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**CREDICORP LTD. ANNOUNCES FINANCIAL RESULTS  
FOR THE QUARTER ENDED MARCH 31, 1999**

(Lima, Peru, May 4, 1999) - Credicorp Ltd. ("Credicorp") (NYSE:BAP;LSE:BAPC1) today announced its financial results for the quarter ended March 31, 1999.

Credicorp announced consolidated net income for the quarter ended March 31, 1999, of US\$1.5 million, below US\$22.8 million in the first quarter of 1998, resulting in net income per share of US\$0.019 and US\$0.281, respectively.

**I. CREDICORP LTD. AND SUBSIDIARIES**

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

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

	Three months ended		
	31.03.98	31.12.98	31.03.99
Net interest income	94.2	98.4	91.0
Provisions for possible loan losses, net	26.3	54.8	51.1
Other income	89.3	88.1	81.0
Claims on insurance activities	23.8	20.7	20.6
Operating expense	103.3	113.5	104.0
Translation result	3.1	5.7	11.2
Income before income tax and — minority interest	33.2	3.2	7.5
Income Tax	(7.5)	(1.0)	(4.2)
Minority Interest	(2.9)	(1.0)	(1.8)
<b>Net Income</b>	<b>22.8</b>	<b>1.3</b>	<b>1.5</b>
Net Income per share (1)	0.281	0.016	0.019

*(1) Based on 81.00 million outstanding shares in all periods. The total number of shares outstanding 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.*

Net income, comparing the first quarter of 1999 with that of 1998, declined principally due to higher provisions for possible loan losses.

## I.1 ECONOMIC SITUATION

Given the decreased level of economic activity, the first quarter of 1999 continued to be unfavorable to the development of the banking industry. GDP in Perú grew 0.4% through February 1999, mostly due to high growth in primary export sectors, that offset negative growth of internal demand sectors, which also declined in the fourth quarter of 1998. Preliminary reports indicate that March, with a 2.5% GDP growth, may show recovery of economic activity. The quality of the loan portfolio of the banking system continued to deteriorate.

According to the Banco Central de Reserva del Perú, the banking system's credit to the private sector decreased 1.5%, in U.S. Dollar terms, during the first quarter of 1999, and grows only 2.1% in the year since March 1998. The consumer price index in Perú rose 0.9% in the first quarter of 1999, versus 3.5% in the same period of 1998, while devaluation was 5.9% and 3.1%, respectively.

## I.2 INTEREST INCOME AND OTHER INCOME

In the first quarter of 1999 net interest income reached US\$91.0 million, below US\$94.2 million in the previous year quarter, due to the effect of a lower volume of interest earning assets compounded by lower interest margins. Net interest margin (net interest income over average interest earning assets), on an annualized basis, was 5.65% during the first quarter of 1999, below 5.74% in the same quarter of the previous year, and 6.13% in the fourth quarter of 1998. Interest earning assets, as averages of beginning and ending balances, were US\$6.4 billion, remaining similar to the fourth quarter of 1998, but declined 1.9% compared to the year-ago quarter.

Deposits and other obligations reached US\$5.4 billion at the end of March 1999, decreasing 5.8% compared to the prior year quarter, and 2.4% since the December 31, 1998 balance. Due to banks and correspondents increased from US\$1,047.5 million at December 31, 1998 to US\$1,118.6 million at the end of the first quarter or 1999.

Non-interest income was US\$81.0 million in the first quarter of 1999, decreasing 9.3% over income of US\$89.3 million in the same period of 1998. The non-interest income components had the following growth rates with respect to the prior year quarter and to the fourth quarter of 1998:

<i>(% change and US\$Mn)</i>	<b>1Q98</b>	<b>4Q98</b>	<b>1Q99</b>	<b>1Q99 vs 4Q98</b>	<b>1Q99 vs 1Q98</b>
Commissions for banking services	33.6	35.9	33.3	-7.3%	-0.8%
Net premiums	30.2	29.5	29.0	-1.8%	-4.0%
Gains from sale of securities	1.4	-1.7	0.3	N/A	-79.6%
Gains from foreign exchange	7.1	9.5	8.7	-10.1%	20.2%
Other income	17.1	14.8	9.9	-33.3%	-42.1%
<b>Total Non-Interest Income</b>	<b>89.3</b>	<b>88.1</b>	<b>81.0</b>	<b>-8.0%</b>	<b>-9.3%</b>

## I.3 OPERATING EXPENSES

Operating expenses for the first quarter of 1999 were US\$104.0 million, similar to expenses in the same period of the previous year. Credicorp's operating expense components had the following variations:

<i>(% change and US\$ Mn)</i>	<b>1Q98</b>	<b>4Q98</b>	<b>1Q99</b>	<b>1Q99 vs 4Q98</b>	<b>1Q99 vs 1Q98</b>
Salaries and employee benefits	47.0	42.4	44.1	4.1%	-6.2%
General, administrative, and taxes	37.9	44.4	37.1	-16.4%	-2.0%
Depreciation and amortization	9.0	7.9	10.6	34.5%	17.7%
Other	9.4	18.8	12.2	-35.2%	30.1%
<b>Total Operating Expense</b>	<b>103.3</b>	<b>113.5</b>	<b>104.0</b>	<b>-8.3%</b>	<b>0.7%</b>

The efficiency ratio (operating expense, net of provisions for assets received in lieu of loan repayment and employee profit sharing expense, as a percentage of total income) increased to 60.3% in the first quarter of 1999, from 55.8% in the first quarter of last year. Operating expenses as a percentage of average total assets was 5.0% in the current quarter compared to 5.1% in the same quarter of the previous year.

#### I.4 LOAN QUALITY

Credicorp's total assets were US\$7.9 billion at March 31, 1999, remaining similar to total assets at the end of the preceding quarter, but decreased 1.9% compared to the balance at March 1998. The loan portfolio as of March 31, 1999 totaled US\$4.9 billion, an increase of 2.7% compared to the balance at the end of the year-ago quarter, but decreasing 3.8% since December 1998. Loan quality indicators are shown in the following table:

<i>(In US\$Mn)</i>	<b>1Q98</b>	<b>4Q98</b>	<b>1Q99</b>
Total loans	4,782.7	5,104.5	4,911.2
Past due loans	216.2	306.2	343.8
Loan loss reserves	219.6	270.1	285.1
Past due / Total loans	4.5%	6.0%	7.0%
Reserves / Past due	101.6%	88.2%	82.9%

The increase in past due loans to US\$343.8 million at the end of March 1999, from US\$306.2 million at December 31, 1998, is related mainly to BCP's middle market and small business segments, whose deterioration follow the decline in economic activity of sectors linked to domestic demand.

#### I.5 NET INCOME CONTRIBUTION

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

<i>(US\$Mn)</i>	<b>1Q98</b>	<b>4Q98</b>	<b>1Q99</b>
Banco de Credito	US\$ 17.7	US\$ 1.5	US\$ 0.2
Atlantic	6.3	3.9	4.4
PPS	1.3	0.7	2.5
Banco Tequendama	-1.0	-2.1	-3.1
Credicorp and others*	-1.5	-2.7	-2.5
<b>Consolidated Net Income</b>	<b>US\$22.8</b>	<b>US\$1.3</b>	<b>US\$1.5</b>

\* Includes Inversiones Crédito and Grupo Capital.

In the first quarter of 1999 BCP contributed to Credicorp net income of US\$0.2 million, while its results according to Peruvian accounting principles reported in Section II, amounted to a net profit of US\$14.1 million, the difference being mainly due to lower translation results (US\$10.8 million) compared to inflation adjustment gains (US\$23.8 million) found in Peruvian GAAP.

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

### II.1 NET INCOME

For the quarter ended March 31, 1999, BCP reported a consolidated net income of S/.47.8 million (US\$14.1 million), decreasing 20.5% from S/.60.1 million (US\$17.8 million) in the prior year period, principally due to higher provisions for loan losses, partly offset by increased results from exposure to inflation.

#### 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			
	31.03.98	31.12.98	31.03.99	31.03.99
				US\$
Net interest income	243.0	272.4	269.2	\$79.7
Provisions for loan losses, net	77.7	170.4	161.2	\$47.7
Other income	147.8	151.8	146.1	\$43.2
Operating expense	245.9	259.7	278.9	\$82.5
Result from exposure to inflation	9.4	46.6	80.4	\$23.8
Income before income tax	76.6	40.7	55.7	\$16.5
Income Tax	16.5	8.2	7.9	\$2.3
Net Income	<b>60.1</b>	<b>32.5</b>	<b>47.8</b>	<b>\$14.1</b>
Net Income per share (2)	0.068	0.037	0.054	\$0.016

(1) Financial statements prepared according to Peruvian GAAP. The financial information is in constant soles as of March 31, 1999. Figures in US\$ have been translated at the exchange rate of S/.3.38 to the dollar.

(2) Based on 880.0 million outstanding shares in all periods.

### II.2 NET INTEREST INCOME

Interest income, net of interest payments, reached S/.269.2 million (US\$79.7 million) during the first quarter of 1999, increasing 10.8% compared to the prior year quarter, but 1.2% below the fourth quarter of 1998. Compared to the first quarter of 1998, net interest income increased due to a 9.1% growth in average interest earning assets compounded by a slightly higher net interest margin.

In the first quarter of 1999, the net interest margin increased to 5.88% from 5.79% in the prior year quarter, but decreased from 6.16% in the fourth quarter of 1998. Compared to the fourth quarter of 1998, the decrease in net interest margin is principally a result of increased lending to lower margin business segments and lower Nuevos Soles loans.

### II.3 NON-INTEREST INCOME

Non-interest income, including fee revenue and other non-interest items, decreased 1.1% to S/.146.1 million (US\$43.2 million) in the first quarter of 1999 with respect to the same period in the prior year. In the first quarter of 1999, fees from banking services amounted to S/.101.8 million (US\$30.1

million), 11.3% over such income in the same period in 1998. Fees on the most important banking services had the following growth rates:

<i>(In constant S/. Mn.)</i>	<b>1Q98</b>	<b>1Q99</b>	<b>Growth</b>
Contingent credits	8.7	9.2	4.9%
Foreign Trade	6.5	6.6	1.0%
Account Maintenance	26.0	29.1	12.2%
Insurance	7.4	8.2	10.5%
Collections fees	15.0	17.2	14.7%
Fund transfer services	11.4	12.7	11.2%
Credit card fees	9.7	12.9	33.6%
Brokerage	5.1	4.4	-14.1%
Other	1.5	1.3	-12.5%
<b>Total</b>	<b>91.5</b>	<b>101.8</b>	<b>11.3%</b>

Gains from foreign exchange transactions were S/25.3 million (US\$7.5 million) in the first quarter of 1999, increasing 19.4% versus the prior year quarter due both to growth in traded volume and to increased margins.

Comparing the first quarter of 1998 to the same period in 1999, the Other income caption decreased from S/35.0 million (US\$10.3 million) to S/18.5 million (US\$5.5 million), principally due to S/18.7 million reversal of prior year tax provisions made in the 1998 quarter.

#### **II.4 OPERATING EXPENSES**

During the first quarter of 1999, BCP's operating expenses reached S/278.9 million (US\$82.5 million), increasing 13.4% compared to the same period in 1998. Approximately 43% of the operating expenses were attributable to employee salaries and other expenses related to personnel. These expenses increased 5.8% to S/118.9 million (US\$35.2 million) from the same period of the previous year. During the current quarter the number of employees increased by 127 to 7,637, mainly in Financiera Solución and from the transfer of personnel from Banco de La Paz to Banco de Crédito de Bolivia.

General and administrative expenses, which represented 32% of overall operating expenses, were S/88.0 million (US\$26.0 million) in the first quarter of 1999, increasing 2.8% compared to expenses in the same quarter of last year. The most significant expenditures were:

<i>(In constant S/. Mn.)</i>	<b>1Q98</b>	<b>1Q99</b>	<b>Growth</b>
Office supplies and operating costs	18.7	18.2	-2.4%
Communications	8.8	10.8	22.6%
Third party fees	13.3	12.6	-5.3%
Insurance and security	10.9	11.2	2.2%
Transport of currency and securities	10.5	12.1	15.6%
Systems and maintenance	12.7	15.3	20.4%
Advertising and marketing	10.3	7.1	-31.1%
Other	0.4	0.7	65.3%
<b>Total</b>	<b>85.6</b>	<b>88.0</b>	<b>2.8%</b>

Other operating expenses, increased from S/16.8 million in the first quarter of 1998 to S/29.4 million in the first quarter of 1999, mostly because of increased provisions for assets received in lieu of loan payments which grew from S/5.0 million to S/13.6 million.

The ratio of operating expenses (without provisions for assets received in lieu of loan repayment and employee profit sharing expense) as a percentage of average total assets decreased from 4.97% in the first quarter of 1998 to 4.95% in this period.

Operating expenses, as a percentage of total income, increased from 61.2% to 63.6% for the first quarters of 1998 and 1999, respectively.

## II.5 ASSETS AND LIABILITIES

Total assets of BCP were S/.21.9 billion (US\$6.5 billion) at the end of March 1999, a 12.0% increase since the end of the first quarter of 1998, and 4.9% above the end of the prior quarter. At March 31, 1999, the loan portfolio, net of provisions, represented 63.2% of total assets, compared to 61.2% in the prior year quarter. At March 31, 1999 the Soles portion of the loan portfolio was 12.1%, decreasing from 12.3% at the end of December 1998, and from 14.8% at March 31, 1998. Total loans increased 2.3% in the first quarter of 1999, to S/.14.7 billion (US\$4.4 billion), and 17.5% since March 31, 1998.

As of March 31, 1999, total deposits were S/.16.7 billion (US\$4.9 billion), increasing 10.7% since March 31, 1998, and 5.7% over the December 31, 1998 balance. During the first quarter of 1999, time deposits increased by 9.0%, demand deposits by 7.4%, while savings decreased 0.2%. At the end of the first quarter of 1999, Nuevos Soles deposits comprised 16.2% of total deposits, compared to 20.3% the year before, and 18.1% as of December 31, 1998.

Growth in assets and liabilities is mostly due to the Nuevo Sol devaluation that took place in 1998 and in the first quarter of 1999.

BCP had a market share in the Peruvian market, considering operations of Banco de Crédito, Credileasing and Solución, of 22.8% of total loans and 29.3% of total deposits. (According to SBS statistics at March 15, 1999, and February 28, 1999 for Credileasing.)

Loan portfolio composition by business segment developed as follows:

<i>(In % of total and constant S/. Mn)</i>	<b>1Q98</b>	<b>4Q98</b>	<b>1Q99</b>
Corporate	40.9%	40.4%	41.9%
Middle market	30.5%	31.8%	32.4%
Retail:	28.6%	27.8%	25.7%
- small business	15.2%	13.9%	11.8%
- home mortgage	6.5%	7.0%	7.2%
- consumer	4.3%	4.4%	4.1%
- credit cards	2.6%	2.6%	2.6%
<u>Total</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
<b>Total Loans</b>	<b>S/.12,538</b>	<b>S/.14,396</b>	<b>S/.14,732</b>

During the first quarter of 1999, the loan portfolio grew through all business segments except in the small business and consumer loan categories: corporate loans grew 6.0% to S/.6.2 billion (US\$1.8 billion), middle market loans by 4.4% to S/.4.8 billion (US\$1.4 billion), while retail market loans decreased 5.3% to S/.3.8 billion (US\$1.1 billion).

Retail loans, on a product-by-product basis, show the following changes:

<i>(% change and constant S/. Mn)</i>	<b>1Q98</b>	<b>4Q98</b>	<b>1Q99</b>	<b>1Q99 vs 4Q98</b>	<b>1Q99 vs 1Q98</b>
Small business loans	1,904	1,999	1,740	-13.0%	-8.6%
Mortgage loans	815	1,006	1,070	6.5%	31.3%
Consumer loans	541	628	599	-4.6%	10.8%
Credit card loans	322	371	382	3.1%	18.7%
<b>Total Retail</b>	<b>3,582</b>	<b>4,004</b>	<b>3,792</b>	<b>-5.3%</b>	<b>5.9%</b>

At the close of March 31, 1999, contingent credits were S/.3.1 billion (US\$0.9 billion), 3.6% over the balance at March 1998, but 8.0% lower than the balance at December 31, 1998. Guarantees and stand-by letters of credit, which comprised 54.0% of such contingent credits, decreased 12.0% to S/.1.7 billion (US\$494.9 million) since the fourth quarter of 1998. Letters of credit which totaled S/.308.9 million (US\$91.4 million) at March 31, 1999, decreased 4.0% from the balance of S/.321.8 million (US\$95.2 million) at December 31, 1998. Foreign exchange futures operations decreased 3.9%, from S/.830.1 million (US\$245.6 million) as of December 31, 1998, to S/.798.2 million (US\$236.2 million) at the end of the current quarter.

## **II.6 LOAN QUALITY**

Loan quality indicators deteriorated in the first quarter of 1999. Past due loans as a percentage of total loans were 7.51% at March 1999, compared to 6.50% at December 1998.

At the end of the first quarter of 1999, past due loans were S/.1.1 billion (US\$327.3 million), increasing 18.2% over S/.936.3 million (US\$277.0 million) as of December 1998. Past due loans continued to increase principally in the middle market and small business segments customers.

Refinanced loans amounted to S/.233.7 million (US\$69.1 million) as of March 1999, slightly below the balance of S/.235.4 million (US\$69.7 million) at December 1998.

Loans believed to be unrecoverable, which were fully provisioned in prior periods, were written off during the first quarter of 1999 for a total of S/.93.9 million (US\$27.8 million), approximately 76% related to middle market and small businesses and 24% to consumer loans. This compared to charge-offs of S/.46.9 million (US\$13.9 million) in the first quarter of 1998, and S/.119.8 million (US\$35.4 million) in the fourth quarter of 1998.

Loans classified as Substandard, (i.e., Deficient, Doubtful and Loss) represented 15.5% of the total loan portfolio at the end of the first quarter of 1999, increasing from 12.3% at March 31, 1998, and from 14.2% at the end of the prior quarter.

The loan classification is as follows:

<i>(% of Total loans and S/.Mn const.)</i>	<b>1Q98</b>	<b>4Q98</b>	<b>1Q99</b>
A: Normal	74.8%	73.2%	70.7%
B: Potential Problem	12.9%	12.6%	13.8%
C: Deficient	6.1%	6.7%	7.5%
D: Doubtful	4.6%	5.2%	5.2%
E: Loss	1.6%	2.3%	2.8%
<u>Total</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
<b>Total Loans</b>	<b>S/.12,538</b>	<b>S/.14,396</b>	<b>S/.14,732</b>

As of March 31, 1999, loan loss provisions outstanding totaled S/.922.7 million (US\$273.0 million) increasing 11.4% since December 31, 1998. The ratio of loan provisions to past due loans reached 83.4% at the end of the first quarter of 1999, decreasing from 88.5% at the end of the prior quarter.

Of total provisions outstanding at the end of the first quarter, S/.67.9 million (US\$20.1 million) corresponded to generic provisions. At December 31, 1998, generic provisions were S/.73.3 million (US\$21.7 million)

In the first quarter of 1999, S/.161.2 million (US\$47.7 million) of loan loss provisions, net of recoveries, were charged against income, increasing from S/.77.7 million (US\$23.0 million) made during the first quarter of last year. During the fourth quarter of 1998, such provision expense reached S/.170.4 million (US\$50.4 million). Provision expense charged by business segment was:

<i>(% of Provision expense and S/.Mn const.)</i>	<b>1Q98</b>	<b>4Q98</b>	<b>1Q99</b>
Corporate Banking	-1.2%	9.7%	9.2%
Middle Market	42.2%	41.7%	30.9%
Retail	59.0%	48.6%	59.9%
<u>Total</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
<b>Total Provision Expense</b>	<b>S/.77.8</b>	<b>S/.170.4</b>	<b>S/.161.2</b>

## II.7 CAPITAL ADEQUACY

At the end of the first quarter of 1999, BCP's unconsolidated ratio of risk-weighted assets to regulatory capital was 9.5 to 1.0 (10.6%), while the corresponding consolidated ratio was 10.0 to 1.0 (10.0%). Peruvian regulations limits risk-weighted assets to a ratio of 11.5 to 1.0 (8.7%) until December 31, 1999, in which the ratio is reduced to 11.0 to 1.0 (9.1%). As of March 31, 1999, BCP's consolidated "regulatory capital" was S/.1,699.2 million (US\$502.7 million), 3.7% above the balance at the fourth quarter of 1998. Regulatory capital included S/.183.1 million of subordinated debt at March 1999 (S/.186.6 million as of December 1998).

	<b>BCP unconsolidated</b>		<b>BCP consolidated</b>	
<i>(In constant S/. Mn.)</i>	<b>1Q98</b>	<b>1Q99</b>	<b>1Q98</b>	<b>1Q99</b>
Regulatory capital	1,403	1,376	1,554	1,699
Risk weighted assets	12,206	13,014	14,871	16,992
Weighted assets / Capital	8.7	9.5	9.6	10.0
Capital / Weighted Assets	11.5%	10.6%	10.4%	10.0%



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

Consolidated net income for the quarter ended March 31, 1999 was US\$4.4 million, below net income of US\$8.9 million for the prior year quarter.

Net earnings, before considering gains and losses on securities transactions, decreased from US\$5.7 million in the first quarter of 1998 to US\$3.7 million in the current quarter, due mostly to lower net interest income.

Net interest income, which includes dividend income, was US\$5.5 million in the first quarter of 1999, 22.5% below US\$7.0 million in the year-ago quarter. Without including dividends, net interest income was US\$4.0 million in the first quarter of 1999, compared to US\$5.1 million in the prior year quarter. Net interest margin, without considering dividends and investments in equity shares, was 2.4% during the first quarter of 1998 and 1.7% in the 1999 quarter.

Net earnings on securities transactions, realized and unrealized, which was US\$3.2 million in the first quarter of 1998, decreased to US\$0.6 million in the first quarter of 1999.

The loan portfolio, net of provisions, was US\$281.6 million as of March 31, 1999, decreasing from a balance of US\$304.9 million at the end the fourth quarter of 1998, and from US\$310.0 million at March 31, 1998.

The investment portfolio was US\$195.3 million at March 1999, increasing from the balance of US\$164.3 million at December 1998. Funds under management decreased from US\$233.9 million at December 31, 1998, to US\$217.9 million at March 31, 1999, which is also below the balance of US\$299.1 million at March 1998. Deposits increased to US\$627.5 million at March 31, 1999 from US\$614.7 million at the end of the prior quarter, and also from US\$526.4 million at the end of March 1998.

Net equity reached US\$124.0 million at the end of March 1999, increasing from US\$119.7 million in the preceding quarter, but lower than US\$138.1 million in the year-ago quarter which included the US\$30.0 million dividend paid in April 1998.

Reserves for possible loan losses decreased from US\$0.8 million as of December 31, 1998, to US\$0.5 million in the current quarter given that the loan portfolio had no past dues.

The ratio of operating expenses over average assets was 1.1% in the first quarter of 1999 compared to 1.2%, annualized, during the same period in 1998. The ratio of operating expenses to average assets including funds under management was 0.9% in the first quarter of 1999, remaining similar to the prior year quarter ratio.

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

Consolidated net income for the quarter ended March 31, 1999 was S/.14.5 million (US\$4.3 million), 153.5% above S/.5.7 million (US\$1.7 million) in the same period of 1998. Net income in the first quarter of 1999 increased compared to the prior year period principally due to higher net underwriting results, partly offset by higher operating expense. Return on average shareholders' equity (“ROE”) was 21.5% in the first quarter of 1999, increasing from 9.7% during the same period of last year.

In the first quarter of 1999, total premiums were S/.137.2 million (US\$40.6 million) increasing 12.0% over S/.122.6 million (US\$36.3 million) in the prior year quarter. Net premiums earned, net of reinsured premiums, were S/.109.0 million (US\$32.5 million) in the first quarter of 1999, increasing 17.6% over S/.92.7 million (US\$27.5 million) in the same quarter of 1998, principally due to higher premiums which were partly offset by increased technical reserves, S/.5.8 million (US\$1.7 million) in the current quarter compared to S/.2.4 million (US\$0.7 million) in the year-ago quarter.

Comparing results for the first quarters of 1999 and 1998, growth of the health and medical assistance insurance (21.4% of total premiums) was 17.6%; the automobile insurance line (18.6% of total premiums) grew 6.6%; while property lines, fire and technical lines (28.9% of total premiums), decreased 5.8%. Premiums issued during the first quarter of 1999 by the subsidiary El Pacifico Vida (26.4% of total premiums) increased 44.9% compared to the year-ago quarter. In these same periods, pension fund benefits insurance decreased 1.0%, while group life insurance and individual life insurance policies increased 66.3%.

Net underwriting results were S/.27.1 million (US\$8.2 million) in the first quarter of 1999, above S/.15.2 million (US\$4.5 million) in the prior year quarter, mainly because of the increase in net premiums earned. The ratio of net underwriting results (net premiums less reserves and claims as a percentage of total premiums) was 20.2% in the first quarter of 1999, increasing from 12.4% in the prior year period.

Net claims incurred in the first quarter of 1999 were S/.69.6 million, decreasing from S/.71.2 million in the first quarter of 1998. The net loss ratio (net claims to net premiums) decreased to 63.4% in the current quarter, from 74.8% in the first quarter of 1998, which was affected by claims related to the El Niño weather phenomenon.

The combined ratio (the sum of net claims, general expenses and commissions, as a percentage of net premiums) was 91.2% in the first quarter of 1999, below 103.2% of the prior year period, decreasing mainly because of lower net claims. Operating expenses increased 24.6% to S/.22.7 million mainly due to increases in personnel, and third party fee expenses, partly due to upgrading systems for compliance with the Year 2000 issue. Operating expenses over net premiums increased from 19.1% to 20.7% comparing the first quarters of 1998 and 1999, respectively.

As of March 31, 1999, total assets were S/.759.4 million (US\$224.7 million) increasing 21.6% compared to the year-ago balance. Investments in real estate and financial assets were S/.449.8 million (US\$133.1 million) at the end of the first quarter of 1999, increasing 17.5% from the balance of the prior year quarter.



Pursuant to Resolución Conasev No. 141-98-EF/94.10, dated 21.10.98.

#### Statement of Responsibility

"This report has trustworthy information about the development of the business of Credicorp Ltd. and Subsidiaries during the first quarter of 1999. The undersigned make themselves responsible for damages that misstatements or insufficient information may cause, within the scope of their responsibilities, according to the Civil Code."

Raimundo Morales  
Chief Operating Officer

Benedicto Cigüeñas  
Chief Financial and Accounting Officer

La Molina, May 4, 1999

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

**CREDICORP LTD. AND SUBSIDIARIES**

**Table 1**

**CONSOLIDATED BALANCE SHEETS**

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

ASSETS	As of		
	Mar. 31, 1998	Dec. 31, 1998	Mar. 31, 1999
<b>CASH AND DUE FROM BANKS</b>			
Cash and non interest bearing deposits in banks	319,866	243,125	258,313
Interest bearing deposits in banks	1,529,902	1,369,316	1,445,002
	<b>1,849,768</b>	<b>1,612,441</b>	<b>1,703,315</b>
MARKETABLE SECURITIES, net	573,624	342,293	359,685
<b>LOANS</b>	<b>4,782,661</b>	<b>5,104,450</b>	<b>4,911,192</b>
Current	4,566,420	4,798,270	4,567,393
Past Due	216,241	306,180	343,799
Less - Reserve for possible loan losses	(219,606)	(270,082)	(285,098)
<b>LOANS NET</b>	<b>4,563,055</b>	<b>4,834,368</b>	<b>4,626,094</b>
INVESTMENT SECURITIES AVAILABLE FOR SALE	254,412	271,996	311,445
REINSURANCE ASSETS	55,565	55,840	51,590
PREMIUMS AND OTHER POLICYHOLDER RECEIVABLES	32,881	43,632	44,814
PROPERTY, PLANT and EQUIPMENT, net	268,856	290,785	286,132
DUE FROM CUSTOMERS ON ACCEPTANCES	58,377	54,198	67,665
OTHER ASSETS	417,069	446,922	469,624
<b>TOTAL ASSETS</b>	<b>8,073,607</b>	<b>7,952,475</b>	<b>7,920,364</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>DEPOSITS AND OBLIGATIONS:</b>			
Non-interest bearing	582,064	565,443	482,096
Interest bearing	5,101,184	4,918,599	4,869,180
	<b>5,683,248</b>	<b>5,484,042</b>	<b>5,351,276</b>
DUE TO BANKS AND CORRESPONDENTS	975,797	1,047,503	1,118,602
ACCEPTANCES OUTSTANDING	58,377	54,198	67,665
RESERVE FOR PROPERTY AND CASUALTY CLAIMS	99,151	104,155	104,740
RESERVE FOR UNEARNED PREMIUMS	62,308	62,084	61,002
REINSURANCE PAYABLE	10,931	9,067	7,375
OTHER LIABILITIES	357,345	340,090	376,807
MINORITY INTEREST	93,383	98,949	95,171
<b>TOTAL LIABILITIES</b>	<b>7,340,540</b>	<b>7,200,088</b>	<b>7,182,638</b>
<b>NET SHAREHOLDERS' EQUITY</b>	<b>733,067</b>	<b>752,387</b>	<b>737,726</b>
<b>TOTAL LIABILITIES and NET SHAREHOLDERS' EQUITY</b>	<b>8,073,607</b>	<b>7,952,475</b>	<b>7,920,364</b>
<b>CONTINGENT CREDITS</b>	<b>1,040,622</b>	<b>1,072,913</b>	<b>898,658</b>

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

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

	Three months ended		
	31.03.98	31.12.98	31.03.99
<b>INTEREST INCOME</b>			
Interest on loans	165,647	192,387	185,044
Interest and dividends on investments:	2,739	3,988	1,402
Interest on deposits with banks	16,864	20,823	18,088
Interest on trading securities	17,403	8,788	11,538
Total Interest Income	<u>202,653</u>	<u>225,986</u>	<u>216,072</u>
<b>INTEREST EXPENSE</b>			
Interest on deposits	82,202	95,416	93,483
Interest on borrowed funds	22,456	24,669	27,178
Other interest expense	3,807	7,514	4,388
Total Interest Expense	<u>108,465</u>	<u>127,599</u>	<u>125,049</u>
<u>Net Interest Income</u>	<u>94,188</u>	<u>98,387</u>	<u>91,023</u>
Provision for possible loan losses, net	26,318	54,815	51,061
<b>Net interest income after provision for possible loan losses</b>	<b>67,870</b>	<b>43,572</b>	<b>39,962</b>
<b>OTHER INCOME</b>			
Fees and commissions from banking services	33,588	35,938	33,311
Net gains from sales of securities	1,355	(1,725)	277
Net gains on foreign exchange transactions	7,128	9,521	8,564
Net premiums earned	30,199	29,547	29,007
Other income	17,063	14,790	9,873
	<u>89,333</u>	<u>88,071</u>	<u>81,032</u>
<b>CLAIMS ON INSURANCE ACTIVITIES</b>			
Net claims incurred	11,257	7,369	6,204
Increase in future policy benefits for life and health	12,554	13,321	14,431
	<u>23,811</u>	<u>20,690</u>	<u>20,635</u>
<b>OPERATING EXPENSE</b>			
Salaries and employee benefits	47,036	42,395	44,135
General, administrative, and other taxes	37,873	44,402	37,115
Depreciation and amortization	8,989	7,869	10,582
Other	9,375	18,820	12,200
	<u>103,273</u>	<u>113,486</u>	<u>104,032</u>
<b>Translation result</b>	3,085	5,727	11,168
<b>Income before income tax, and minority interest</b>	<b>33,204</b>	<b>3,194</b>	<b>7,495</b>
Income Tax	(7,502)	(950)	(4,185)
Minority Interest	(2,925)	(985)	(1,784)
<b>NET INCOME</b>	<b>22,777</b>	<b>1,259</b>	<b>1,526</b>

**CREDICORP LTD. AND SUBSIDIARIES**

**Table 3**

**SELECTED FINANCIAL INDICATORS**

	Three months ended		
	31.03.98	31.12.98	31.03.99
<b>Profitability</b>			
Net income per common share (US\$ per share)(1)	0.281	0.016	0.019
Net interest margin on interest earning assets (2)	5.74%	6.13%	5.65%
Return on average total assets (2)(3)	1.15%	0.06%	0.08%
Return on average shareholders' equity (2)(3)	12.34%	0.67%	0.82%
No. of outstanding shares (millions)(4)	81.00	81.00	81.00
<b>Quality of loan portfolio</b>			
Past due loans as a percentage of total loans	4.52%	6.00%	7.00%
Reserves for loan losses as a percentage of total past due loans	101.56%	88.21%	82.93%
Reserves for loan losses as a percentage of total loans	4.59%	5.29%	5.81%
Reserves for loan losses as a percentage of substandard loans (C+D+E)	41.07%	41.06%	40.94%
Past due loans - reserves for loan losses as a percentage of shareholders' equity	-0.46%	4.80%	7.96%
<b>Operating efficiency</b>			
Oper. expense as a percent. of total income (5)	55.84%	60.86%	60.28%
Oper. expense as a percent. of av. tot. assets(2)(3)(5)	5.09%	5.56%	5.02%
<b>Average balances (millions of US\$) (3)</b>			
Interest earning assets	6,563.5	6,423.0	6,441.0
Total Assets	7,938.5	7,966.7	7,936.4
Net equity	738.2	751.8	745.1

(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 in all periods.

(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.

**BANCO DE CREDITO DEL PERU AND SUBSIDIARIES**

**Table 4**

**CONSOLIDATED BALANCE SHEETS**

(Constant Nuevos Soles, as of March 31, 1999, and U.S. Dollars in thousands)

<b>ASSETS</b>	<b>31.03.98</b>	<b>31.12.98</b>	<b>31.03.99</b>	<b>31.03.99</b>
				<b>US\$000(1)</b>
<b>CASH AND DUE FROM BANKS</b>	<b>5,017.442</b>	<b>4,816.090</b>	<b>5,405.569</b>	<b>\$1,599.281</b>
Cash and Checks	818.594	731.978	844.227	\$249.771
Deposits in Central Bank of Peru	3,568.178	3,066.684	3,587.428	\$1,061.369
Deposits with local and foreign banks	630.670	1,017.428	973.914	\$288.140
<b>MARKETABLE SECURITIES, net</b>	<b>926.948</b>	<b>446.213</b>	<b>451.099</b>	<b>\$133.461</b>
<b>LOANS</b>	<b>12,537.643</b>	<b>14,395.955</b>	<b>14,732.317</b>	<b>\$4,358.674</b>
Current	11,928.909	13,459.702	13,626.005	\$4,031.362
Past Due	608.734	936.253	1,106.312	\$327.311
Less - Reserve for possible loan losses	(591.023)	(828.116)	(922.686)	(\$272.984)
<b>LOANS NET</b>	<b>11,946.620</b>	<b>13,567.839</b>	<b>13,809.631</b>	<b>\$4,085.690</b>
<b>INVESTMENT SECURITIES AVAILABLE FOR SALE</b>	<b>195.606</b>	<b>227.039</b>	<b>369.554</b>	<b>\$109.336</b>
<b>PROPERTY, PLANT and EQUIPMENT, net</b>	<b>588.245</b>	<b>662.131</b>	<b>656.756</b>	<b>\$194.307</b>
<b>OTHER ASSETS</b>	<b>840.935</b>	<b>1,107.793</b>	<b>1,160.509</b>	<b>\$343.346</b>
<b>TOTAL ASSETS</b>	<b>19,515.796</b>	<b>20,827.105</b>	<b>21,853.118</b>	<b>\$6,465.420</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>				
<b>DEPOSITS AND OBLIGATIONS:</b>	<b>15,107.850</b>	<b>15,821.418</b>	<b>16,724.153</b>	<b>\$4,947.974</b>
Demand deposits	3,181.700	2,718.317	2,919.868	\$863.866
Saving accounts	5,000.506	5,190.283	5,181.931	\$1,533.116
Time deposits	6,925.644	7,912.818	8,622.354	\$2,550.992
<b>DUE TO BANKS AND CORRESPONDENTS</b>	<b>1,992.529</b>	<b>2,275.245</b>	<b>2,284.498</b>	<b>\$675.887</b>
<b>OTHER LIABILITIES</b>	<b>864.494</b>	<b>1,052.411</b>	<b>1,195.437</b>	<b>\$353.680</b>
<b>PROVISION FOR SEVERANCE INDEMNITIES</b>	<b>11.445</b>	<b>7.715</b>	<b>14.229</b>	<b>\$4.210</b>
<b>SHAREHOLDERS EQUITY:</b>	<b>1,539.478</b>	<b>1,670.316</b>	<b>1,634.801</b>	<b>\$483.669</b>
Capital stock	954.506	955.007	955.007	\$282.546
Legal reserve	445.431	445.663	513.018	\$151.780
Retained earnings	139.541	269.646	166.776	\$49.342
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>19,515.796</b>	<b>20,827.105</b>	<b>21,853.118</b>	<b>\$6,465.420</b>
<b>Contingent Credits</b>	<b>2,989.093</b>	<b>3,366.972</b>	<b>3,098.172</b>	<b>\$916.619</b>

(1) Translated at S/.3.38 per US\$1.00.

**BANCO DE CREDITO DEL PERU AND SUBSIDIARIES**

**Table 5**

**CONSOLIDATED INCOME STATEMENTS**

(Constant Nuevos Soles, as of March 31, 1999, and U.S. Dollars in thousands)

	Three months ended			
	31.03.98	31.12.98	31.03.99	31.03.99
<b>Interest income and expense</b>				<b>US\$000(1)</b>
Interest income	501.059	597.189	601.670	\$178.009
Less - Interest expense	<u>258.012</u>	<u>324.805</u>	<u>332.430</u>	<u>\$98.352</u>
<b>Net interest income</b>	<b>243.047</b>	<b>272.384</b>	<b>269.240</b>	<b>\$79.657</b>
Provisions for possible loan losses, net	77.746	170.375	161.174	\$47.685
<b>Net interest income after provisions</b>	<b>165.301</b>	<b>102.009</b>	<b>108.066</b>	<b>\$31.972</b>
<b>Other Income</b>				
Fees and commissions from services	91.484	97.626	101.776	\$30.111
Net gains from sales of securities	0.122	(2.527)	0.596	\$0.176
Net gains on foreing exchg. transacts.	21.192	26.265	25.303	\$7.486
Other income	<u>34.956</u>	<u>30.466</u>	<u>18.463</u>	<u>\$5.462</u>
	<b>147.754</b>	<b>151.830</b>	<b>146.138</b>	<b>\$43.236</b>
<b>Operating Expense</b>				
Salaries and employee benefits	112.321	105.813	118.850	\$35.163
General and administrative	85.594	99.072	88.010	\$26.038
Depreciation and amortization	24.322	19.456	32.250	\$9.541
Taxes other than income tax	6.867	10.552	10.363	\$3.066
Other	<u>16.791</u>	<u>24.842</u>	<u>29.409</u>	<u>\$8.701</u>
	<b>245.895</b>	<b>259.735</b>	<b>278.882</b>	<b>\$82.509</b>
<b>Result from exposure to inflation</b>	<b>9.434</b>	<b>46.595</b>	<b>80.392</b>	<b>\$23.785</b>
<b>Income before income tax</b>	<b>76.594</b>	<b>40.699</b>	<b>55.714</b>	<b>\$16.483</b>
Income Tax	16.507	8.152	7.918	\$2.343
<b>NET INCOME</b>	<b>60.087</b>	<b>32.547</b>	<b>47.796</b>	<b>\$14.141</b>

(1) Translated at S/.3.38 per US\$1.00.



**BANCO DE CREDITO DEL PERU AND SUBSIDIARIES**

**Table 6  
SELECTED FINANCIAL INDICATORS**

	Three months ended:		
	31.03.98	31.12.98	31.03.99
<b>Profitability</b>			
Net income per common share (S/. per share)(1)	0.068	0.037	0.054
Net interest margin on interest earning assets (2)	5.79%	6.16%	5.88%
Return on average total assets (2)(3)	1.25%	0.64%	0.90%
Return on average shareholders' equity (2)(3)	15.49%	7.87%	11.57%
<b>Quality of loan portfolio</b>			
Past due loans as a percentage of total loans	4.86%	6.50%	7.51%
Reserves for loan losses as a percentage of total past due loans	97.09%	88.45%	83.40%
Reserves for loan losses as a percentage of total loans	4.71%	5.75%	6.26%
Reserves for loan losses as a percentage of substandard loans (C+D+E)	38.23%	40.59%	40.56%
Past due loans - reserves for loan losses as a percentage of shareholders' equity	1.15%	6.47%	11.23%
<b>Operating efficiency (5)</b>			
Oper. expense as a percent. of total income (4)	61.16%	59.01%	63.59%
Oper. expense as a percent. of av. tot. assets(2)(3)	4.97%	4.92%	4.95%
<b>Capital adequacy</b>			
Net equity as a percentage of period end total assets	7.89%	8.02%	7.48%
Regulatory capital / risk-weighted assets	10.45%	9.65%	10.00%
<b>Average balances (constant millions S/.) (3)</b>			
Interest earning assets	16,781.6	17,682.5	18,314.2
Total Assets	19,245.4	20,367.8	21,340.1
Net equity	1,551.6	1,654.1	1,652.6
<b>Additional data</b>			
No. of outstanding shares (millions)	880.0	880.0	880.0
No. of employees	6,443	7,510	7,637
Inflation rate ( Wholesale price index)	3.41%	0.16%	1.93%
Exchange rate (S/. per 1 U.S. Dollar)	2.81	3.13	3.38

(1) Shares outstanding of 880.0 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 (S/.6.9 million in 1Q98, S/.9.4Mn in 4Q98, and S/.14.7Mn in 1Q99).

**ATLANTIC SECURITY HOLDING CORPORATION**

**Table 7**

**SELECTED FINANCIAL DATA(1)**

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

	Three months ended		
	31.03.98	31.12.98	31.03.99
<b>Results</b>			
Net Interest Income, net of reserve expense	7,037	4,855	5,453
Other Income(2)	4,414	2,377	1,545
Operating Expense	2,584	2,691	2,639
Net income before realized and unrealized gains (losses) on securities transactions	5,670	3,141	3,745
Net income before unrealized gains (losses) on securities transactions	8,866	4,351	4,359
Net Income	8,866	4,274	4,359
Net Income per share (US\$)	0.22	0.11	0.11
<b>Balance Sheets (end of period)</b>			
Total Assets	889,368	864,242	991,065
Loan portfolio, net	310,011	304,942	281,618
Marketable securities and investments	242,234	164,304	195,290
Total Deposits	526,385	614,684	627,512
Shareholders' equity	138,123	119,685	124,044
Funds under administration	299,101	233,903	217,902
<b>Ratios (3)</b>			
Net interest margin / interest earning assets (4)(5)(6)	2.4%	2.2%	1.7%
Return on average stockholders' equity(5)	26.5%	14.6%	14.3%
Return on average total assets(5)	3.9%	2.0%	1.9%
Past due loans as a percentage of total loans	0.0%	0.0%	0.0%
Reserves for loan losses as a percentage of total loans	0.2%	0.3%	0.3%
Operating expense / total income	22.6%	38.6%	37.7%
Operating expense / average total assets(5)	1.2%	1.2%	1.1%
Operating expense / average total assets + funds under management(5)	0.9%	1.1%	0.9%

(1) Certain reclassifications have been made in prior periods for comparison purposes.

(2) Includes realized and unrealized gains in securities.

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

(4) Averages determined from monthly balances.

(5) Annualized.

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

**EL PACIFICO-PERUANO SUIZA AND SUBSIDIARY**

**Table 8**

**SELECTED FINANCIAL DATA**

(Constant Nuevos Soles as of March 31, 1999, and  
U.S. Dollars in thousands, except net income per share)

	As of and for the three month period ended			
	31.03.98	31.12.98	31.03.99	31.03.99
<b>Results</b>				<b>US\$000(1)</b>
Total gross Premiums	122,574	136,713	137,227	\$40,600
Change in Reserves	2,400	2,967	5,784	\$1,711
Net Underwriting Results	15,170	30,000	27,710	\$8,198
Net Financial Income	9,399	8,394	9,474	\$2,803
General Expenses	18,226	24,612	22,705	\$6,717
Net Income	5,708	11,392	14,471	\$4,281
Net Income per share (S/.) <sup>(2)</sup>	0.313	0.625	0.793	\$0.235
<b>Balance Sheets (end of period)</b>				
Total Assets	624,501	726,092	759,398	\$224,674
Investments in Secur. and Real estate	382,695	433,774	449,754	\$133,063
Technical Reserves	283,402	327,543	354,625	\$104,919
Net Equity	236,372	286,571	294,314	\$87,075
<b>Ratios-</b>				
Net underwriting results	12.4%	21.9%	20.2%	20.2%
Loss ratio	74.8%	61.5%	63.4%	63.4%
Return on avge. equity <sup>(3)</sup> (4)	9.7%	17.2%	21.5%	21.5%
Return on total premiums	4.7%	8.3%	10.5%	10.5%
Shareholders' Equity / Total Assets	37.8%	39.4%	38.8%	38.8%
Increase in Risk Reserves	2.5%	2.8%	5.3%	5.3%
<del>Combined Ratio</del>	<del>103.2%</del>	<del>93.0%</del>	<del>91.2%</del>	<del>91.2%</del>
- Net Claims / Net Premiums	74.8%	61.5%	63.4%	63.4%
- Op. Exp.+Comiss./Net Premiums	28.4%	31.5%	27.9%	27.9%
Operating expense/Net Premiums	19.1%	23.4%	20.7%	20.7%
Oper. expense / Avge. assets <sup>(3)</sup> (4)	12.2%	14.3%	12.8%	12.8%

(1) Translated at S/.3.38 per US\$1.00.

(2) Based on 18.2 million shares in all periods. Actual outstanding shares were 15.2 million in 1Q98, and 18.2 million in 4Q98 and 1Q99.

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

(4) Annualized.