



Earnings Conference Call  
Third Quarter 2018

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

### Tailwinds

- **Robust formal labor market:**
  - Hard data (payrolls, social security contributions) points towards positive labor market.
- **Second anchovy fishing season**
- **Gradual recovery of private investment :**
  - Mining: Quellaveco, Mina Justa and expansion at Toromocho, projects with a total investment of approximately US\$ 8 billion (~4% of GDP).
  - Infrastructure: Expansion of Jorge Chavez Airport for US\$ 1.5 billion (~1% of GDP).

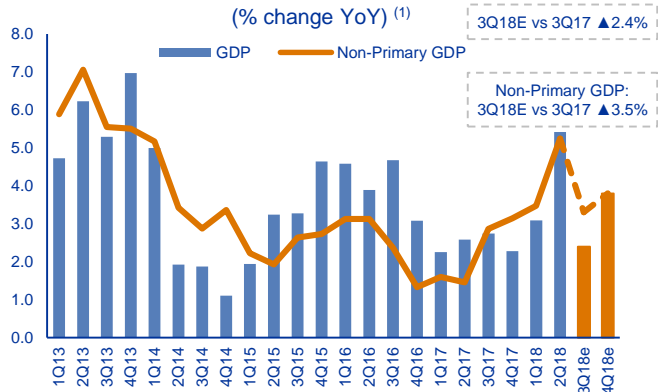
### Headwinds

- **More challenging international environment:**
  - UST10Y above 3%.
  - IMF lowered its GDP growth forecasts for Peru from 3.9% to 3.7% for 2018 and 2019.
  - Exchange rate above 3.30 Soles per US\$, and despite strong trade surplus and FDI.
- **Slowdown in public investment**

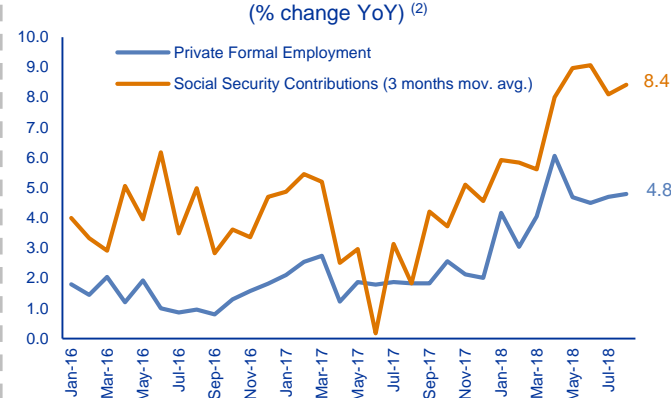
### Political Environment

- **Referendum on December 9<sup>th</sup>:**
  - Re-election of members of congress.
  - Reforms regarding financing for political parties.
  - Reform of the judiciary system.
  - Return to a bicameral parliamentary system.
- **Political noise has posted ups and downs**

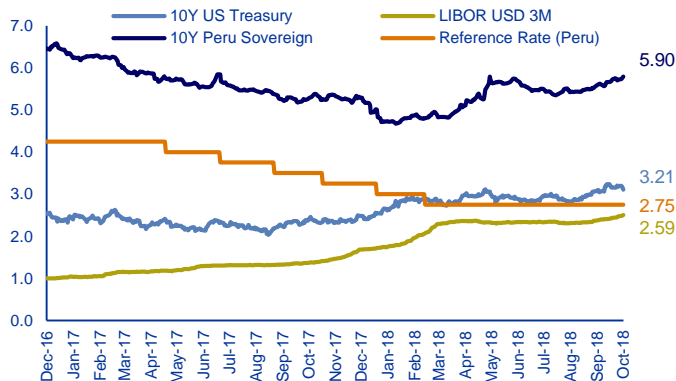
**Chart 1: Peru: Total GDP and Non-primary GDP**



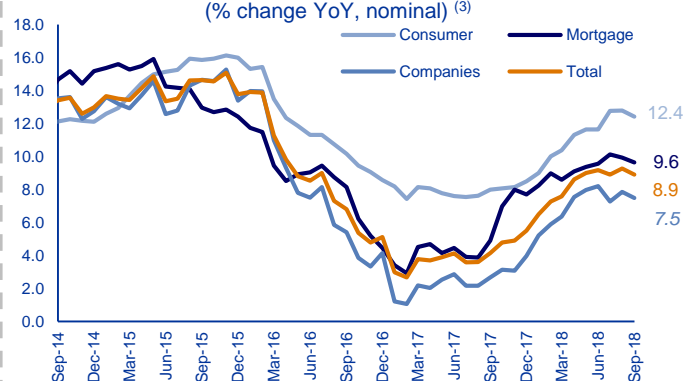
**Chart 2: Peru: Labor market indicators**



**Chart 3: Interest rates**



**Chart 4: Peru: Financial System loans by type**



(1) Source: BCRP, BCP – Economic Research. 3Q18 includes actual figures for July and August, and an estimate for September. 4Q18 is an estimate.

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

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

Universal Banking			
		BCP	BCP <small>Bolivia</small>
	3Q18 Contribution <sup>(1)</sup>	70%	1%
	ROAE	3Q17 22.3% <sup>(2)</sup>	6.7%
		2Q18 22.2% <sup>(2)</sup>	13.9%
		3Q18 20.6% <sup>(2)</sup>	9.5%
<u>BCP Stand-alone:</u>			
+ Acceleration in loan growth, driven by Retail Banking loans			
+ Slight recovery in margins			
- Increase in total CofR, however, the underlying CofR remained within 1H18 range			
<u>BCP Bolivia:</u>			
+ Loan growth			
- Reduction in non-financial income due to lower net gain in sales of securities and lower fee income.			

Microfinance			
		mibanco	
	3Q18 Contribution <sup>(1)</sup>	10%	
	ROAE	3Q17 30.4%	27.9%
		2Q18 27.9%	22.0%
		3Q18 22.0%	
+ Improvement in efficiency ratio due to increase in the productivity of Loan officers			
- Increase in provisions and temporary slowdown in loan growth			

Insurance & Pension Funds			
		pacifico	PRIMA <sup>AFP</sup>
	3Q18 Contribution <sup>(1)</sup>	10%	4%
	ROAE	3Q17 13.1% <sup>(3)</sup>	21.1%
		2Q18 10.7% <sup>(3)</sup>	23.0%
		3Q18 15.3% <sup>(3)</sup>	27.6%
<u>Pacifico:</u>			
+ Net earned premiums increase in all lines of business.			
+ Health and life insurance continue to improve.			
- Acquisition cost and net claims have increased in all lines of business.			
<u>Prima AFP:</u>			
+ Recovery in the profitability of FuMs and consequently of Prima's legal reserves.			

Investment Banking & Wealth Management			
		CREDICORP capital	ASB
	3Q18 Contribution <sup>(1)</sup>	2%	3%
	ROAE	3Q17 7.2%	20.6%
		2Q18 6.1%	16.1%
		3Q18 9.8%	18.6%
+ Partial recovery in the mark-to-market of proprietary books compared to 2Q18.			
+ Fee income is gradually improving during 2018, in particular asset management (Mutual Funds) and structured lending (Corporate Finance) in Peru.			
- Decrease in the Sales & Trading business due to the unusual result of 2Q18.			

(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 include unrealized gains that are considered in Pacifico's Net Equity from the investment portfolio of Pacifico Vida. ROAE excluding such unrealized gains was 17.1% in 3Q17, 13.7% in 2Q18 and 18.6% in 3Q18.

QoQ

YoY

Profitability

<b>Net income:</b>	<b>S/ 1,011 million</b>	▲ 3.4%	▼ 17.0%
<b>ROAE:</b>	<b>18.0%</b>	▼ 10 bps	▼ 480 bps
<b>ROAA:</b>	<b>2.4%</b>	▲ 10 bps	▼ 60 bps

Loan portfolio

<b>Quarter-end balances:</b>	<b>S/ 105.0 billion</b>	▲ 2.2%	▲ 10.4%
<b>Average daily balances:</b>	<b>S/ 104.3 billion</b>	▲ 1.5%	▲ 9.8%
<b>Net provisions for loan losses:</b>	<b>S/ 439.6 million</b>	▲ 40.4%	▲ 16.2%
<b>Cost of risk:</b>	<b>1.67%</b>	▲ 45 bps	▲ 8 bps

NII & NIM

<b>Net interest income</b>	<b>S/ 2,146 million</b>	▲ 4.1%	▲ 6.0%
<b>NIM</b>	<b>5.54%</b>	▲ 26 bps	▲ 22 bps
<b>Risk-adjusted NIM</b>	<b>4.41%</b>	▼ 7 bps	▲ 9 bps

Efficiency

<b>Efficiency ratio</b>	<b>43.5%</b>	▼ 40 bps	▼ 20 bps
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Capital  
(BCP Stand-alone)

<b>BIS ratio:</b>	<b>14.94%</b>	▼ 13 bps	▼ 141 bps
<b>Tier 1 ratio:</b>	<b>10.96%</b>	▼ 13 bps	▼ 51 bps
<b>CET1 ratio:</b>	<b>11.61%</b>	▲ 50 bps	▼ 32 bps

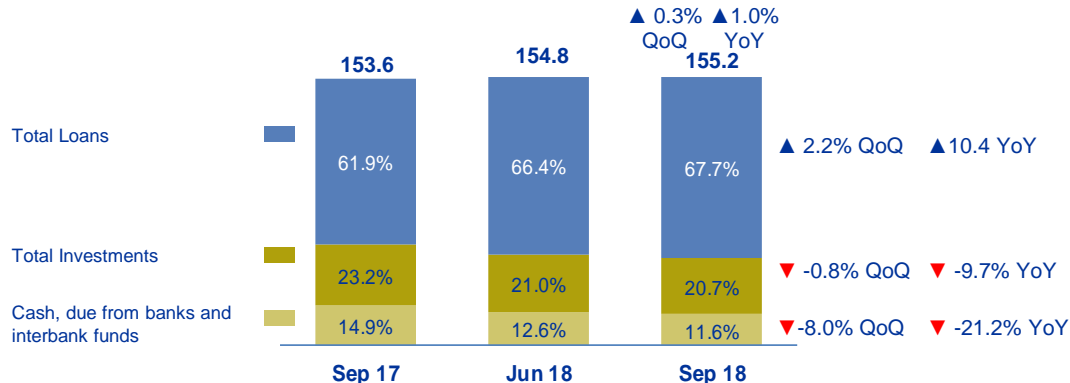
**Jan-Sep 2018 vs.  
Jan-Sep 2017**

Profitability	Net income:	S/ 3,027 million	-	0%
	ROAE:	18.0%	▼	140 bps
	ROAA:	2.4%	▼	10 bps
Loan portfolio	Quarter-end balances:	S/ 105.0 billion	▲	10.4%
	Average daily balances:	S/ 102.5 billion	▲	8.7% <sup>(1)</sup>
	Net provisions for loan losses:	S/ 1,123.7 million	▼	16.6%
	Cost of risk:	1.43%	▼	46 bps
NII & NIM	Net interest income	S/ 6,253.0 million	▲	4.1%
	NIM	5.30%	▼	4 bps
	Risk-adjusted NIM	4.35%	▲	21 bps
Efficiency	Efficiency ratio	43.4%	▲	30 bps
Capital (BCP Stand-alone)	BIS ratio:	14.94%	▼	141 bps
	Tier 1 ratio:	10.96%	▼	51 bps
	CET1 ratio:	11.61%	▼	32 bps

(1) Growth in average daily balances comparing Jan-Sep 2018 vs FY 2017 is 7.7%

**Chart 1: Interest-Earning Assets**

(S/ billion – quarter-end balances)



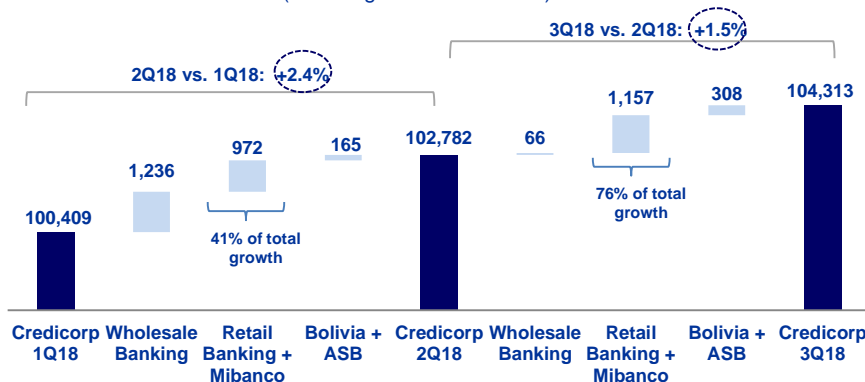
**Chart 2: Loan evolution by currency**

(average daily balances)

Sep 18	% change		
	QoQ	YoY	YTD <sup>(1)</sup>
LC loans	2.4%	11.0%	7.9%
FC loans	-0.6%	6.7%	7.2%
<b>Total Loans</b>	<b>1.5%</b>	<b>9.8%</b>	<b>7.7%</b>

**Chart 3: Loan portfolio in average daily balances**

(volume growth in S/ million)

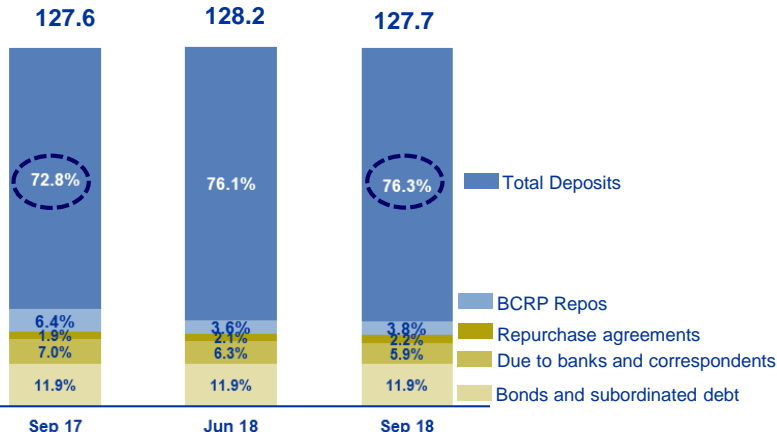


(1) Jan-Sep 2018 vs FY 2017

### Chart 1: Evolution of Funding Structure

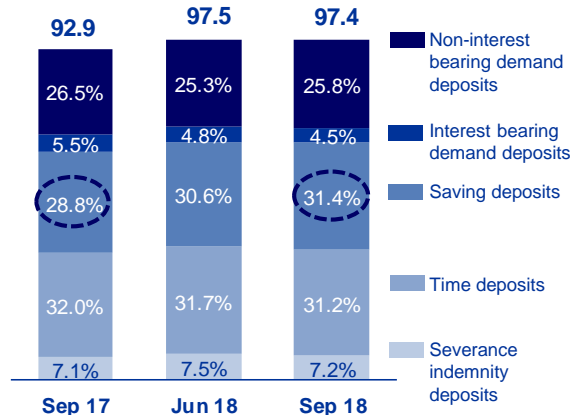
(\$/ billion- quarter-end balances)

▼0.4% ▲0.1%  
QoQ YoY

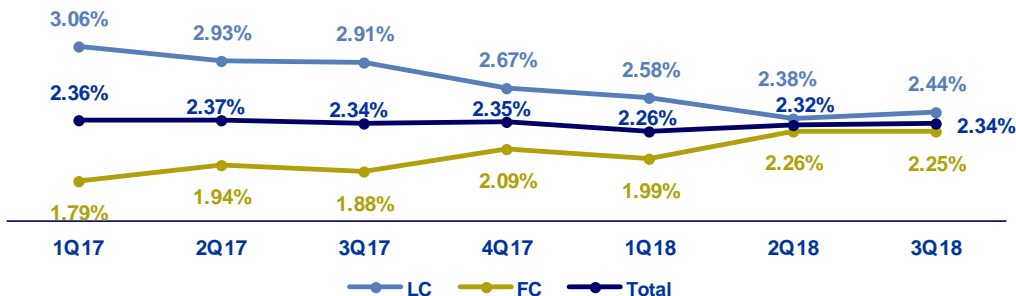


### Chart 2: Deposits by type

(\$/ billion- quarter-end balances)



### Chart 3: Funding Cost – Credicorp<sup>(1)</sup>



(1) Local currency (LC) only includes Soles and Foreign currency includes mainly US\$, which represents 85% of total FC.



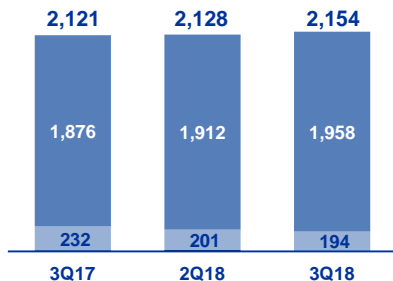
**Net Interest Income**  
(S/ million)

3Q17	2Q18	3Q18	QoQ	YoY
2,025	2,063	2,146	4.1%	6.0%

Sep 17	Sep 18	Sep 17/ Sep 18
6,006	6,253	4.1%

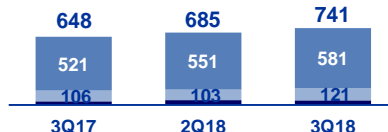
**Chart 1: Interest Income in LC**  
(S/ Million)

▲1.2% QoQ  
▲1.5% YoY



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

▲8.2% QoQ  
▲14.4% YoY



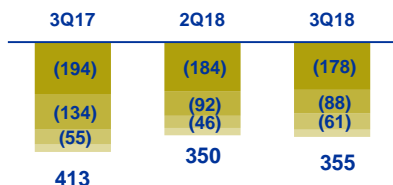
■ Interest on loans ■ Interest on securities and dividend income ■ Other interest income

Loan mix by segment and currency favored NII generation

Recovery in interest income on securities

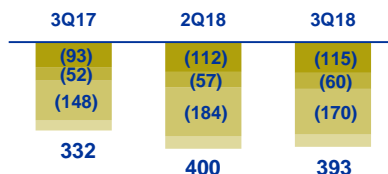
**Chart 3: Interest Expenses in LC**  
(S/ Million)

▲1.6% QoQ  
▼13.9% YoY



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

▼1.8% QoQ  
▲18.4% YoY



■ Interest on deposits ■ Interest on bonds and subordinated notes  
■ Interest on borrowed funds ■ Other interest expense

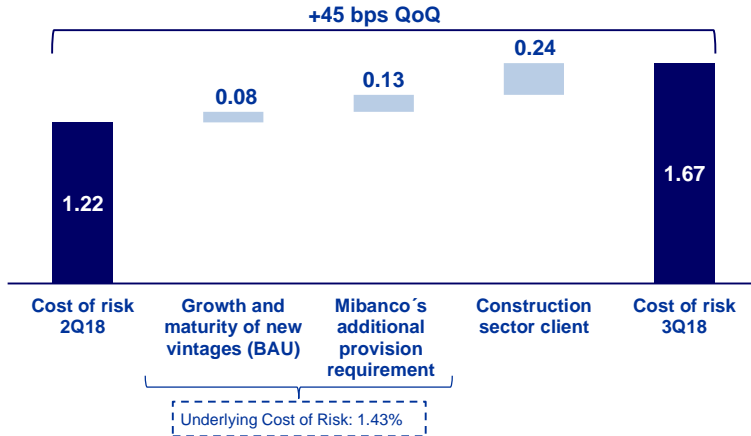
Interest expense on deposits decreased due to the reduction of high cost deposits

Positive interest rate effect related to the downward trend in the interest rate of deposits in LC

**Interest Income**  
(S/ million)

**Interest Expenses**  
(S/ million)

Chart 1: Evolution of Cost of Risk - QoQ



Main highlights about Cost of Risk (CofR):

- Total CofR increased mainly due to:
  - (i) Execution of a performance bond granted on behalf of a client in the construction sector but not related to Lava Jato case, which was not provisioned previously
  - (ii) Increase in the requirement of provisions for loan losses at Mibanco
  - (iii) Provisions from Loan origination and maturity of new vintages
- CofR of the underlying portfolio remained within the range posted in 1H18

Chart 2: Historical Evolution of Cost of Risk

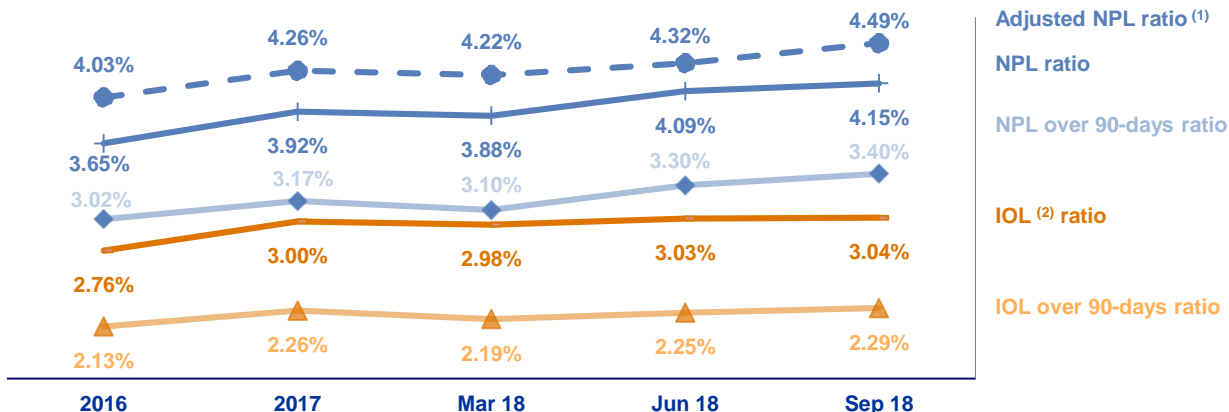


\*On January 1, 2018, Credicorp adopted the IFRS9 methodology to calculate provisions requirements of Credicorp.

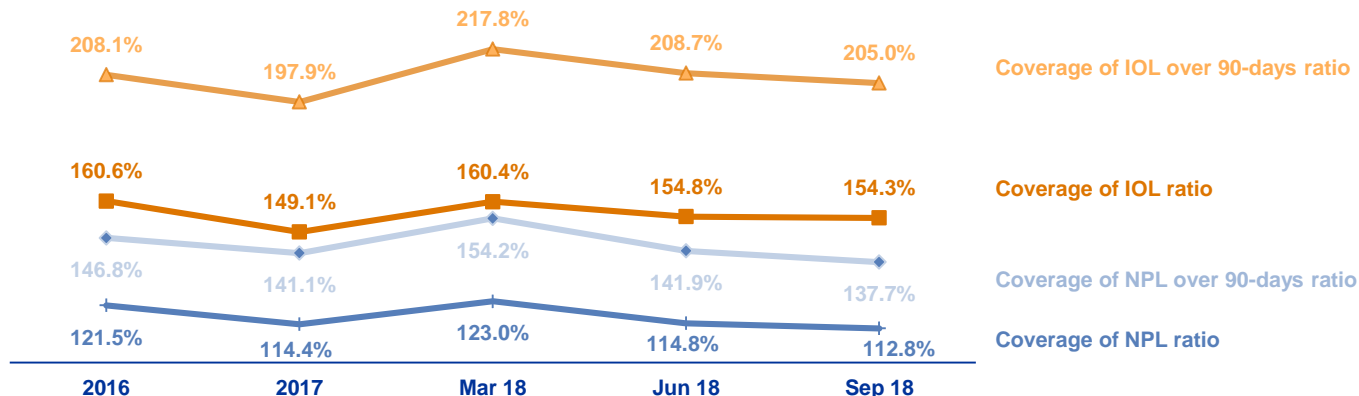
(1) Cost of risk = Annualized provisions for loan losses net of recoveries / Total loans.

(2) The cost of risk of the underlying portfolio of 2017 was calculated by eliminating provisions for the construction sector and the El Nino Phenomenon. For September 18 it excludes the effect of the execution of a performance bond of a company in the construction sector not related to the Lava Jato case.

### Chart 1: Evolution of Delinquency ratios



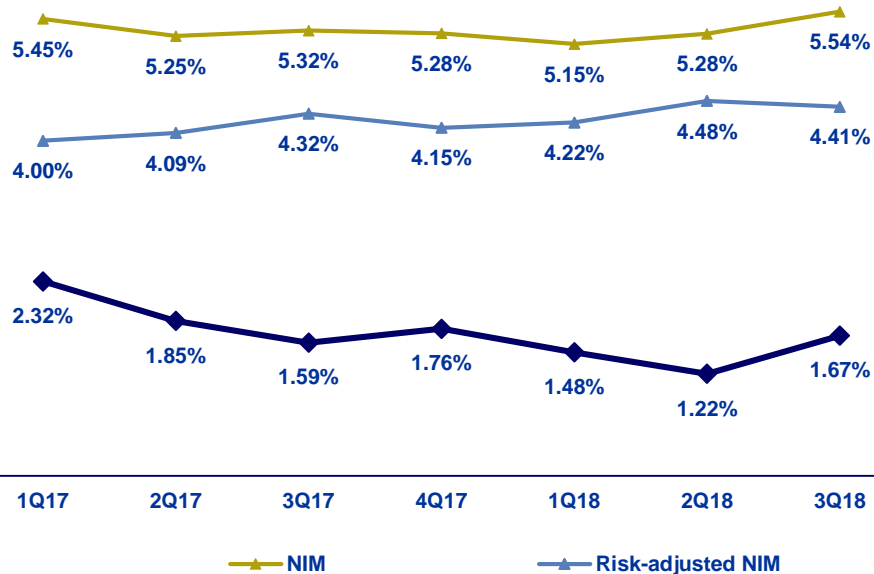
### Chart 2: Evolution of Coverage ratios



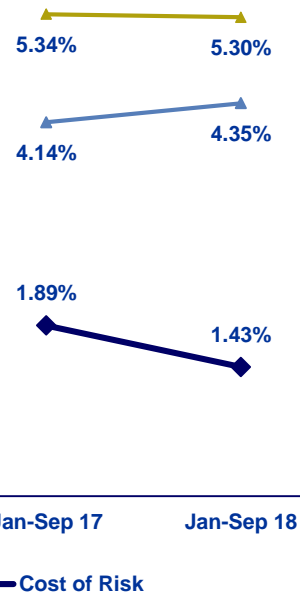
(1) Adjusted NPL ratio = (Non-performing loans + Write-offs) / (Total loans + Write-offs).

(2) IOL = Internal Overdue loans

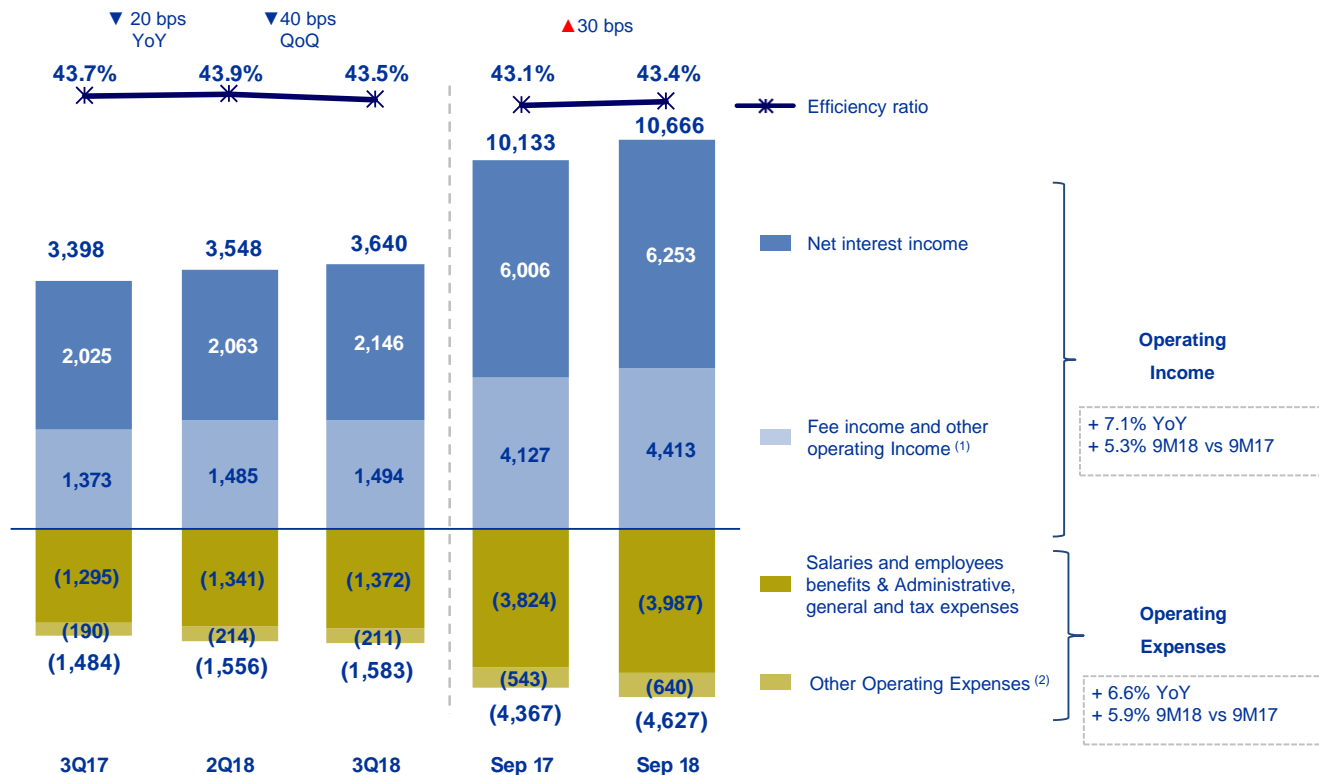
Quarterly evolution



YTD



## 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 %	≈4.0%
Domestic demand real growth%	≈4.0%
Private investment growth %	≈4.5%
Public investment growth %	≈3.5%
BCRP reference rate year-end	2.75%
Inflation %	2.5%
Exchange rate Year-end	≈3.30

▼ 50 bps vs previous guidance

Credicorp	2018 FY Guidance	YTD Sep18
Loan growth (average daily balances)	7% - 9%	7.7% <sup>(1)</sup>
Cost of Risk	1.3% - 1.5%	1.43%
NIM	5.3% - 5.5%	5.30%
Efficiency ratio	Stable - Slight increase (full year 2017: 43.7%)	43.4%
BCP Stand-alone CET1	No less than 10.5% every 1Q (quarter in which we reflect the declaration of dividends each year).	11.6%
ROAE 2018	17.5% - 18.5%	18.03%
Sustainable ROAE	≈19.00%	N.A.

(1) Jan-Sep 2018 vs 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  
Third Quarter 2018

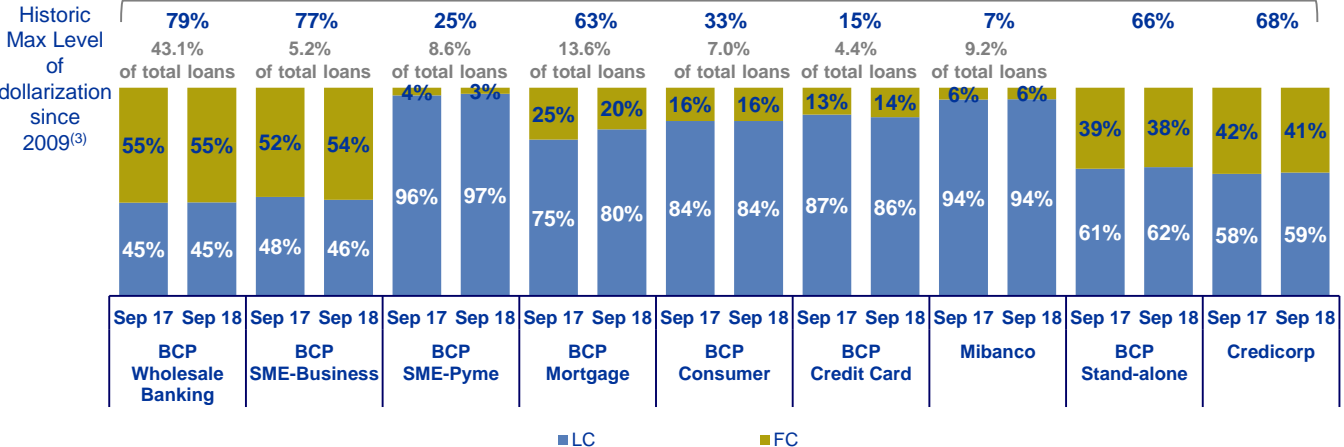


**Loan Portfolio Dollarization<sup>(1)(2)</sup>**

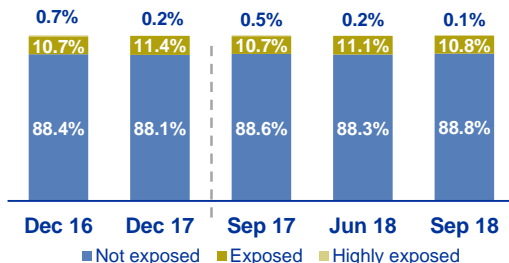
**FC portfolio participation:**

**- Credicorp: 41.5% in 3Q17 and 40.8% in 3Q18**

**- BCP Stand-alone: 39.0% in 3Q17 and 38.3% in 3Q18**



**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.

The lower level of dollarization in the Mortgage segment was due to a decrease in the interest-rate differential between LC and FC loans.

(1) Average daily balances.

(2) The FC share of Credicorp's loan portfolio is calculated including BCP Bolivia and ASB, however the chart shows only the loan books of BCP Stand-alone and Mibanco.

(3) The maximum level of dollarization for Wholesale Banking was recorded in 2012; for Mibanco, in 2016; and for the rest of segments, 2009.

Annual evolution

