREHOLDERS EQUITY:</b>	<b>1,724.459</b>	<b>1,669.183</b>	<b>1,637.672</b>	<b>1,652.003</b>	<b>\$473.353</b>
Capital stock	1,003.907	1,004.566	1,004.629	1,004.566	\$287.841
Legal reserve	662.140	554.350	627.382	627.381	\$179.765
Retained earnings	58.412	110.267	5.661	20.056	\$5.747
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>22,735.416</b>	<b>21,648.645</b>	<b>21,304.421</b>	<b>21,056.682</b>	<b>\$6,033.433</b>
<b>Contingent Credits</b>	<b>2,855.697</b>	<b>3,140.997</b>	<b>2,884.591</b>	<b>2,887.526</b>	<b>\$827.371</b>

(1) Translated at S/.3.49 per US\$1.00.

**BANCO DE CREDITO DEL PERU AND SUBSIDIARIES**

**Table 5**

**CONSOLIDATED INCOME STATEMENTS**

(Constant Nuevos Soles, as of June 30, 2000, and U.S. Dollars in thousands)

	Three months ended				Six months ended		
	30.06.99	31.03.00	30.06.00	30.06.00	30.06.99	30.06.00	30.06.00
<b>Interest income and expense</b>				US\$000(1)			US\$000(1)
Interest income	617.342	570.436	572.486	\$164.036	1,255.112	1,142.922	\$327.485
Less - Interest expense	334.013	290.124	276.649	\$79.269	683.397	566.773	\$162.399
<b>Net interest income</b>	<b>283.329</b>	<b>280.312</b>	<b>295.837</b>	<b>\$84.767</b>	<b>571.715</b>	<b>576.149</b>	<b>\$165.086</b>
Provisions for possible loan losses, net	119.363	130.990	154.444	\$44.253	288.757	285.434	\$81.786
<b>Net interest income after provisions</b>	<b>163.966</b>	<b>149.322</b>	<b>141.393</b>	<b>\$40.514</b>	<b>282.958</b>	<b>290.715</b>	<b>\$83.299</b>
<b>Other Income</b>							
Fees and commissions from services	100.278	118.021	111.088	\$31.830	207.245	229.109	\$65.647
Net gains from sales of securities	14.243	1.938	0.850	\$0.244	14.869	2.788	\$0.799
Net gains on foreing exchg. transacts.	19.774	19.960	18.630	\$5.338	46.367	38.590	\$11.057
Other income	24.409	22.162	23.991	\$6.874	43.814	46.153	\$13.224
<b>Other Income</b>	<b>158.704</b>	<b>162.081</b>	<b>154.559</b>	<b>\$44.286</b>	<b>312.295</b>	<b>316.640</b>	<b>\$90.728</b>
<b>Other Expenses</b>							
Salaries and employee benefits	123.669	121.578	121.937	\$34.939	248.580	243.515	\$69.775
General and administrative	95.564	87.534	87.457	\$25.059	188.063	174.991	\$50.141
Depreciation and amortization	34.588	30.873	30.282	\$8.677	68.483	61.155	\$17.523
Taxes other than income tax	11.704	11.205	10.961	\$3.141	22.596	22.166	\$6.351
Other	30.576	35.664	19.905	\$5.703	61.485	55.569	\$15.922
<b>Other Expenses</b>	<b>296.101</b>	<b>286.854</b>	<b>270.542</b>	<b>\$77.519</b>	<b>589.207</b>	<b>557.396</b>	<b>\$159.712</b>
<b>Result from exposure to inflation</b>	<b>(20.186)</b>	<b>(17.313)</b>	<b>(8.252)</b>	<b>(\$2.364)</b>	<b>58.892</b>	<b>(25.565)</b>	<b>(\$7.325)</b>
<b>Income before income tax</b>	<b>6.383</b>	<b>7.236</b>	<b>17.158</b>	<b>\$4.916</b>	<b>64.938</b>	<b>24.394</b>	<b>\$6.990</b>
Income Tax	0.408	2.599	2.760	\$0.791	8.730	5.359	\$1.536
<b>NET INCOME</b>	<b>5.975</b>	<b>4.637</b>	<b>14.398</b>	<b>\$4.126</b>	<b>56.208</b>	<b>19.035</b>	<b>\$5.454</b>

(1) Translated at S/.3.49 per US\$1.00.

**BANCO DE CREDITO DEL PERU AND SUBSIDIARIES**

**Table 6  
SELECTED FINANCIAL INDICATORS**

	Three months ended:			Six months ended	
	30.06.99	31.03.00	30.06.00	30.06.99	30.06.00
<b>Profitability</b>					
Net income per common share (S/. per share)(1)	0.006	0.005	0.015	0.060	0.020
Net interest margin on interest earning assets (2)	5.80%	6.17%	6.55%	5.95%	6.33%
Return on average total assets (2)(3)	0.10%	0.09%	0.27%	0.50%	0.18%
Return on average shareholders' equity (2)(3)	1.39%	1.12%	3.50%	6.46%	2.29%
<b>Quality of loan portfolio</b>					
Past due loans as a percentage of total loans	8.20%	10.05%	10.05%	8.20%	10.05%
Reserves for loan losses as a percentage of total past due loans	76.70%	83.47%	88.53%	76.70%	88.53%
Reserves for loan losses as a percentage of total loans	6.29%	8.39%	8.90%	6.29%	8.90%
Reserves for loan losses as a percentage of substandard loans (C+D+E)	38.43%	40.73%	38.63%	38.43%	38.63%
Past due loans - reserves for loan losses as a percentage of shareholders' equity	17.14%	14.18%	9.69%	17.14%	9.69%
<b>Operating efficiency (5)</b>					
Oper. expense as a percent. of total income (4)	63.59%	60.14%	57.79%	62.93%	58.96%
Oper. expense as a percent. of av. tot. assets(2)(3)	4.92%	4.96%	4.92%	4.98%	4.93%
<b>Capital adequacy</b>					
Total Regulatory capital (constant millions S/.)	1,908.5	1,950.1	1,938.1	1,908.5	1,938.1
Tier I Capital (constant millions S/.)	1,666.4	1,640.2	1,631.9	1,666.4	1,631.9
Net equity as a percentage of period end total assets	7.58%	7.69%	7.85%	7.58%	7.85%
Regulatory capital / risk-weighted assets	10.34%	11.52%	11.60%	10.34%	11.60%
<b>Average balances (constant millions S/.) (3)</b>					
Interest earning assets	19,533.0	18,164.5	18,058.9	19,201.4	18,203.1
Total Assets	22,851.5	21,476.5	21,180.6	22,322.9	21,352.7
Net equity	1,721.3	1,653.4	1,644.8	1,740.8	1,660.6
<b>Additional data</b>					
No. of outstanding shares (millions)	880.0	937.2	937.2	880.0	937.2
No. of employees	7,611	7,266	7,384	7,611	7,384
Inflation rate ( Wholesale price index)	0.87%	0.83%	0.76%	2.82%	1.59%
Exchange rate (S/. per 1 U.S. Dollar)	3.34	3.44	3.49	3.34	3.49

(1) Shares outstanding of 937.2 million is used for all periods since shares have been issued only for capitalization of profits and inflation adjustment.

(2) Ratios are annualized.

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

(4) Total income includes net interest income and other income.

(5) Operating expense does not include mandatory employee profit sharing expense nor provisions for other assets received in lieu of loan repayment.

**ATLANTIC SECURITY HOLDING CORPORATION**

**Table 7**

**SELECTED FINANCIAL DATA**

(Thousands of U.S. Dollars, except net income per share, and percentages)

	Three months ended			Six months ended	
	30.06.99	31.03.00	30.06.00	30.06.99	30.06.00
<b>Results</b>					
Net Interest Income	6,690	5,740	5,327	12,373	11,067
Provisions for market risks	1,400	933	1,901	1,630	2,834
Other Income(1)	2,264	2,366	3,181	3,809	5,547
Operating Expense	2,825	2,623	2,614	5,464	5,237
Net Income	4,729	4,550	3,993	9,088	8,543
Net Income per share (US\$)	0.12	0.11	0.10	0.23	0.21
<b>Balance Sheets (end of period)</b>					
Total Assets	933,607	772,712	772,062	933,607	772,062
Loan portfolio, net	266,471	260,656	255,315	266,471	255,315
Marketable securities and investments	205,981	215,496	245,553	205,981	245,553
Total Deposits	606,872	538,286	543,111	606,872	543,111
Shareholders' equity	123,773	134,166	134,159	123,773	134,159
Funds under administration	238,914	244,410	263,363	238,914	263,363
<b>Ratios (2)</b>					
Net interest margin / interest earning assets (3)(4)(5)	2.0%	2.3%	2.0%	1.9%	2.7%
Return on average stockholders' equity(4)	15.3%	13.8%	11.9%	14.9%	13.0%
Return on average total assets(4)	2.0%	2.3%	2.1%	2.0%	2.2%
Past due loans as a percentage of total loans	0.0%	0.0%	0.0%	0.0%	0.0%
Reserves for loan losses as a percentage of total loans	0.2%	0.4%	0.4%	0.2%	0.4%
Operating expense / total income	37.4%	36.6%	39.6%	37.5%	38.0%
Operating expense / average total assets(4)	1.2%	1.3%	1.4%	1.2%	1.3%
Operating expense / average total assets + funds under management(4)	0.9%	1.0%	1.0%	1.0%	1.0%

(1) Includes realized gains in securities.

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

(3) Averages determined from monthly balances.

(4) Annualized.

(5) Without considering dividend income and dividend earning assets.

**EL PACIFICO-PERUANO SUIZA AND SUBSIDIARIES**

**Table 8**

**SELECTED FINANCIAL DATA**

(Constant Nuevos Soles as of June 30, 2000, and  
U.S. Dollars in thousands, except net income per share)

	As of and for the three month period ended				As of and for the six month period ended		
	30.06.99	31.03.00	30.06.00	30.06.00	30.06.99	30.06.00	30.06.00
<b>Results</b>	US\$000(1)				US\$000(1)		
Total gross Premiums	136,986	148,201	136,323	\$39,061	282,204	284,524	\$81,525
Change in Reserves	4,069	15,337	10,868	\$3,114	10,190	26,205	\$7,509
Net Underwriting Results	18,403	20,339	6,014	\$1,723	47,727	26,353	\$7,551
Net Financial Income	17,675	19,233	15,060	\$4,315	27,701	34,293	\$9,826
General Expenses	24,370	23,840	25,993	\$7,448	48,397	49,832	\$14,279
Net Income	12,203	11,054	3,621	\$1,038	27,517	14,675	\$4,205
Net Income per share (S/)(2)	0.543	0.492	0.161	\$0.046	1.224	0.653	\$0.187
<b>Balance Sheets (end of period)</b>							
Total Assets	814,327	892,911	892,701	\$255,788	814,327	892,701	\$255,788
Investments in Secur. and Real estate	496,322	549,717	573,489	\$164,323	496,322	573,489	\$164,323
Technical Reserves	391,414	438,468	455,484	\$130,511	391,414	455,484	\$130,511
Net Equity	324,292	320,961	328,504	\$94,127	324,292	328,504	\$94,127
<b>Ratios-</b>							
Net underwriting results	13.4%	13.7%	4.4%	4.4%	16.9%	9.3%	9.3%
Loss ratio	94.5%	59.7%	80.8%	80.8%	81.5%	69.8%	69.8%
Return on avge. equity (3)(4)	16.3%	14.4%	4.5%	4.5%	18.3%	9.2%	9.2%
Return on total premiums	8.9%	7.5%	2.7%	2.7%	9.8%	5.2%	5.2%
Shareholders' Equity / Total Assets	39.8%	35.9%	36.8%	36.8%	39.8%	36.8%	36.8%
Increase in Risk Reserves	3.8%	12.8%	9.6%	9.6%	4.5%	11.3%	11.3%
<del>Combined Ratio</del>	<del>103.1%</del>	<del>88.4%</del>	<del>107.1%</del>	<del>107.1%</del>	<del>96.9%</del>	<del>97.5%</del>	<del>97.5%</del>
- Net Claims / Net Premiums	71.4%	59.8%	76.4%	76.4%	67.2%	67.8%	67.8%
- Op. Exp.+Comiss./Net Premiums	31.7%	28.6%	30.8%	30.8%	29.7%	29.7%	29.7%
Operating expense/Net Premiums	22.6%	19.9%	23.0%	23.0%	21.6%	21.4%	21.4%
Oper. expense / Avge. assets (3)(4)	12.6%	11.2%	12.2%	12.2%	12.6%	11.5%	11.5%

(1)Translated at S/.3.49 per US\$1.00.

(2)Based on 22.4 million shares in all periods. Actual outstanding shares were 21.3 million in 2Q99 and in 1Q00 and 22.4 million in 2Q00.

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

(4)Annualized.