

Building Success
Annual Report 2011



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Vision

To be the most valued financial group in the markets where we operate based on a culture focused on sustainable growth.

Mission

To effectively provide products and services that meet our clients' needs, promoting financial inclusion and stakeholders satisfaction.



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*Letter from
the Chairman*



24.2%

growth in net income.



Results

I am happy to report that the Group's net income grew 24.2% YoY to post a total of US\$ 709.3 million, which was in turn reflected in an excellent return on equity of 23.5%.

This year we have made significant progress in consolidating different businesses through individual strategies to achieve the goals set for each of the group's businesses while ensuring comprehensive integration to align them with a common objective: to be leaders in the businesses that we manage in terms of innovation, growth and profitability. In light of this, it has been particularly gratifying to see that in 2011, all of Credicorp's businesses reported similar dynamism, which explains strong growth in net income.

The banking business experienced considerable growth once again this year. Our quest to fine-tune commercial strategies by product and segment and achieve improvements in our efficiency levels has led to excellent results this year.

In the insurance business, major progress and investments were made in 2011 to consolidate a leading market position accompanied by high profitability in the health business, after seeing in 2010 the benefits of the restructure of the business model for Property & Casualty insurance, which allowed improve claims management and strengthen growth in the retail segment.

In this context, the decision to acquire a group of clinics and complementary services was meant to help the company take a qualitative leap in terms of the service we offer to our insured while ensuring a more efficient and profitable operation.

The funds under management business- which has regained ground in the last few years- has benefitted from a highly professional management approach that has allowed us to be successful despite an extremely complicated and volatile market. These results are extremely satisfactory both in terms of pension funds and assets management through mutual funds and private banking.



Subsidiaries

Banco de Crédito BCP

The dynamism and confidence seen in the majority of sectors has favored strong growth in the banking business. In this scenario, net consolidated income totaled US\$ 577.7 million, which represented an increase of 21.3% YoY and an average return on equity of 27.6%.

The positive evolution in all components contributed to the performance achieved this year. The financial margin increased 25.3%; fee income jumped 14.3%; and earnings on sales of securities— which were particularly high in previous years— contributed approximately US\$ 23 million in earnings. This evolution allowed us to achieve outstanding results despite the higher costs incurred to expand our operations and the need to increase provisions to ensure adequate coverage.

Loans were dynamic due to constant demand in the medium-sized business, SME and consumer sectors in particular. None of these sectors registered significant declines in confidence in the country's evolution despite changes on the political scene. Loan growth, which reached 18.1%, was similar to last year's figure. We are also happy to report that this expansion was achieved without sacrificing our portfolio's quality. At the end of 2011, past due loans only represented 1.5% of our total portfolio, which is similar to the previous year's result. Our internal policy to maintain adequate coverage led us to set aside US\$ 215.5 million in provisions. Nevertheless, our excellent capacity to generate income has allowed us to maintain a high reserve level without affecting the Bank's ability to grow net income.

Operating expenses grew 19.7% due to expansion in businesses that require high levels of investment to accompany growth. Nevertheless, this increase fell below figures for income expansion. This led to an improvement in the efficiency ratio of almost one percentage point this year, situating at 41.6%. Moreover, control of operating costs offset the negative impact of a revaluation of 4% in the local currency when translating our costs in Nuevos Soles to US Dollars as well as an increase in the cost of depreciation and amortization of significant investments to improve the organization's efficiency. This revaluation of local currency generated a considerable translation gain for US\$ 34 million, which also helped offset higher spending and reserves, and allowed us to achieve the net income reported this year.





In 2011, we re-initiated the process to expand our agency network with an eye on achieving even more significant growth in 2012. In fact, over the last few years we have favored an approach to expand banking coverage primarily through Agents BCP and ATMs while maintaining our number of Agencies at a more or less constant level. By the end of 2011, we had expanded to 6,501 points of contact with our clients: 342 Agencies, 1,485 ATMs and 4,674 Agentes BCP. In parallel, we have continued to strengthen our technological infrastructure to serve our ever-expanding network of channels. It is important to note that we have concentrated on developing technological tools to enhance our employees' efficiency, which coupled

with a push to ensure that our organization has the cutting-edge tools it needs to manage risk, has begun to show tangible and quantifiable results that have exceeded our initial expectations. This success has confirmed that we are on the right path toward healthy and sustainable growth to accompany the country's development.

Financiera Edyficar

We purchased Financiera Edyficar, which specializes in micro lending, at the end of 2009. In 2010 we worked to consolidate integration and in 2011, Edyficar reported very satisfactory results by becoming a key tool in our strategy to expand banking penetration to improve financial inclusion. I

am proud to report that Edyficar's portfolio has grown 42.3% this year while ensuring high levels of efficiency and professionalism that led to a return on equity of 22.9% and excellent indicators for portfolio quality. This evolution attests to our conviction that access to credit is particularly important in an emerging economy such as ours and as such, this product gives us an opportunity to fulfill our role in the process to extend social inclusion.

Banco de Crédito BCP Bolivia

Our subsidiary in Bolivia enjoyed more stability in 2011 than last year and posted interesting organic growth in its portfolio in a financial market that has expanded

considerably. Major adjustments and moves to adopt the new regulations that have been imposed in the Bolivian financial market have led the bank to report net income of US\$ 22.3 million this year, which represents a 40.8% increase YoY. Thus, return on equity situates at 22.2% in 2011. This result is attributable to strong loan growth of 26.1%. In this context, loan quality remained adequate with a past due ratio of 1.2%.

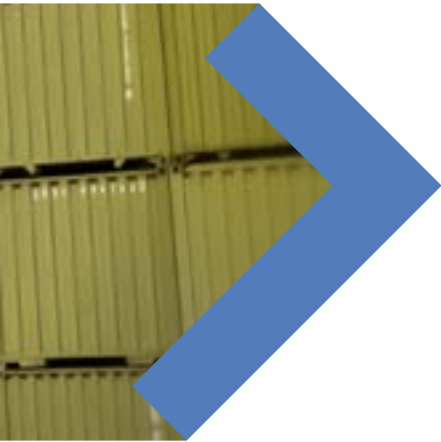
Grupo Pacífico

As I indicated above, 2011 was a year of important decisions and strategic definitions for our insurance business that led us to create a network of clinics, health centers





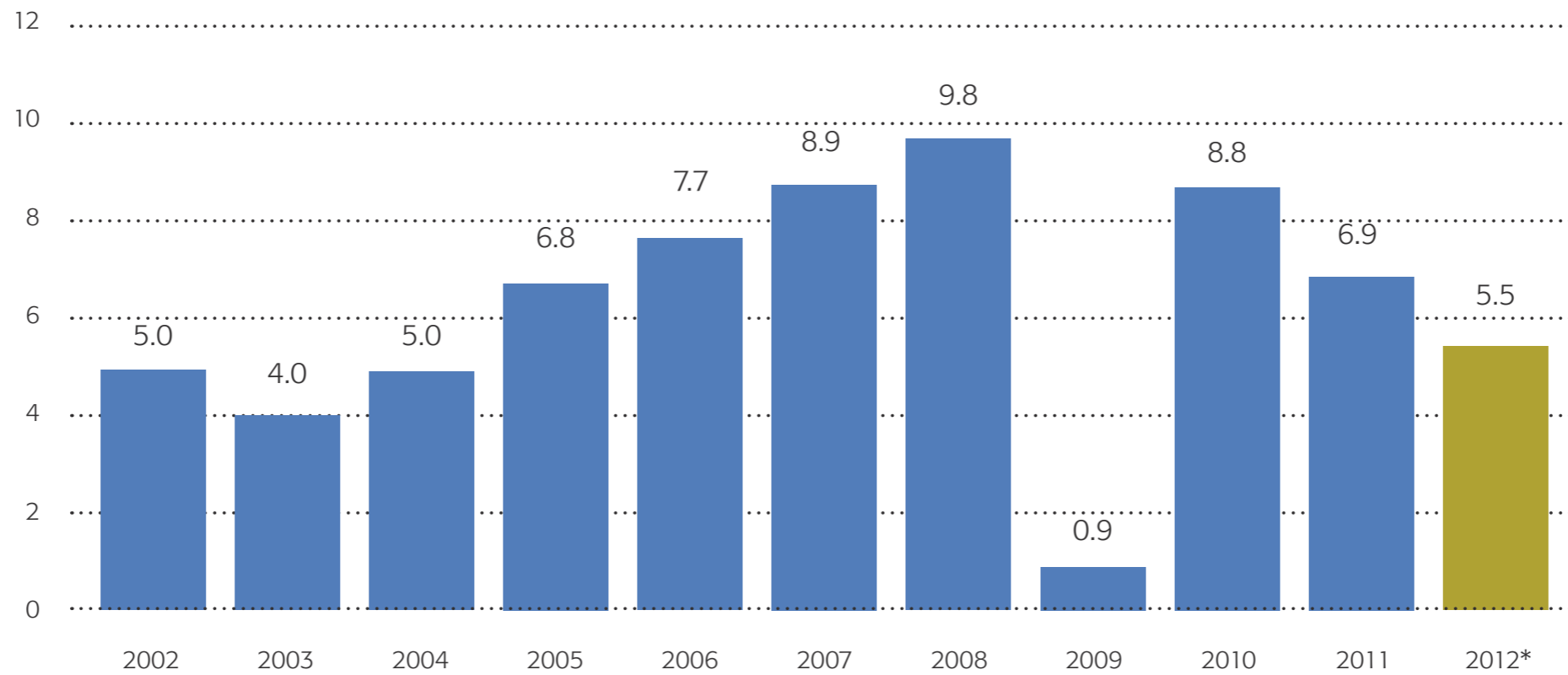
Chapter 1
Economic Environment



Growth Domestic Product



(Annual variations, %)

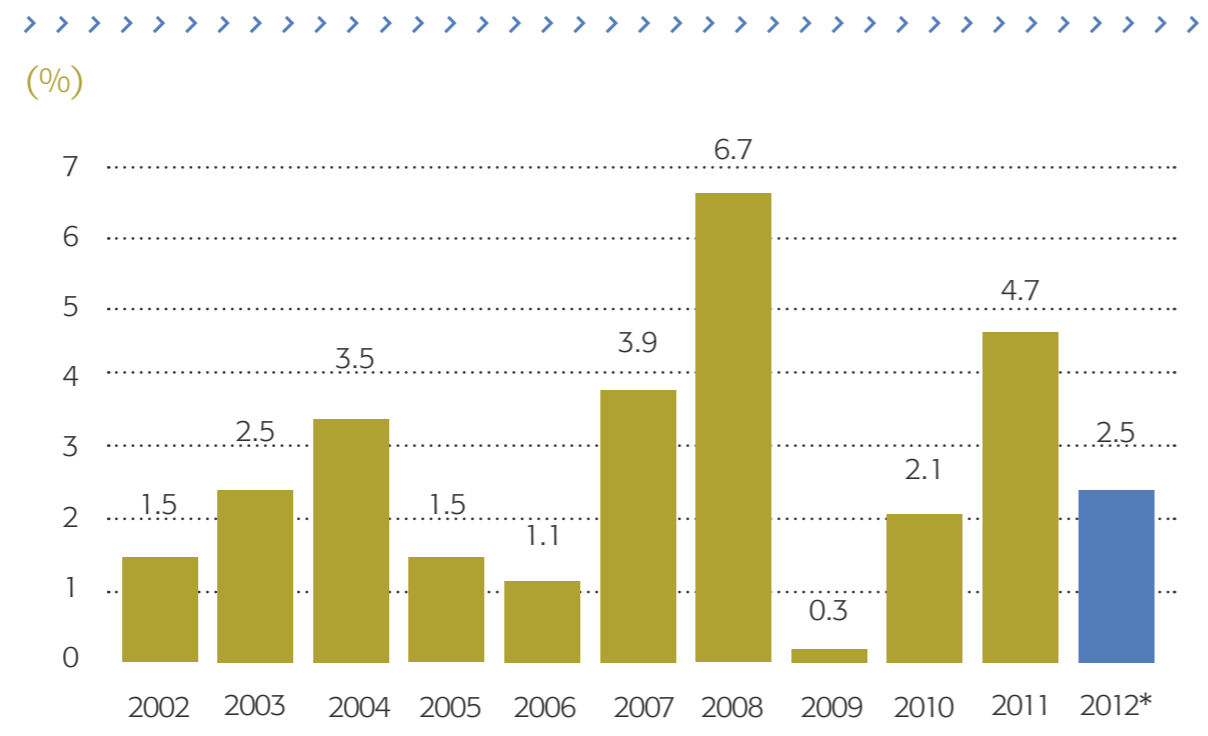


*BCP estimates.
Source: Instituto Nacional de Estadística e Informática (INEI) - National Institute of Statistics and Informatic.

Despite internal concerns about the presidential elections in the first half of 2011 and uncertainty concerning the global economy during the second half of the year, growth hit 6.9% and was particularly noteworthy in the non-primary sectors and private investment.



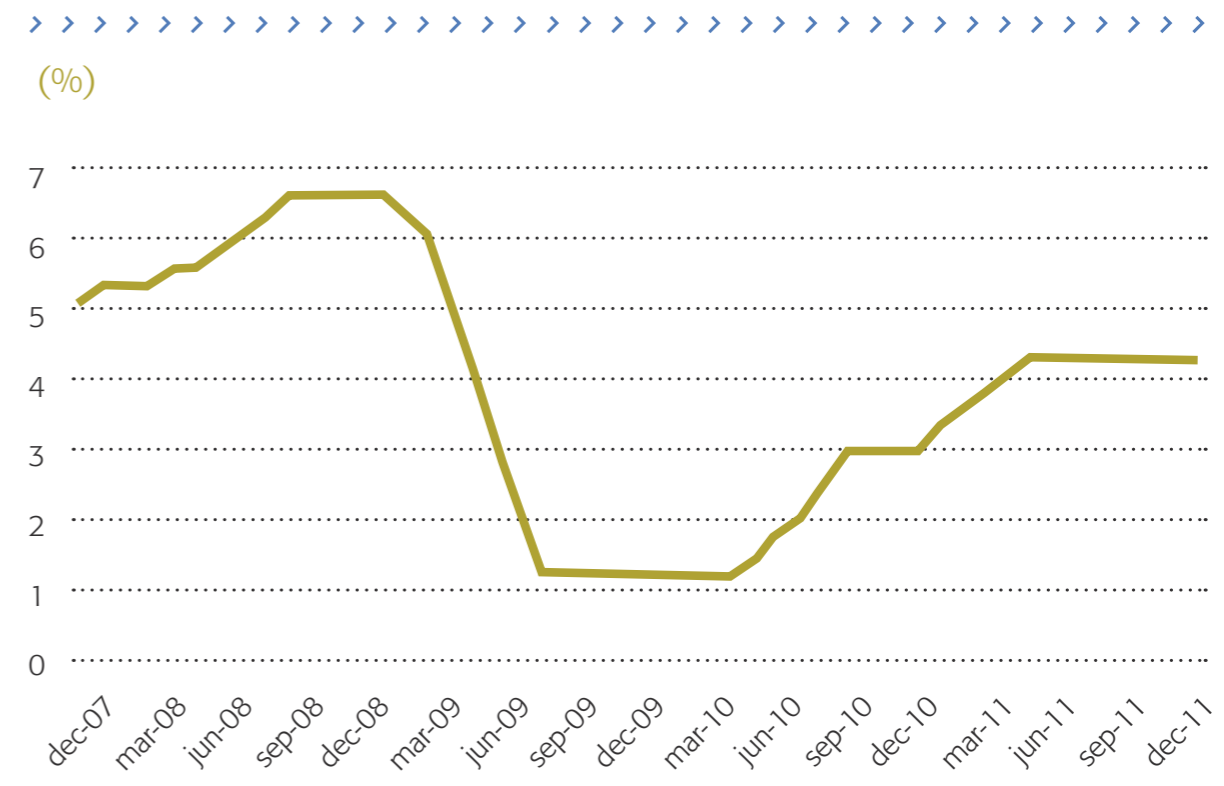
Inflation



*BCP estimates.
Source: Instituto Nacional de Estadística e Informática (INEI) - National Institute of Statistics and Informatic.

A series of supply shocks (involving food prices for goods from local and foreign origins as well as oil) led to an annual inflation rate of 4.7%, which is outside the target range of the Central Reserve Bank (BCR) and represents the highest rate since 2008. Pressures on demand were moderate and core inflation closed at 3.5%.

Reference Rate



Source: Banco Central de Reserva (BCR) - Central Bank.

The reference rate, which increased 25 basis points per month during the January-May period, has remained at 4.25% since May. BCR was also more cautious in terms of monetary policy decisions in a context in which inflation continued an upward trend, while GDP growth began to moderate.



Outlook 2012



This year the growth forecast for global economy are modest given (with the exception of the 2008-2009 crisis) that everything points towards slower growth compared to the last eight years. This result will more than likely be influenced primarily by behavior in the Euro Zone, which may even face a recession in the base scenario due to adverse expectations regarding relatively important economies in the region such as Italy and Spain. These doubts have arisen despite the fiscal adjustments that the most heavily indebted countries in Europe have been making to ensure that their public debts are sustainable.

The most recent indicators of economic activity in the United States suggest that the probability of a recession is diminishing due to improvements in the job market, which like the housing market, posted no recovery after the last crisis. Additionally, the Federal Reserve has shown a willingness to maintain an expansive monetary policy by injecting liquidity (Quantitative Easing 3) when necessary.

China experienced a re-composition in its growth that favors consumption to investment (and services instead of manufacturing), which will mean that it

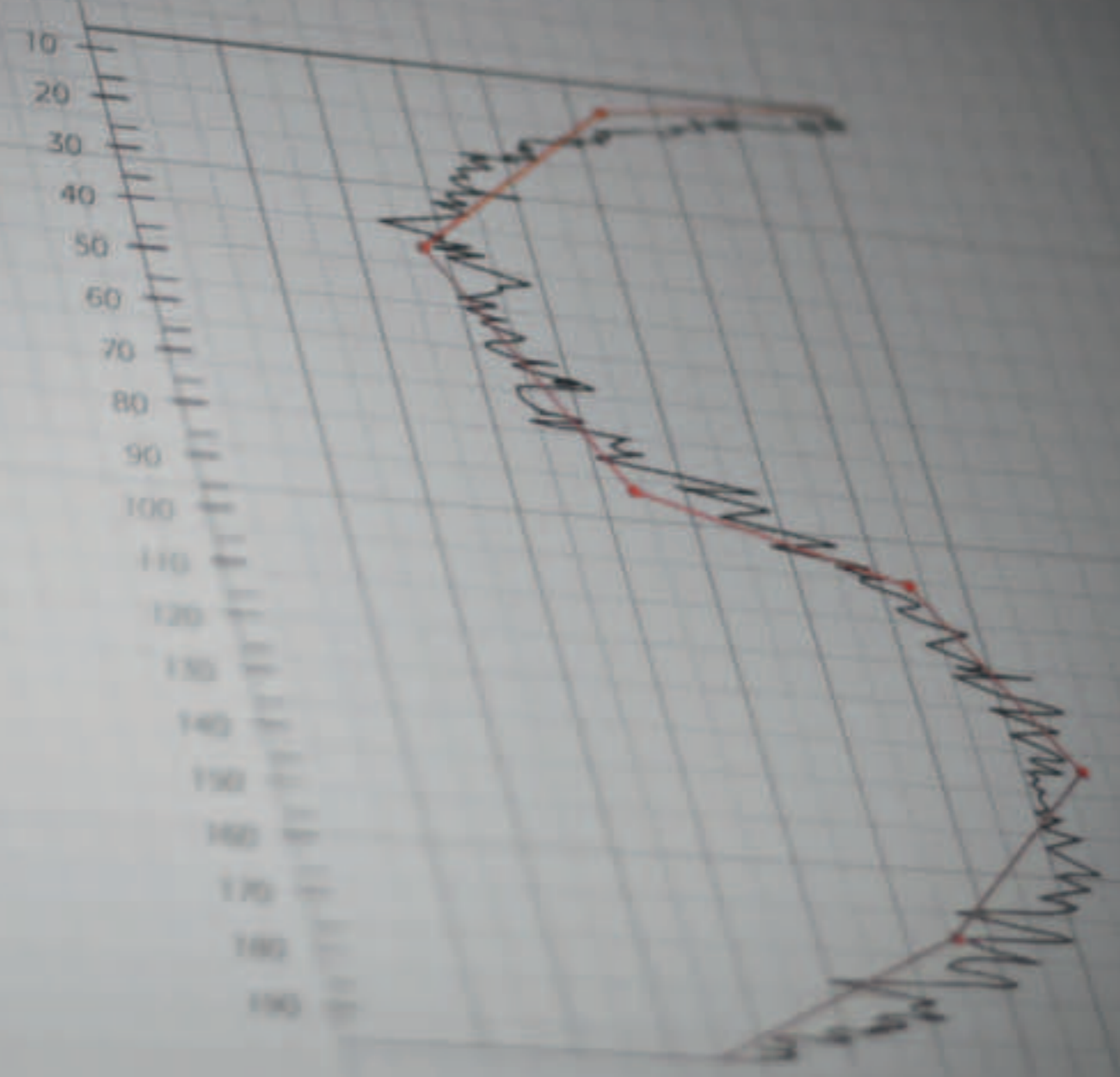
will grow less structurally than in the past (probably around 8% rather than close to or in excess of the 10% reported in the past). However, it is unlikely that any downturn will be severe. It is important to point out that the outlook for both the United States and China may deteriorate if the recession in the Euro Zone is severe given that as a block, this region is one of the main destinations for exports from the aforementioned countries.

Based on the perspective that the global economy may grow at a more moderate pace, which may be accompanied by a

downward bias in its risk balance due to doubts concerning the Euro Zone, it is estimated that the Peruvian economy will grow 5.5% this year. This growth will be led by the construction sector due to dynamism in the private component given that public investment is expected to recover after a severe contraction in 2011. Other dynamic sectors may include commerce and services. These sectors are oriented primarily toward internal demand, which is expected to grow at a faster pace than exports. In terms of spending, public investment will outstrip demand. Meanwhile, private investment



Chapter 2
Financial Results



Net Income and ROAE

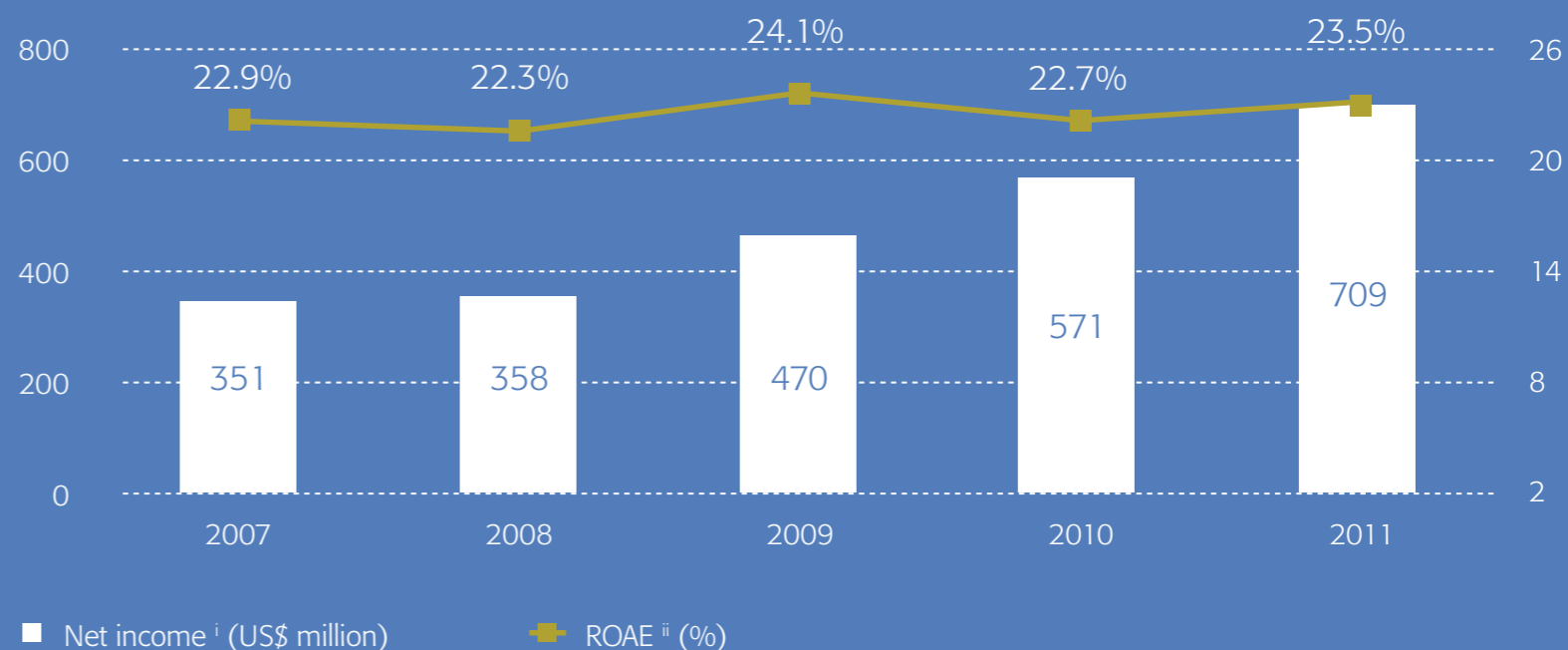


The year 2011 was marked by domestic political uncertainty, particularly during the first half of the year. This scenario was accompanied by instability in the European and US economies, which exacerbated volatility in international markets. Nevertheless, the Peruvian economy remained highly dynamic with a GDP growth close to 6.9%, one of the highest figures in the region.

In this context, Credicorp achieved record high for net income, which totaled US\$ 709.3 million. This represents a 24.2% increase YoY with a ROAE of 23.5%, which is the highest figure registered in the last 5 years. The excellent result was due to the significant level of operating income and a translation gain following the effect of a 4% appreciation of the Nuevo Sol during 2011.



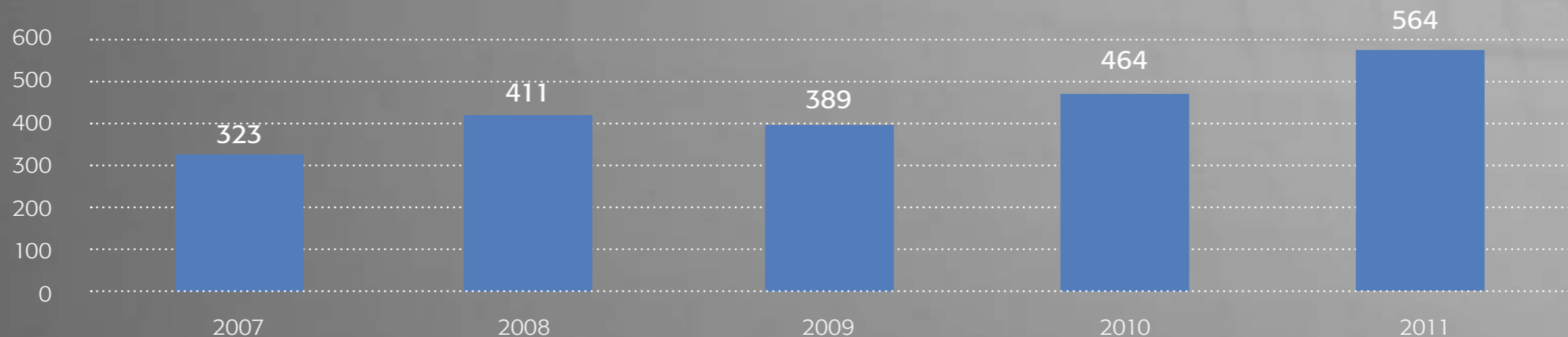
Net Income and ROAE



ⁱ Audited figures according to International Financial Reporting Standards (IFRS).
ⁱⁱ Ratio as reported in Credicorp's Quarterly Earning Releases.
Source: BCP - Planning and Finance.



*Evolution of BCP's
Contribution to Credicorp*
(US\$ million)



Source: BCP - Planning and Finance.



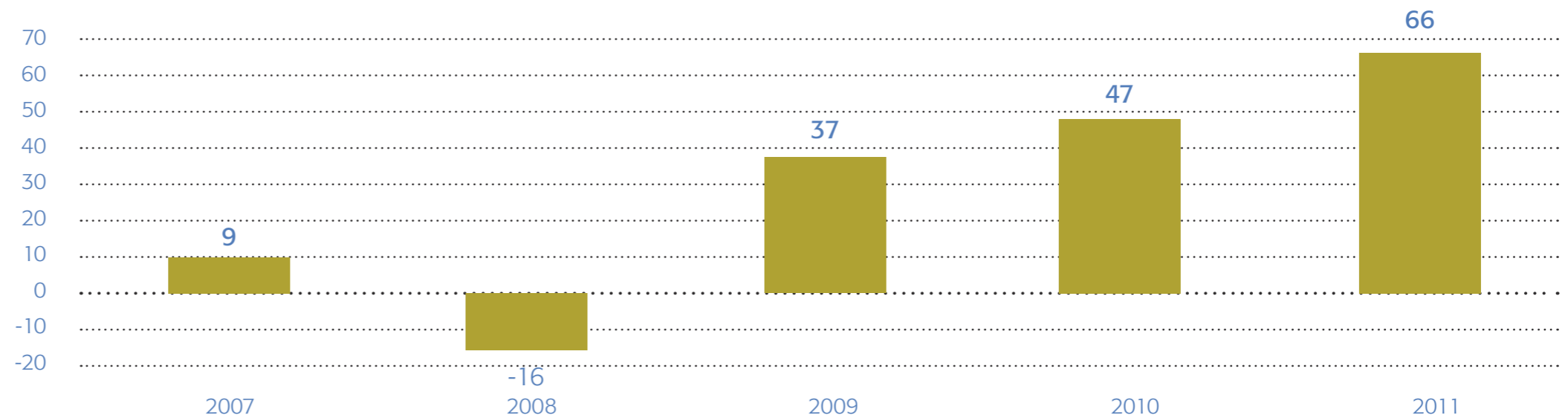
BCP's banking business remained solid and demonstrated significant growth that led to a record contribution of US\$ 564 million, 21% higher than the figure reported in 2010. The dynamism in the Peruvian economy and the consequent stronger loan demand are reflected in annual growth of 18.1% in total loans. BCP's operating margin was US\$ 724.6

million, an all-time high that represented a 19.1% increase with regard to the US\$ 608.1 million reported in 2010. This result was strengthened by higher non-financial income (+2.5%) and translation gains of US\$ 34.5 million, which represents a 48.1%, increase YoY. The aforementioned helped offset a 22.6% increase in provisions for loan losses and

higher operating expenses (+19.7%), that come mainly from growth in personnel and administrative expenses, due to expansion in the Retail Banking division and efforts to extend the network of distribution channels. In this context, BCP reported a satisfactory return on equity (ROAE) of 27.6%, which is slightly higher than the 27.1% reported last year.



Evolution of Grupo Pacífico's
Contribution to Credicorp
(US\$ million)



Source: Grupo Pacífico.

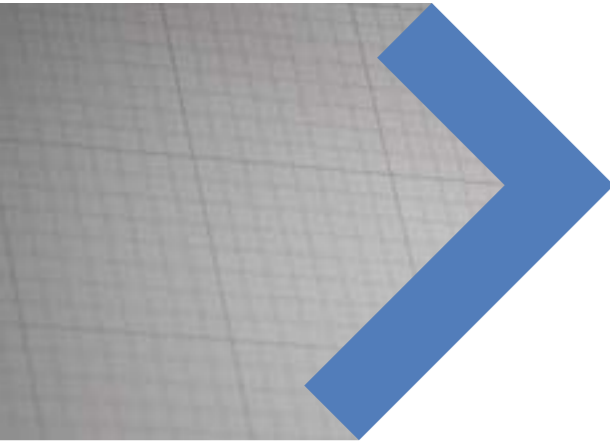


Grupo Pacífico, nonetheless, reported no significant increases in its earnings due to the large investments made this year and the corresponding costs that these implied. In this context, net income was US\$ 66.8 million before minority interest, which falls slightly below (-2.2%) the US\$ 68.3 million reported in 2010. Despite this, the contribution to Credicorp was an extraordinary US\$ 65.6 million, which reflects a 38.4% increase with regard to

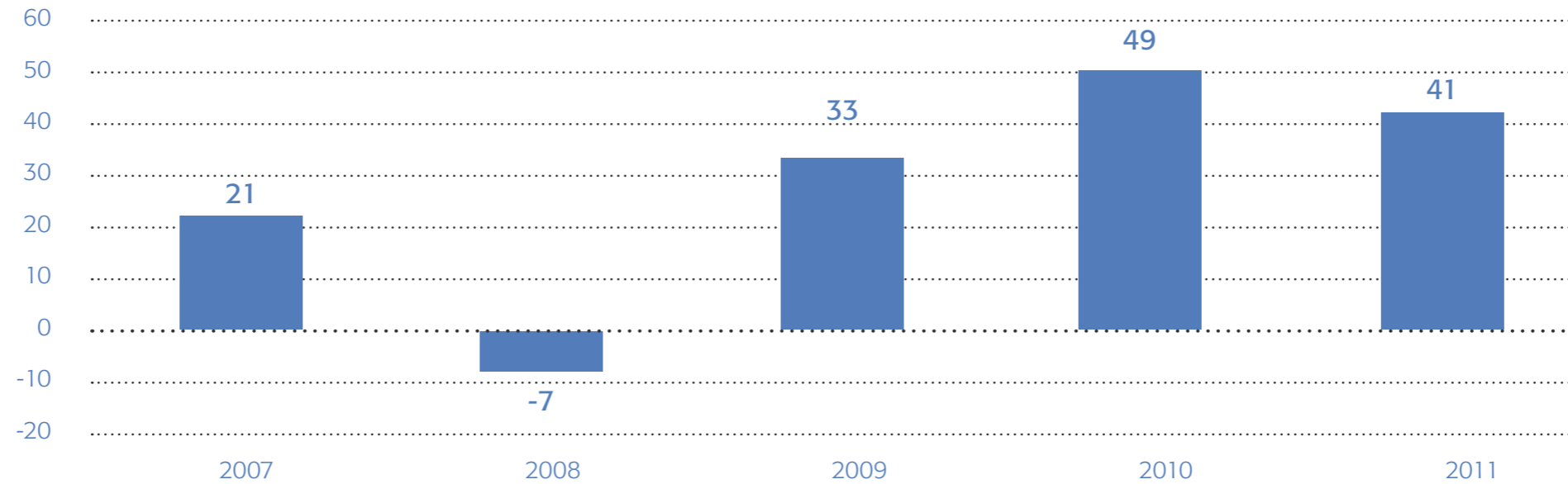
the US\$ 47.4 million achieved in 2010. This substantial growth is attributable to the fact that 100% of Pacífico Vida's net earnings were consolidated after ALICO's shares were acquired in October 2010. It is important to emphasize the good performance reflected in the underwriting result, which increased +7.6% YoY due to 19.1% growth in net earned premiums. This has, in turn, offset higher claims

(+19.7%) and commissions for brokers (+21.6%) due to increasing competition. The latter was strengthened by an increase in financial income (+7.9%), primarily from Pacífico Vida, which helped offset an increase in operating expenses (+22.5%) that was basically attributable to significant investments to diversify distribution channels, increase the company's presence in the provinces and develop a vertical integration strategy in the Health business.

Although the insurance business reported no increase in net earnings, its capacity to generate income has been excellent despite the large investments it has made to capture this segment's growth potential, which will benefit future results.



Evolution of ASB's Contribution to Credicorp
(US\$ million)



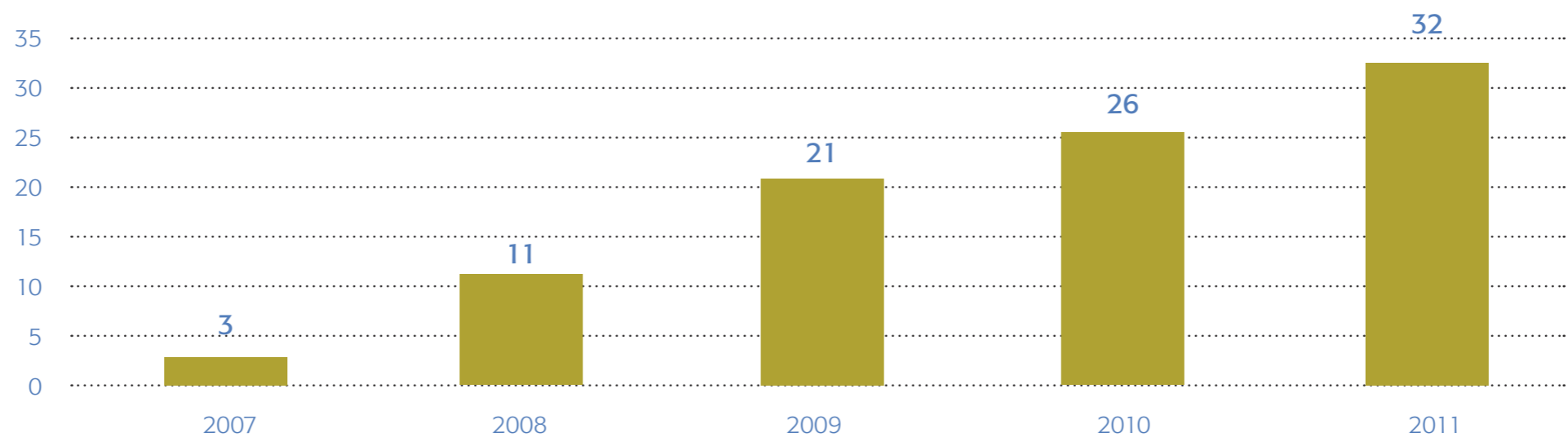
Source: ASB.



Atlantic Security Bank (ASB) posted a contribution to Credicorp of US\$ 41.1 million, which is 16% lower than the US\$ 48.9 million reported in 2010 (which was the highest result in ASB's history). The decline in results is attributable to a 16.2% contraction in net interest income that was generated by low returns on investments and a decrease in gains on securities for sale (-49.8% of realized earnings). The aforementioned results were attenuated by growth in fee income (+38.9%). This was due to efforts to restructure new investment products, which led to a return on equity of 21.7% in 2011. It is important to mention that 2011's results do not reflect adequately the relevance that the assets under management business has taken on thanks to an on-target strategy to capture the growth potential that this segment offers. In 2011, the results of this strategy were evident in the increase posted in AuMs, which has unfortunately been affected by external factors including volatility in the international markets due to the economic crisis in Europe and the United States in 2011.



Evolution of Prima AFP's Contribution to Credicorp
(US\$ million)



Source: Prima AFP.



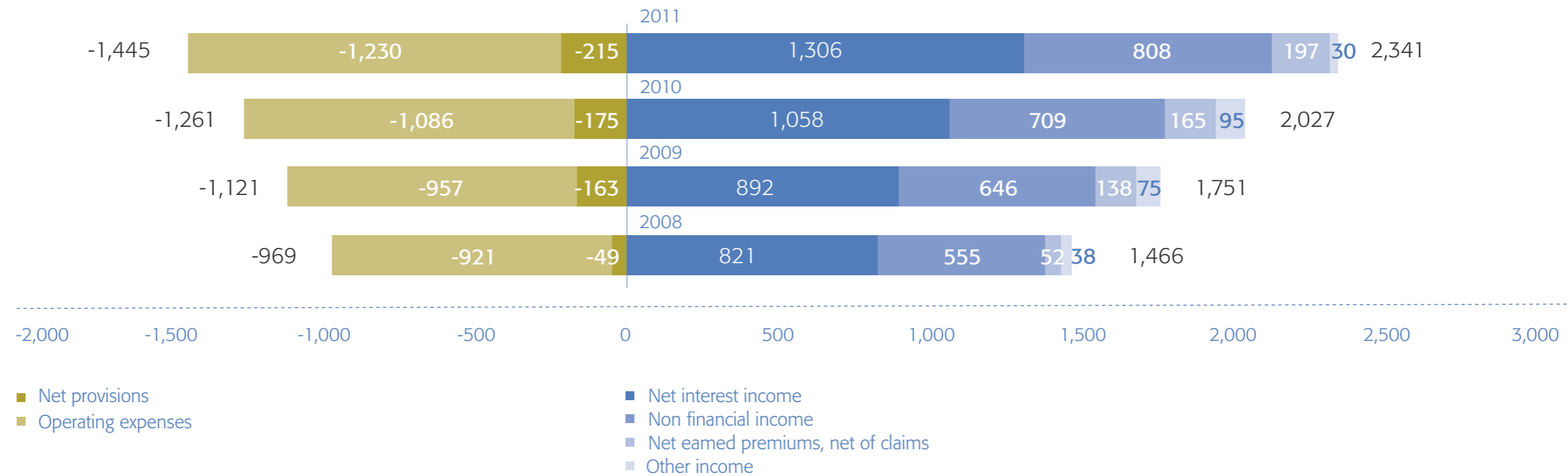
Prima AFP reported extraordinary growth in its contribution to Credicorp, which totaled US\$ 32.4 million and represented an increase of 27% with regard to the US\$ 25.5 million registered last year. These levels were the result of growth in fee income due to Prima AFP's ever-expanding, solid client base- which grew along with the economy- and adequate expense control, which led to an improvement in operating efficiency. Prima AFP's results also reflected an improvement in ROAE, which was situated at 21.9% (with regard to the 18% reported in 2010). The excellent evolution of Prima AFP's business in 2011 helped the company maintain its position as industry leader with market shares of 31.2% in funds under management, 32.6% in statutory contributions and 42.2% in voluntary contributions.

Operating Income



Credicorp’s excellent final results were also reflected in operating income growth, which totaled US\$ 896.4 million and reveals an expansion of 17% for the year.

Total Income and Expenses* (US\$ million)



* Audited figures according to IFRS.
Source: BCP - Planning and Finance.



Significant growth in operating income was due to:

- i. 23.5% expansion in net interest income due to a 24.9% increase in interest and dividend income. The latter was due primarily to loan growth, which offset an increase in financial expenses (+28.4%);
- ii. 4.2% increase in non-financial income due to higher fee income (+15.8% with regard to 2010) for both, banking services and pension fund administration, as well as foreign exchange transactions (+32.9%). This helped offset a 22.9%

contraction in gains on sales of securities, which were extraordinary in 2010 due to the Peruvian Government's move to repurchase bonds denominated in Euros; and

- iii. 19.4% increase in premiums net of claims, which totaled US\$ 196.7 million, topping the US\$ 164.7 million reported last year.

The aforementioned helped offset 23% growth in provisions, which were set aside primarily for the local banking business, and a 13.3% increase in total expenses.

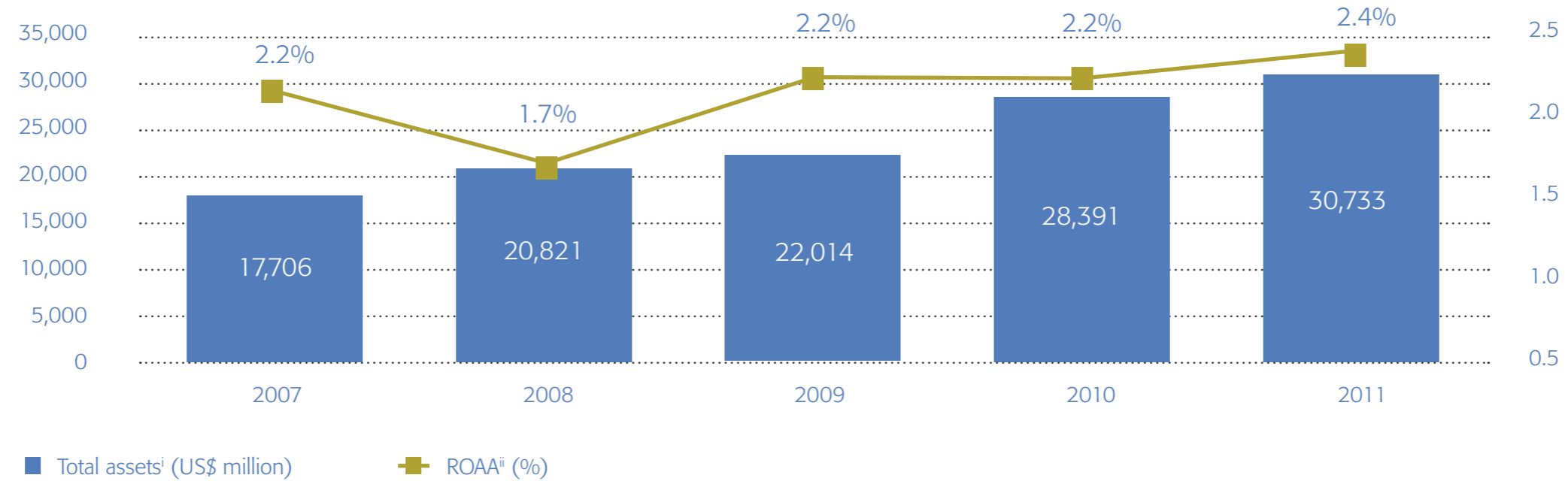
Higher expenses were due to increases in employee salaries and benefits (+4.9%) as well as administrative expenses (+18.8%). The latter was attributable to costs incurred to capture the potential of the Retail Banking business.

In this context, operating performance reflected the good results obtained by all of Credicorp's subsidiaries. The figures obtained in 2011 demonstrate the income generation capacity that all the group's businesses have.

Assets and ROAA



Assets and ROAA



i Audited figures according to IFRS.
ii Ratio as reported in Credicorp's Quarterly Earning Releases.
Source: BCP - Planning and Finance.

At the end of 2011, total assets reached US\$ 30,733 million, which represents 8.2% growth YoY. This increase shows growth in the company's most profitable assets such as net loans (+21.2%) and securities available for sale (+57%).

Total loans reflected the dynamism of the Peruvian economy and a subsequent expansion in the demand for credit. If we consider average daily balances, the increase in loans was 21.4%. This growth was spurred primarily by the Retail portfolio, whose average daily balances closed the year with annual growth of 35% that was complemented by an 11.8% increase in the Wholesale Banking portfolio.

The evolution of loans and investments allowed the bank to achieve a return on average assets (ROAA) of 2.4%, which is a very satisfactory result that is perfectly aligned with last year's excellent figure.

Distribution Channels

Credicorp's network of service channels constitutes a key element in its long-term strategy for growth and reflects the company's commitment to increasing banking and financial penetration.

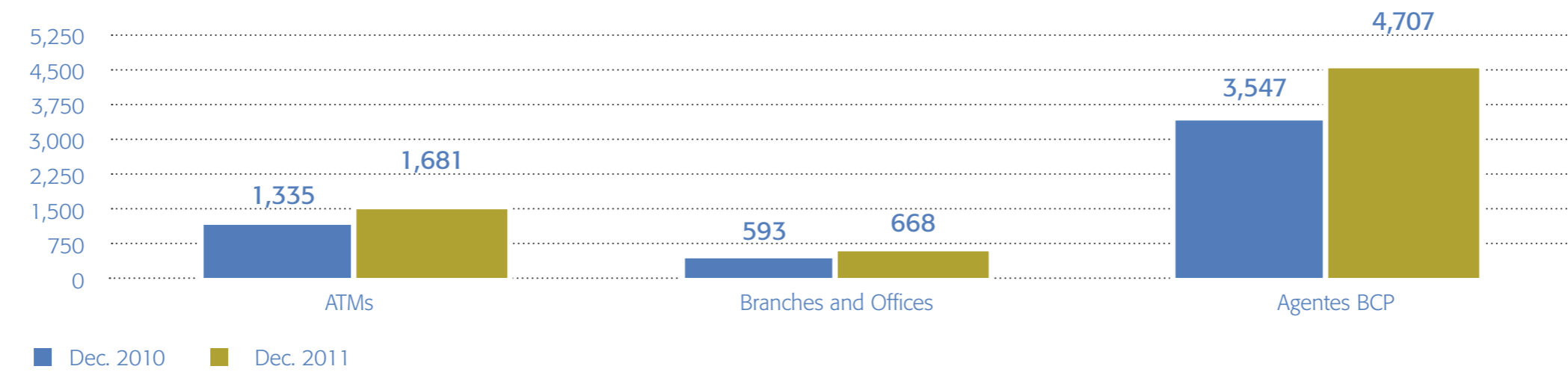
Credicorp has 7,056 points of contact with its clients. This figure tops 2010's by 28.9%. In disaggregated terms, 6,503 points correspond to BCP (including two offices abroad in Miami and Panama), 271 to BCP Bolivia and 123 to Edyficar. In 2011, the plan to expand the banking network focused on BCP's channels in Peru and primarily on growth of 33% and 28.1% in alternative and cost-efficient channels such as Agentes BCP and ATMs respectively, both of

which play an important role in the process to increase banking penetration.

Pacífico Seguros has 142 points of contact including administrative offices, stands at companies, stands in clinics and telephones at Primax service centers. Additionally, the company's efforts to use the banking business platform as a venue to develop the insurance business through cross-selling have been highly successful.

Finally, Prima AFP has 17 agencies.

Distribution Channels
(Units)



Source: BCP - Planning and Finance.

Liabilities and Net Shareholders' Equity



At the end of 2011, Credicorp's liabilities totaled US\$ 27,270 million. This figure represents an 7.1% increase YoY that was due to a 5% increase in deposits and 21.9% in bankers' acceptances, bonds and others.

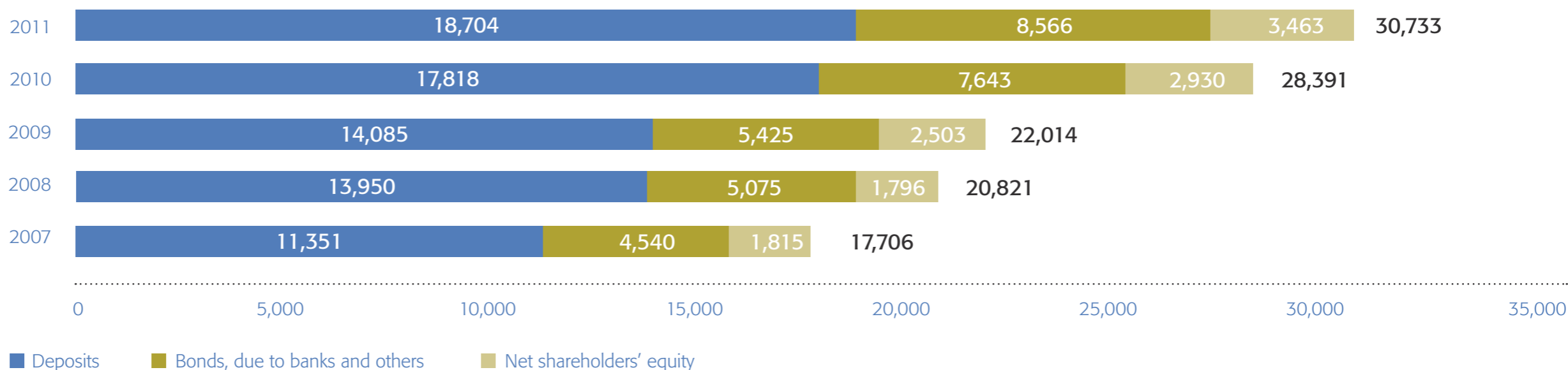
the primary funding source. Nevertheless, the policy of keeping a match between assets and liabilities in the banking business in terms of currency and maturities led to a decision to seek out external funding primarily through issuances, which explains the increase in other liabilities.

in accumulated earnings during the period and an increase in unrealized earnings due to the fact that our investments' market value has revalued.

Despite the fact that the deposits' share of total funding fell from 70% in 2010 to 68.6% at the end of 2011, they remain

Net shareholders' equity grew 18.2% YoY. This was attributable primarily to growth

Composition of Liabilities and Net Shareholders' Equity* (US\$ million)



* Audited figures according to IFRS.
Source: BCP - Planning and Finance.

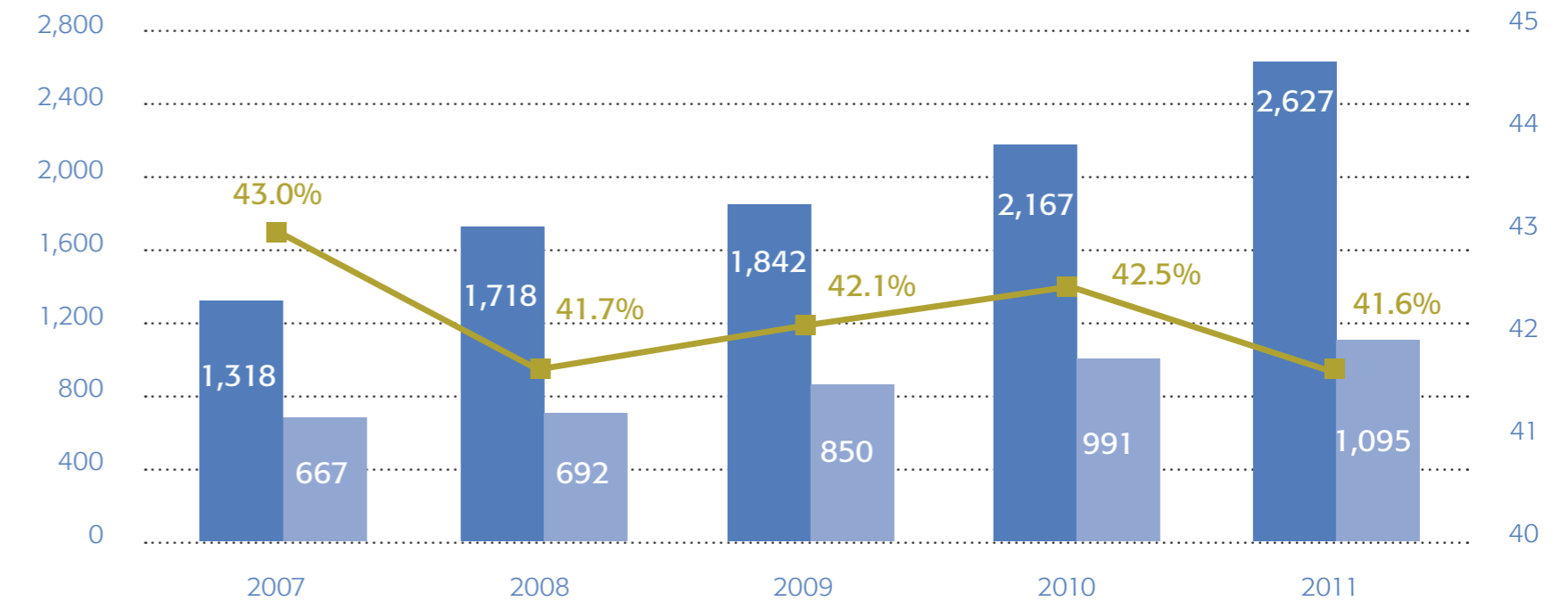


Operating Efficiency¹

Operating income at Credicorp grew 21.2% with regard to 2010 due to a 23.5% increase in net interest income; 15.8% in fee income (banking services, assets administration and pension fund administration); 32.9% in earnings on foreign exchange transactions; and 19.6% in net earned premiums. The aforementioned, along with a low increase in operating costs –due to efforts to improve the operating efficiency in Credicorp’s different businesses- was reflected in the efficiency ratio, which went from 42.5% in 2010 to 41.6% in 2011.

¹ Core income includes net interest income, fee income, net gain on foreign currency transactions and net earned premiums. Operating expenses incorporate remunerations, administrative costs (including taxes and contributions) and depreciation and amortization.

Efficiency Ratio (%)



■ Operating incomeⁱ (US\$ million)

■ Operating expensesⁱ (US\$ million)

■ Efficiency ratioⁱⁱ

ⁱ Audited figures according to IFRS.

ⁱⁱ Ratio as reported in Credicorp’s Quarterly Earning Releases.
Source: BCP - Planning and Finance.



Chapter 3
Business Lines



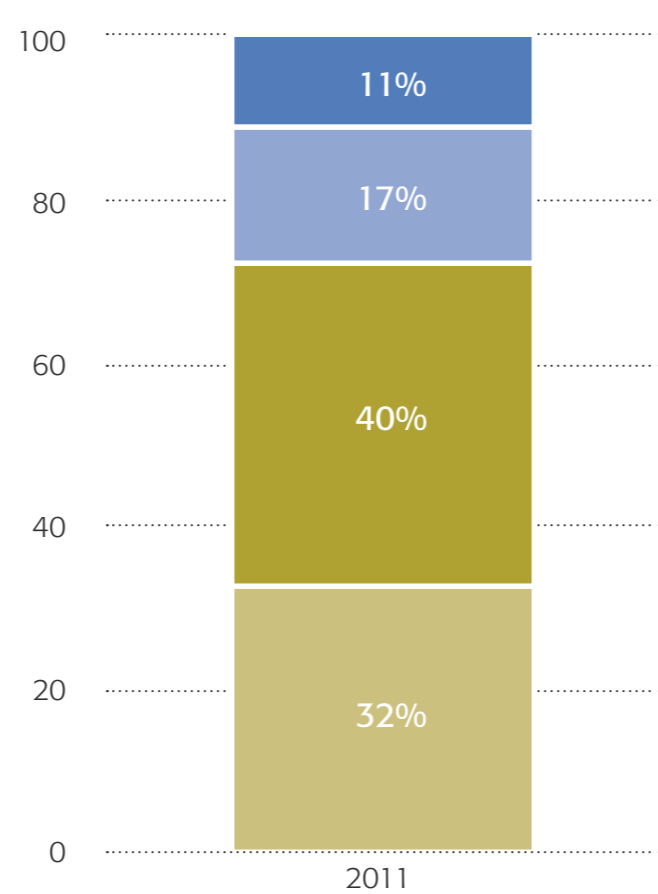
Banking Business

- ▶ *Wholesale Banking*
- ▶ *Retail Banking*
- ▶ *Edyficar*
- ▶ *BCP Bolivia*
- ▶ *Funding*
- ▶ *Indicators*

Retail Banking

Retail Banking performed very well this year with very strong annual growth of 35% in average daily loan balances due to expansion in all retail segments. This stands as proof of the potential for growth in upcoming years. The expansion in Retail Banking was attributable to efforts to innovate products to satisfy the needs of different population groups; improvements in the value proposition for traditional products; and growth in the network of contact points available for clients, the majority of which were associated with cost-efficient channels. This is clear evidence that in coming years there will be considerable growth potential especially given low retail banking penetration levels, in contrast with the level of maturity observed for Wholesale Banking.

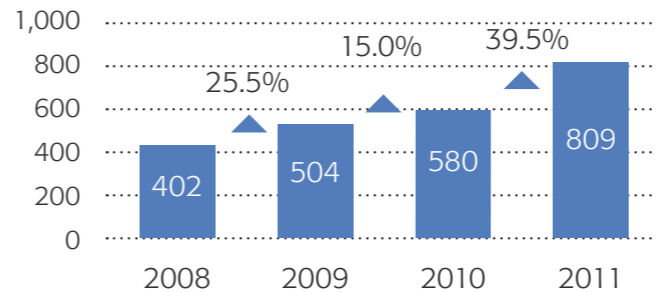
Composition of the Retail Banking Portfolioⁱ
(%)



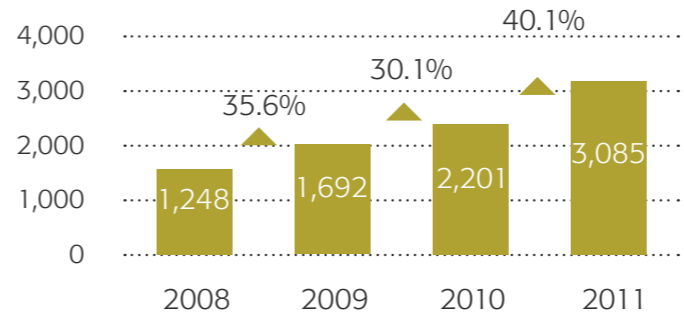
■ Credit Card ■ Consumer ■ SMEⁱⁱ ■ Mortgage

ⁱ Average daily balances of December.
ⁱⁱ Includes Edyficar.
Source: BCP-Planning and Finance.

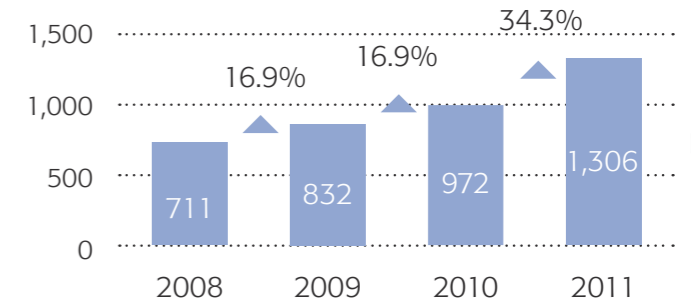
Credit Cardⁱ
(US\$ million)



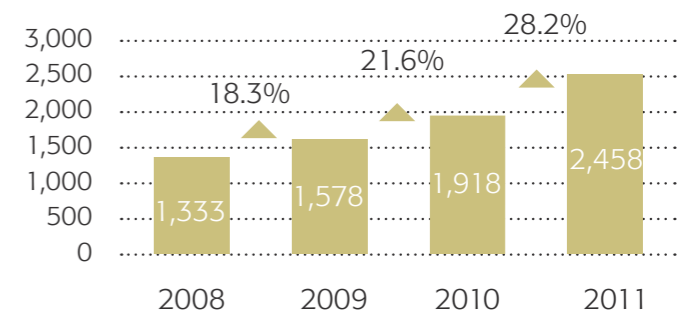
SME^{i, ii}
(US\$ million)



Consumerⁱ
(US\$ million)



Mortgageⁱ
(US\$ million)



Edyficar



Edyficar demonstrated excellent performance in 2011, posting net income of US\$26.2 million. This represents average return on equity (including goodwill paid) of 22.9%. Though still small, with a total portfolio of US\$ 506.8 million which represents 2.9% of Credicorp's total loan books. Edyficar has become an important

vehicle for growth with a loan portfolio that grew 42.3% YoY, a past due ratio of only 4% and a coverage ratio on past due loans equivalent to 173.6%.

Edyficar continues to contribute to BCP's objectives in terms of profitability and portfolio growth and currently leads the micro lending segment.

BCP Bolivia



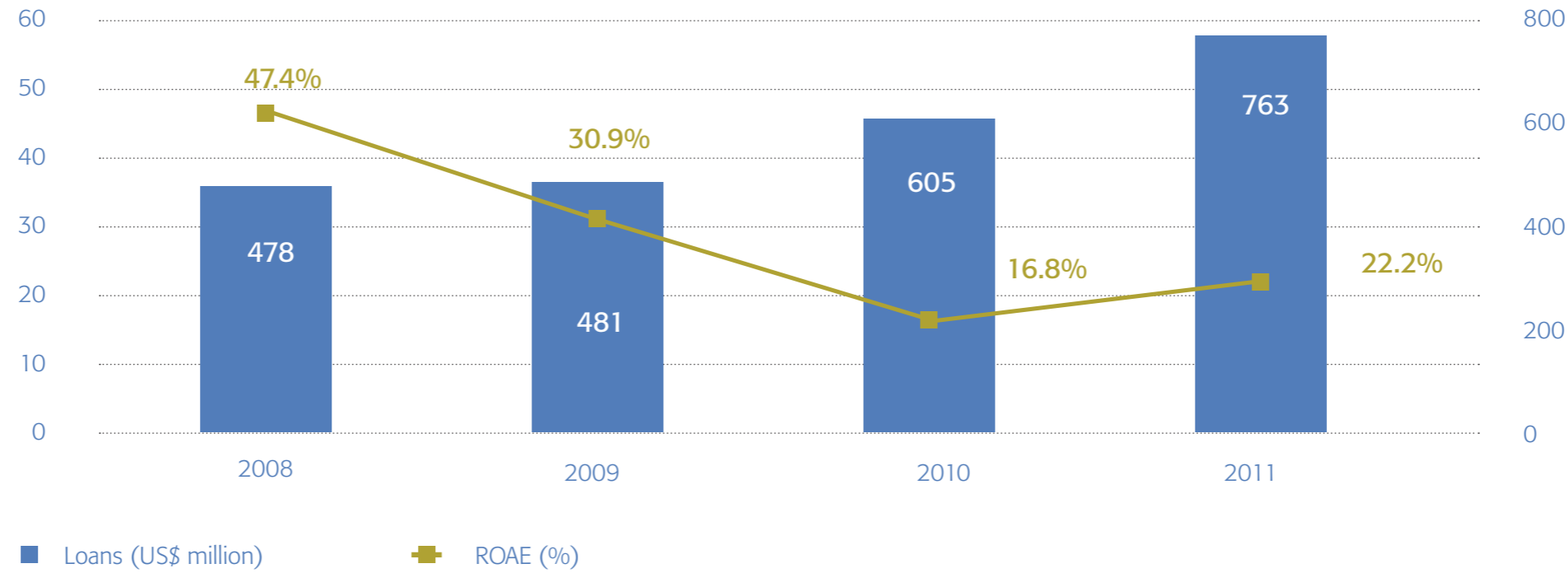
In 2011, BCP Bolivia achieved net income of US\$ 22.3 million, which demonstrates a 40.8% increase with regard to 2010 leading to a recovery of ROAE to 22.2%. An increase in net interest income (+26.7%), which was driven by solid portfolio growth, explains to a large extent the favorable evolution in the business's profitability.

BCP Bolivia's loan balance at the end of December 2011 was US\$ 762.9 million, which represents a 26.1% increase YoY. Loan growth was led by the evolution in Wholesale Banking, whose portfolio expanded 32.9% YoY. Within this portfolio, the Corporate segment demonstrated the most significant growth. This is in line with the fact that this segment provided more investment financing for the manufacturing and construction sectors this year. Retail Banking grew 22.2% YoY, led by the SME segment.





*BCP Bolivia:
Loans and ROAE*



Source: BCP Bolivia.

The prudent strategy to manage credit risk allowed the Bank to post a past due ratio of 1.2% (1.5% in 2010) and a coverage ratio of 314% (272.6% in 2010). These indicators show that BCP Bolivia has one of the best portfolio quality ratios in the Bolivian banking system, which reported ratios of 1.7% and 281.1% respectively at the end of 2011.

At year-end BCP Bolivia maintained a healthy market share with 11.3% in loans and deposits and consolidated its position as a bank that is close to its clients, innovative and a leader in providing quality customer service.



Funding



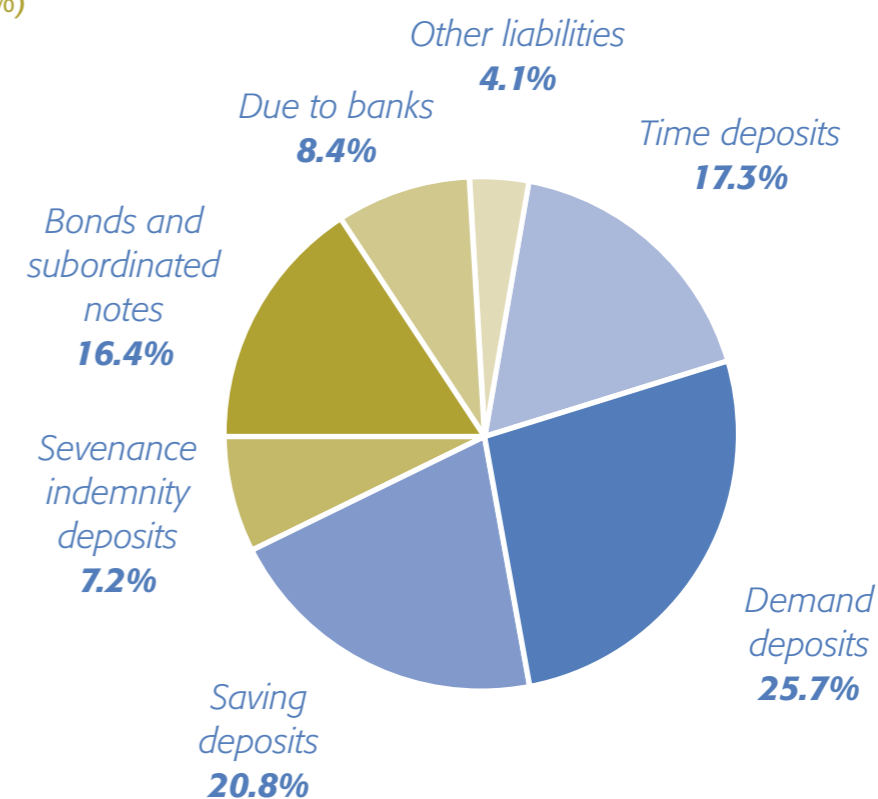
BCP's liabilities totaled US\$ 24,448 million at the end of 2011, which represents a 4.8% increase with regard to last year.

Deposits grew 4.8% in 2011 and continued to be the Bank's primary source of financing with a 71% share. Deposits in national currency represented 49.4% of total deposits, which indicates an increase with regard to the 47.5% reported at the end of 2010. This was attributable to the fact that the local currency strengthened in 2011, which led to a subsequent de-dollarization of savings. In general terms, growth in deposits was due primarily to expansion in demand deposits (+17.5%), savings deposits (+20.1%) and CTS (+33.8%), which are considered core deposits. Time deposits contracted 25.8% to leave way for other sources of funding that are better suited to the Bank's strategies for assets and liability matching and liquidity management. At the end of the year, BCP continued to lead the system with a 31.6% share in deposits.

One of the funding sources that gained ground in the funding structure this year was in the area of bond issuances (senior and subordinated), which increased 31.7% YoY and increased its share in total liabilities from 13.1% to 16.4% in 2011.

Finally, the Bank's funding cost was 2.2% at the end of 2011, slightly above 2010's figure of 1.91%. This was primarily attributable to a new funding structure with a stronger proportion of internationally placed long-term funding in US dollars and an increase in the cost of deposits during the first half of the year, which was associated to increases in the reference rate during that period (+125 bps).

Composition of Liabilities (%)



Figures Proforma - Unaudited, according to IFRS.
Source: BCP-Planning and Finance.





Indicators



Margins

At the end of 2011, net interest income registered a remarkable growth of 25.3%, in line with the 25.6% expansion in interest income which helped offset 26.2% growth in interest expense as well as a 22.6% increase in net provisions for loan losses. Higher interest income was driven by stronger interest on loans following significant expansion in both Wholesale Banking and Retail Banking.

On the other hand, interest expenses increased 26.2% in 2011 due to an increase in interest expenses for deposits and higher interest on bonds and subordinated notes, which is in line with the new funding structure which reflects more debt issuances in 2011. Nevertheless, the aforementioned led to a net interest margin of 5%, which is slightly higher than the figure recorded at the end of last year.

PDL ratio

In 2011, exchange rate risk was controlled. In fact, the loan portfolio in foreign currency experienced a decrease in its share of total loans to 58.3% (61.8% at the end of December 2010) due to significant expansion throughout the year in the Retail Banking portfolio, where the majority of loans are granted in local currency.

At the end of 2011, BCP's past due ratio was 1.53%, which represents an increase over the 1.46% reported at the end of 2010 and is slightly higher than the 1.47% reported as the system average. This increase does not indicate portfolio impairment and instead reflects an increase in Retail Banking's share of total loans, which is 46.6%, higher than 2010's figure of 42%. The latter is evident in the fact that the past due ratios have improved in segments such as Wholesale Banking, which presented a slight improvement

(from 0.2% to 0.1%), and Retail Banking, which posted noteworthy improvements in the SME segment (from 5.5% to 5.3%) and in consumer lending, which also reported an improvement from 2.1% to 1.8%.

Net provisions for loan losses increased 22.6% due to 18.1% growth in gross loan balances and additional provisions. The latter does not indicate impairment and instead reflects the fact that the Bank has increased its provisions based on internal models to calculate provisions according to IFRS norms and its decision to move to more conservative territory within the reasonable range defined by these models. In this context, net provisions in 2011 represented 1.3% of total loans. Consequently, at the end of 2011, the coverage ratio was 200.8% and exceeds the 198.5% reported at the close of 2010.

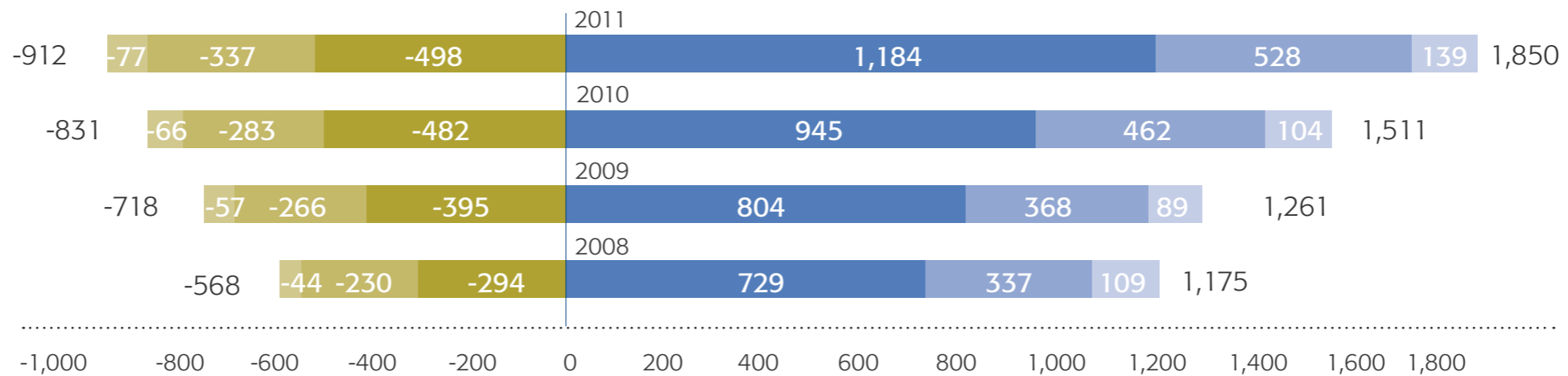


Efficiency ratio

Operating expenses, included in the calculation of the efficiency ratio (which excludes "Other Expenses"), totaled US\$ 912.4 million at the end of 2011, which is equivalent to a 9.8% increase YoY. This growth was attributable to an increase in remuneration (+3.4%), which in turn explains growth in variable compensation due to a significant increase in loans in the Retail sector in particular. The cost of the initiatives implemented this year to develop Retail Banking as well as programs to ensure clients' fidelity are reflected in a 19.3% growth in general and administrative expenses.



Core Income and Operating Expenses* (US\$ million)



- Remunerations
- General and administrative expenses
- Depreciation and amortization
- Net interest income
- Fee income
- Net gain on foreign exchange transactions

* Does not include "Other Expenses".
Figures Proforma - Unaudited, according to IFRS.
Source: BCP - Planning and Finance.

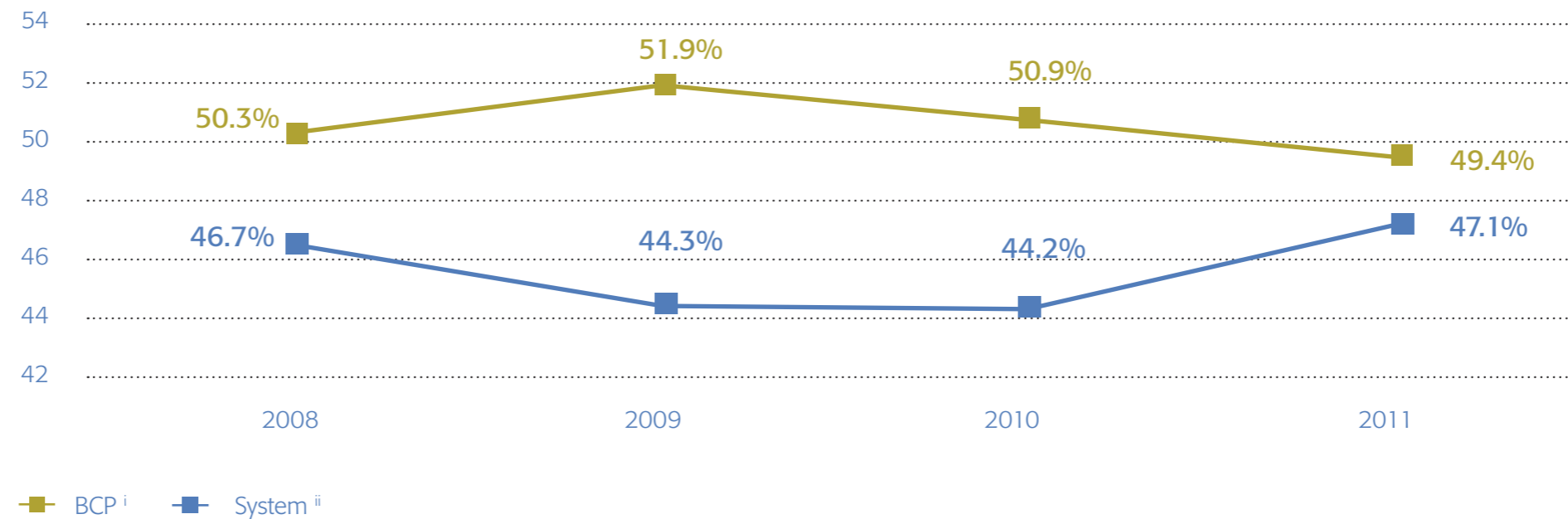


Despite the increase in expenses and thanks to excellent income evolution and adequate expense control, BCP's efficiency ratio² improved slightly from 50.9% at the end of 2010 to 49.4% by the end of 2011.

² Operating expenses / Core income. Operating expenses incorporate remunerations, administrative costs (including taxes and contributions) and depreciation and amortization. Core income includes net interest income, fee income, net gain on foreign currency transactions and net earned premiums.




Efficiency Ratio (%)



ⁱ BCP's ratio as reported in Credicorps Quarterly Earning Releases.
ⁱⁱ System's ratio as reported in SBS' statistics, according to local accounting in Nuevos Soles.
Sources: BCP- Planning and Finance.

Insurance Business

- ▶ *Pacífico Seguros*
- ▶ *Pacífico Salud EPS*
- ▶ *Pacífico Vida*



This year was difficult for the global insurance industry. This was due primarily to two adverse events:

- The loss ratio was affected by damages caused by natural catastrophes –the earthquakes in Japan and New Zealand and the tornados in the United States- which generated immense losses in the global insurance industry.
- Financial income was affected by turbulence in the capital markets.

This combination of these two events resulted in higher claims and lower financial income, which led to an increase in the premiums for catastrophic reinsurance that in turn had a negative effect on Peruvian insurance operations.

The Peruvian insurance industry grew 15% in terms of net insurance premiums with regard to 2010, reporting total turnover in excess of US\$ 2,800 million. This meant that growth topped 10% in all businesses compared to 2010's results. The sector's net income exceeded US\$ 300 million, which represented a 40% increase YoY.

For Grupo Pacífico, the year 2011 was marked by the aforementioned events, which generated increases in reinsurance premiums, and a new strategy for the

health business, which required an investment of approximately US\$ 120 million to consolidate its leadership in the health market. This operation was financed, in part, through the group's first Subordinated Bonds program for US\$ 60 million and required a number of extraordinary expenses.

In this context, Grupo Pacífico's results were favorable in all three business units –Property and Casualty, Health and Life Insurance. This year, Pacífico Vida's results were particularly noteworthy. The group reported net income of US\$ 57.1 million after minority shares, which tops the US\$ 55.3 million reported in 2010.



Due to this situation, Pacífico Salud EPS modified its strategy to preserve its long-term competitiveness. Its objective is to develop a model that contemplates comprehensive health risk management. To accomplish this, it invested close to US\$ 120 million to develop the largest private healthcare services network in the country by acquiring majority shares in El Golf, San Borja and Oncocare clinics in Lima; the Galeno Clinics in Arequipa; the Sánchez Ferrer clinic in Trujillo; a network of 28 dental offices nationwide; a clinical laboratory company, Laboratorios ML; and a house call and ambulance service, Doctor+.

A very important step in this project was the agreement Pacífico Seguros signed in December with Johns Hopkins Medicine International, which is widely considered one of the best medical institutions in the world. This association will allow us to import international medical excellence to Peru.

The following steps in the strategy include elevating the quality of the private healthcare services network to meet the international standards issued by the Joint Commission of the United States; simplifying the insurance portfolio to ensure that products can be sold through massive distribution channels; and significantly increasing income by leveraging insurance sales and medical services in Pacífico Salud EPS's healthcare services network.

US\$ 120 million

to develop the largest private healthcare services network in the country.

Pacífico Vida

Pacífico Vida's performance was outstanding in 2011 given that total premium turnover was US\$ 324.8 million, which tops 2010's result by 17.4%. All business lines experienced significant growth total premiums: Credit Life (+33.5%), Obligatory Insurance (+25.2%) and Individual Life (+15.3%). Thanks to its sales' efforts, Pacífico Vida was isolated from competitive pressures in 2011.

Net income totaled US\$ 50 million, which is 47.6% higher YoY. Other factors that explain this excellent result were an increase in financial income, higher profitability in its business lines and strict expense control.

Asset and Wealth Management

- ▶ *Asset Management at BCP*
- ▶ *Asset Management at Atlantic Security Bank (ASB)*
- ▶ *Asset Management at Prima AFP*
- ▶ *Wealth Management*



In 2011, this line operated in an international context marked by uncertainty and a subsequent increase in volatility. Representative indicators such as the Dow Jones (+5.5%), S&P (0.0%) and Nasdaq (-1.8%) indicated markedly lower levels than those seen last year, when profitability was +11.0%, +12.8% and +16.9% respectively.

The Peruvian stock market was affected by the uncertainty generated by presidential elections in Peru; fiscal imbalances in Europe; and an increase in the probabilities of a recession in the United States. As a result, the General Index of the Stock Exchange of Lima (IGBVL) fell -16.7% in Nuevos Soles and -13.2% in American Dollars. Credicorp's Asset Management business successfully managed these challenges.

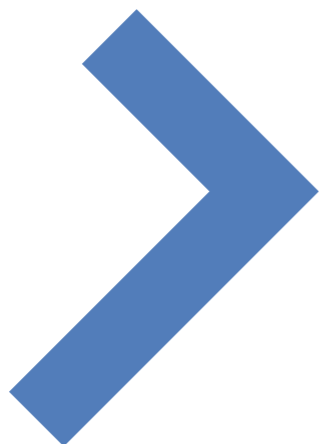


Asset Management at BCP

Through Credifondo, BCP's subsidiary and leader in the mutual funds market, business results remained positive in 2011. At year-end, Credifondo managed a total of US\$ 2,131 million and had 80 thousand affiliates. These results have allowed it to continue leading the mutual funds market by a wide margin both in terms of managed volume and the number of affiliates with market shares of 42% and 31% respectively.

In 2011, BCP' short-term funds grew more than any other fund type with growth of US\$ 200 million (+31% with regard to year-end 2010). This good evolution is due to a successful investment strategy that, in a nutshell, consisted in significantly reducing market risk to concentrate on investments in term deposits. This condition was well received by clients in a context of high volatility.

It is important to stress that BCP Conservador Soles and BCP Conservador Dollars may have drawn back during some months of the year, reported yields of 5.2% and 4.8%, respectively.



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The profitability of funds under management was also affected. Over the last 12 months (December 2011/December 2010), the results were 3.3%, -7.1% and -19.8% for funds 1, 2 and 3 respectively. Nevertheless, investments for pension funds under administration are managed with a long-term vision. As such, if we analyze the last five-year period (December 2011/December 2006), Prima AFP's fund 2 –which represents 66.3% of the total portfolio under management- reached an nominal annualized yield of 8.1% while the average yield of the Private Pension System (SPP) was 7.5%. It is important to mention that during this five-

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year period, Prima AFP's fund 2 led the market in terms of profitability. At the end of 2011, SPP's portfolio under management totaled US\$ 30,360 million, which represented a 2.3% decline with regard to the end of 2010. This result was due to volatility in the global markets. Nevertheless, the number of active affiliates in the SPP increased 6.2% in 2011 and the volume of new affiliations increase significantly by 42.5%. Finally, the volume of contributions from affiliates to pension funds grew 14.9% across the system in 2010.

Prima AFP reported net income of US\$ 32.4 million in 2011, which is 27% higher than last year's figure. This growth is attributable to growth in fee income (+22.6%)- which totaled US\$ 104.4 million- is due to Prima AFP's strong client base and the fact that it possesses a strong share of the system's collections. The company continues to incorporate new affiliates as the economy grows, which leads to job creation and higher salaries.

Personnel expenses totaled US\$ 28 million, which represents a 20% increase YoY that was mainly due to commercial management of new affiliate capture. Administrative expenses, without including personnel, were US\$ 27.3 million. This represents a 9.8% increase that was attributable to charges for technological support, new projects to improve operations and expenses linked with the increase in premiums paid for disability, survivor and burial insurance.



Wealth Management

140%
*growth in new-funds
capture.*

The Assets Management Division, which is the commercial arm of Assets under Management, consolidated its competitive advantage in terms of the quality of its client and advisory services. Despite a complex global scenario, the consolidated result was positive in 2011 with 7.8% growth in the volume under management, which totaled US\$ 7,394 million.

BCP's Private Banking Division –which groups together clients with assets to invest more of than US\$ 400 thousand- achieved growth of 14.4% and 21.7% in the volume under management and income respectively in YoY terms.

A set of strategies has been consolidated to generate competitive advantages that are reflected in the excellent service provided. Private Banking strengthened the professional capacities of its advisors; successfully rolled out a value proposition that stirred considerable enthusiasm among clients; and implemented a new methodology for prospecting. In this context, growth in new-funds capture was 140%.

In 2011, Private Banking also strengthened its presence in the main cities in the provinces by assigning resident executives in Arequipa and Trujillo. A structured scheme was introduced to serve clients in other cities alongside efforts to develop a fidelity program to consolidate long-term relations with clients.

In the company segment, which continues to account for a proportionally lower level of volume under management (US\$ 548 million at the end of 2011), business for investment trusts and discretionary portfolio management picked up considerably, growing 32% YoY.

Local securities trading through Credibolsa SAB grew 53% in 2011 to report a record high of US\$ 11 million. It is important to note that Credibolsa continued to lead the market with shares of 50.2% and 28.4% in fixed and variable income respectively.



Chapter 4
*Market Value
and Shareholders*



In 2011, the financial markets were affected by uncertainty stemming from fiscal consolidation in the Euro Zone. The main stock exchange indexes showed mixed results last year: the Dow Jones Industrial reported a yield of 5.5%; S&P remained stable throughout 2011 (0.0% in earnings) while Nasdaq reported a loss of 1.8%. In line with these results and despite the solidity of the Peruvian economy, local indexes fell in 2011.

The General Index of the Stock Exchange of Lima (IGBVL) posted losses of 13.1% in US Dollars and 16.7% in Nuevos Soles.

Credicorp was unable to fully escape deterioration in global expectations and its price per share was situated at US\$ 109.5 by the end of 2011. This represented an annual decline of 6%, which is lower than the deterioration reported by the local exchange.

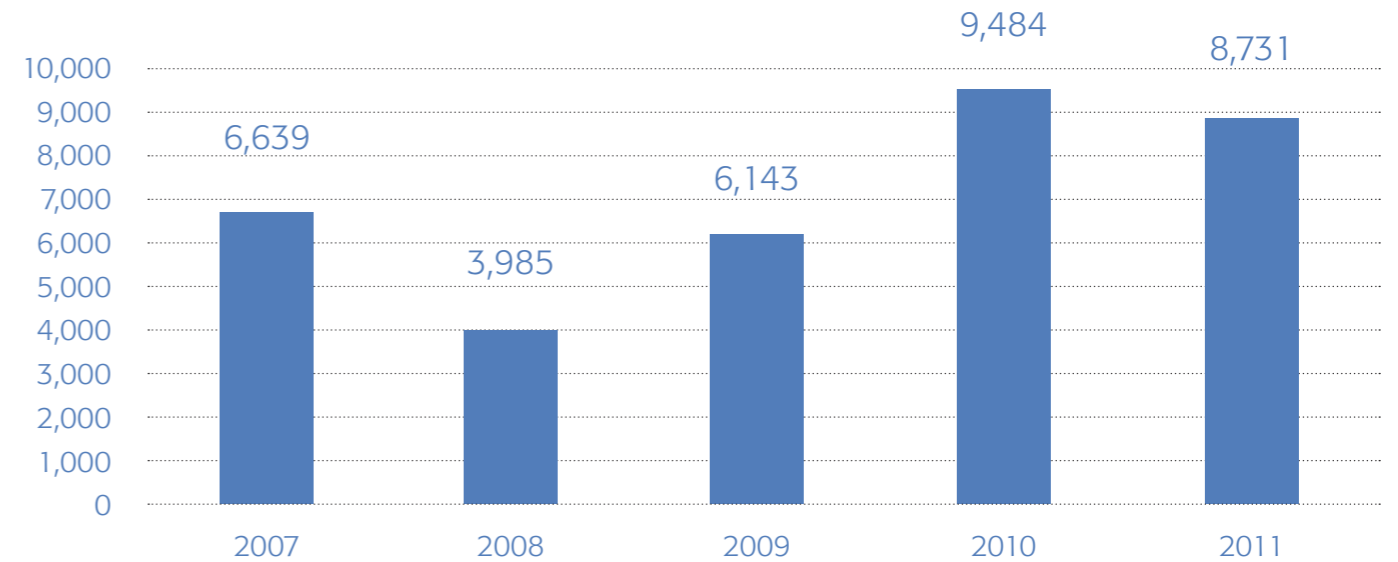
Credicorp's annual average trading volume in 2011 totaled 477,181 shares, which tops 2010's average by 88.2%. At year-end, the corporation's market cap totaled US\$ 8,731 million. This falls below the figure reported for 2010 due to lower share price this year. Nevertheless, earnings per share reached US\$ 8.9, which is 24.2% higher than the US\$ 7.7 achieved in 2010.

Stock Performance Price
(US\$)

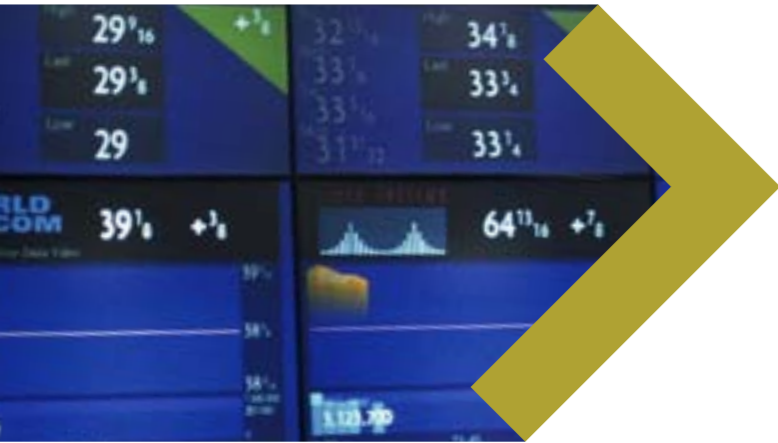


Source: Bloomberg.

Market Capitalization
(US\$ million)



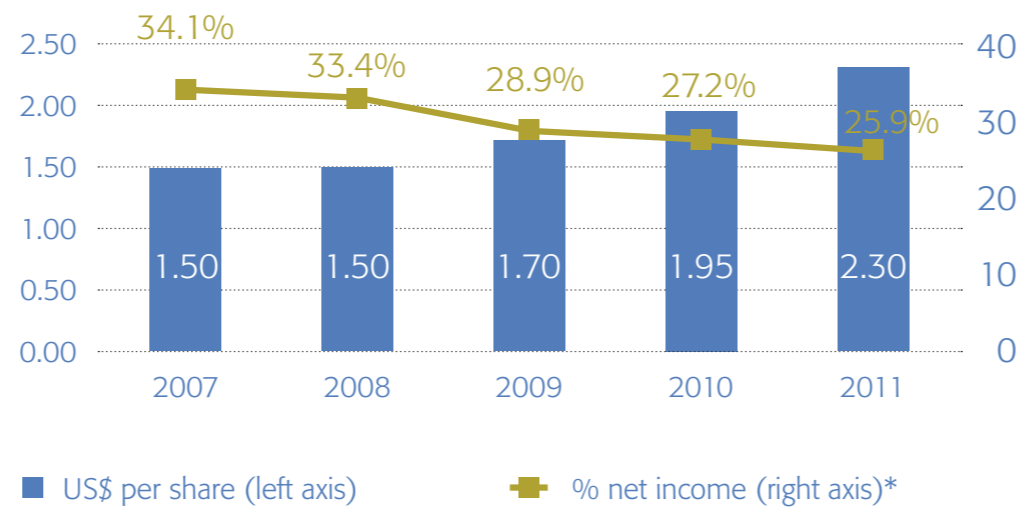
Source: Bloomberg.



In February 2012, the Board agreed to pay out cash dividends for 25.9% of the reported earnings, which is the equivalent to US\$ 183.7 million. This amount represented an increase of 18.1% with regard to 2010.

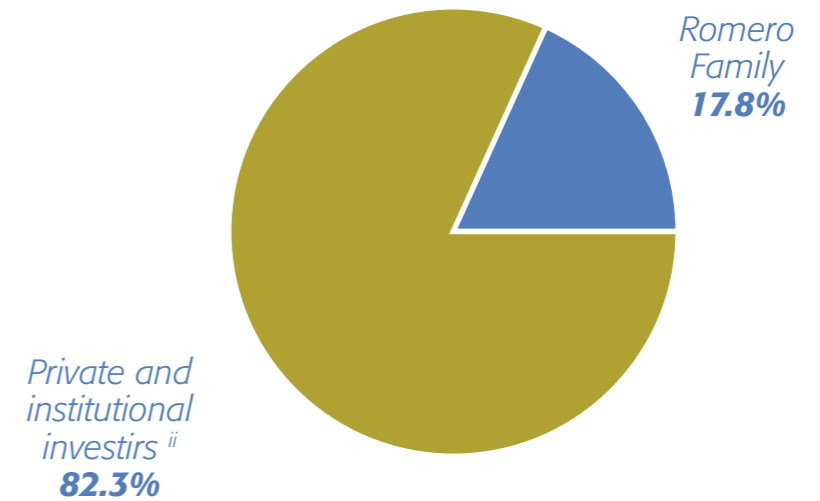
Lastly, it is important to note that Credicorp's shareholder structure experienced no significant changes in 2011.

Dividends



* (Dividend per share x number of shares, without including Treasury shares) / Net income.
Source: BCP-Planning and Finance.

Shareholders Structureⁱ
(%)

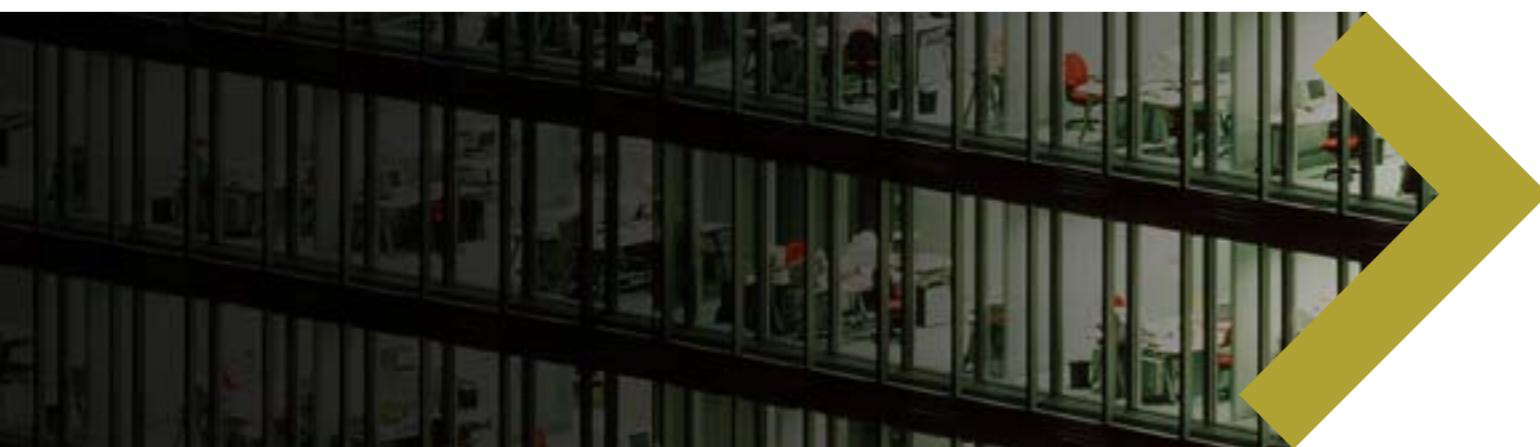


ⁱ Without including Treasury shares of ASHC. If these shares are considered, Romero family's stake is 15% and other private institutional investors' is 69.5%.
ⁱⁱ All of them with a share of 5% or less.
Source: Credicorp's 20.F Report for the financial year 2010.



Chapter 5

*Corporate Governance
and Social Responsibility*



Corporate Governance Committee

This Committee was set up on June 23, 2010 in accordance with a decision made by the Board of Credicorp. The objective is to:

- Propose good corporate governance practices to the Board for subsequent implementation in the corporation.
- Conduct constant oversight to adapt the organization's corporate governance policies to current best practices.
- Decide on and/or resolve cases of serious failures to comply with corporate governance policies and conflicts of interest or ethics involving Directors or executive management.

The Committee consists of at least three Directors, one of whom must be an Independent Director. Management also participates in this Committee. In 2011, the Committee met four times.

Compensation Committee

This committee's main objective is to define policies and approve compensation packages for the main executives and managers at Credicorp and its subsidiaries.

The Compensation Committee consists of three Directors and the General Manager.



Internal Control



Internal Audit seeks to help Credicorp and its subsidiaries to fulfill its objectives by contributing a systematic and disciplined focus to evaluate and improve the efficacy of risk management processes, control and corporate governance.

Internal Audit

In accordance with international practices and the definition of the Institute of Internal Auditors of the United States (IIA), internal auditing activities provide independent and objective services for compliance and consultation. These practices are designed to add value and improve the organization's operations. They seek to help Credicorp and its subsidiaries to fulfill its objectives by contributing a systematic and disciplined focus to evaluate and improve the efficacy of risk management processes, control and corporate governance.

Credicorp's Internal Audit Unit (UAI) executes auditing activities in the corporation. The Framework for Professional Practices in Internal Audit of the IIA is applied. This framework consists in: i) the definition of internal audit, ii) the code of ethics, iii) norms relative to attributes, performance and implementation, iv) advice for practices and v) different guides and pointers. Audit for technology and information systems is based on the

guidelines provided by the Information Systems Audit and Control Association (ISACA).

In accordance with the Framework for Professional Practice, UAI's scope of work includes determining if the processes for risk management, control and corporate governance are adequate and working properly to ensure that:

- a. Risks are identified and managed adequately.
- b. Interaction between the corporation's governance bodies is being conducted according to plan.
- c. Relevant information is precise, reliable and timely.
- d. The activities and actions of the organization's employees fulfill applicable normative and ethical requirements.
- e. Resources are acquired economically, used efficiently and adequately protected.
- f. Organizational programs, plans and objectives are fulfilled.
- g. Efforts are made to encourage quality and continuous improvements in control processes.
- h. Relevant regulatory and normative matters are adequately recognized, treated and fulfilled.



Credicorp’s corporate policies define the internal control process as the process conducted by the corporation’s Board, management and personnel to provide reasonable security to achieve the following categories of objectives:

- Effectiveness and efficiency of operations.
- Reliability of financial reports.
- Compliance with laws and regulations.

This process is conducted by analyzing five inter-related components: the overall control environment, risk assessment, information and communication systems as well as control and monitoring activities according to the COSO framework.

Credicorp’s Audit Committee has assigned BCP’s Audit Division responsibility for UAI tasks and responsibilities at the corporation. As such, the heads of audit at each subsidiary report on a functional basis to BCP’s head auditor, the Corporate Auditor.

To fulfill these objectives, the different audit units at Credicorp’s subsidiaries initiated a process in 2010 for continuous improvement and to adapt the new concepts and principles of the Framework for Professional Practice for Internal Audit of the IIA. We have also implemented an ambitious international certification program for auditors that deals with internal control, information technology, asset laundering, fraud and advanced risk models. This program is offered by the IIA, ISACA,

CFA Institute and other internationally prestigious entities.

To comply with Norm 1300 of the Program to Ensure and Improve the Quality of Audit, we created –initially in BCP- a new quality assurance unit and sent personnel to train in the United States and Argentina to replicate the assurance models in all of Credicorp’s subsidiaries. This effort began in the last quarter of 2011.

During the year, we began the process to standardize the audit methodology used in all of the corporation’s subsidiaries. This effort was anchored in the new focus developed in 2010 with the assistance of international advisors. This standardization process worked at two levels: i) the



methodological application; the entire audit staff was trained on the new methodological framework, its metrics and how to record events in TeamMate, which is the specialized system used across the globe to manage audit work, and ii) the second level, which is more complex and broader in scope to establish and design audit programs throughout the corporation that respect differences relative to legal and regulatory matters and each subsidiary's specific complexities.

The corporation's 131 auditors represent approximately 0.7% of its personnel. This is one of the company's main productivity indicators and falls within international best standards. In 2011, UAI executed 700 audits, 335 of which were in the BCP unit, which is Credicorp's main subsidiary.



Audit Reports

	2010	2011
BCP Perú	230	234
BCP Bolivia	174	163
ASB	21	18
Edyficar	124	139
Grupo Pacifico	99	100
Prima AFP	48	46
Total	696	700

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An Internal Auditors Committee was established to coordinate the audits' methodology, share best practices and gain a global perspective of the corporation's risk situation and respective internal controls. This forum meets monthly and has been useful in the continuous improvement processes that have begun at audit units.

One of the key factors in evaluating the overall system for control at each institution involves efforts to conduct adequate follow-up on the progress made to incorporate the observations and recommendations made by internal and external auditors and the regulatory entities. Under this principle, the UAI has provided important support to the audit units. The degree of response to observations and recommendations of auditors and regulators has been optimized to align them with the corporation's tolerance for risk.



The Internal Auditors Committee has been useful in the continuous improvement processes that have begun at audit units.



Finally, in keeping with our vision, we continued the plan to train our staff both nationally and internationally. In 2011, we provided 5,635 hours of specialized training for audit teams. An average of 43 hours/auditor were dedicated to topics related to econometric risk modeling, insurance for property, health and life, fraud prevention, forensic audit, cloud computing, smart hacking, assets laundering, as well as other topics in the areas of financial and operations audit and Enterprise Risk Management.

These figures do not include the individual hours that our auditors invest to obtain their master's degrees at prestigious universities in Peru. Thanks to these efforts, 43 out of the group's 131 auditors have post-graduate degrees and have obtained specialized certificates from some of the most prestigious international institutions including IIA, ISACC, CFA Institute among others.

Hours of specialized training for audit teams

Training	2011	Average / auditor
BCP Perú	2,814	36
BCP Bolivia	727	43
ASB	24	12
Edyficar	255	18
Grupo Pacífico	1,713	100
Prima AFP	120	24
Total	5,653	43

International Certifications

Institution	Number
CISA	7
CRISC	4
CIA	2
ISO 27001	2
COBIT Foundation	2
AML/CA	1
CFA L1	1
Auditors with Master Degree	43
Total auditors	131



Compliance

In 2011, increased regulation and the commitment from the Board of Directors to ensure strong corporate governance practices across the organization, resulted in a number of initiatives to strengthen the compliance unit. This includes having a dedicated team that is responsible for the implementation of new regulations, not only from local regulators, but also requirements that will impact BCP under Dodd Frank financial regulation reform.

The compliance unit is responsible for ensuring BCP and related companies adhere to all anti money laundering and terrorist financing and corruption regulations and that we meet the highest standards

of ethics, integrity, and professional behavior to ensure the organization avoids reputational concerns. In line with this objective, as of November 2011, Compliance policies and procedures are elevated and approved by the Corporate Governance Committee.

Anti-money laundering

Money laundering is defined as the process of converting illegal proceeds so that funds are made to appear legitimate. Credicorp and it's employees must act diligently to prevent our products and services to be used to further money laundering. As a result, we have a strong anti-money

laundering program which aims on ensuring we comply with all applicable laws and regulations in all the jurisdictions where we operate.

Our program which is enterprise wide, ensures proper know your customer (KYC) information is obtained for all our clients. We have a series of different tools we utilized to monitor and identify any unusual activity. Any activity that is deemed suspicious, is reported to government authorities according to laws and regulations. On an on-going basis we update our processes to ensure our program meets international best standards.



In addition, we fully comply with U.S. Economic sanctions and embargoes imposed by U.S Treasury Departments Office of Foreign Assets Control in all locations and businesses in which we operate.

Act requirements. As a result, we also took the opportunity to strengthen and align our gift and entertainment policies throughout the organization. Our anti bribery and anti corruption policies include dealings with government officials, private organizations,

Training is an integrate part of our program. Employees are the first line of defense in combating money laundering, as such front office staff receive trainings by our specialized AML Compliance team on an on-going basis. Employees who fail to attend this training are subject to disciplinary measures in accordance to our policies and procedures.

Corruption

In 2011, our anti bribery anti corruption programs were reevaluated and amended as appropriate to comply with UK Bribery

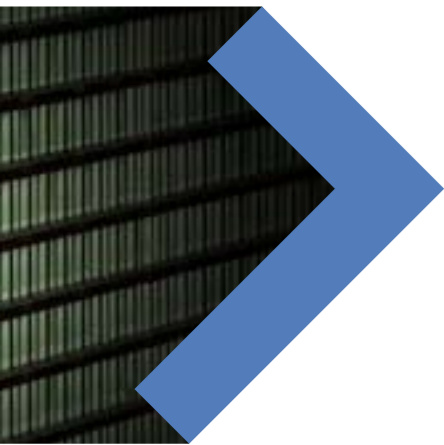
and individuals to include the giving and receiving of gifts. We are training the entire organization to ensure they have a sound understanding of bribery risk.

Complaint System

Committed with the practice of the highest standards regarding ethics conduct, transparency and corporate governance and aligned to the Sarbanes-Oxley Act of 2002 (which seeks to protect investors by improving the accuracy and reliability of the financial information that companies submit to the stock exchange in the United

States) Credicorp currently counts with a confidential system for receiving complaints ("the Complaint System"). This System enables employees, suppliers, clients, investors and other persons interested in reporting fraud situations, accounting malpractice or violations to the Code of Conduct and Ethics, protecting and ensuring the confidentiality of their identity through an automated system operated by a prestigious international company that manages similar systems worldwide. Thus promotes integrity and honesty, and encourages a safe and comfortable working environment, based on solid ethics and trust.





Project to Review Corporate Governance Policies



After setting up the Corporate Governance Committee, we began the Project to Review Credicorp’s Corporate Governance Policies. This effort was led by the Investor Relations area with the active participation of different areas in the corporation.



The main objectives were:

- Define Credicorp’s Sustainability Framework, which will consist of the corporation’s umbrella guidelines.
- Align the subsidiaries and coordinate with compliance bodies to ensure the correct application of established guidelines.

During the initial stage of this process, we visited model companies in Brazil and received advice from external experts on good corporate governance.

The process to review Credicorp’s policies used the highest international standards, including the guidelines of the New York stock Exchange, Basel, the UK Corporate Governance Code, International Finance Corporation (IFC), Andean Development Corporation (CAF), Organization for Cooperation and Economic Development (OECD), among others. This was

complemented by an analysis of cases of successful banks in the United States and Europe.

An in-house review of Credicorp’s policies helped us gain an in-depth understanding of the organization, the way in which its interest groups interact, as well as the principles and procedures to ensure that the company is subject to adequate control and governance. The comparison with world-class banks that comply with the highest international standards helped us establish clear policies and bring the corporation closer to complying with these standards.

The diagnostic’s conclusion was that Credicorp was aligned with the majority of best practices include in Corporate Governance. In those cases in which opportunities for improvement were identified, we initiated a gradual implementation of the changes necessary.



The main milestones in the process of building the Sustainability Framework in 2011 were:

1. Define the **Corporate Vision, Mission** and **Code of Ethics** based on three pillars:

- Act with integrity, respect and transparency.
- Promote a culture of risk management.
- Seek out sustainable growth.

The Corporation’s Code of Ethics contains the fundamental principles that have been defined by the corporation, which should direct and act as a behavioral guide for Directors, officers and employees at Credicorp and its subsidiaries.

2. **Credicorp’s Corporate Governance Policies** have been delineated for issues involving stakeholders, the Board, disclosure and transparency, internal audit, risk and compliance.

These policies consolidate the main guidelines adopted by the corporation to guarantee adequate and effective government and also lay out Credicorp’s commitment with interest groups. This promotes transparency, the equitable treatment of shareholders and investors as well as good practices at the board level; all of these aspects are overseen by robust control bodies within the corporation.

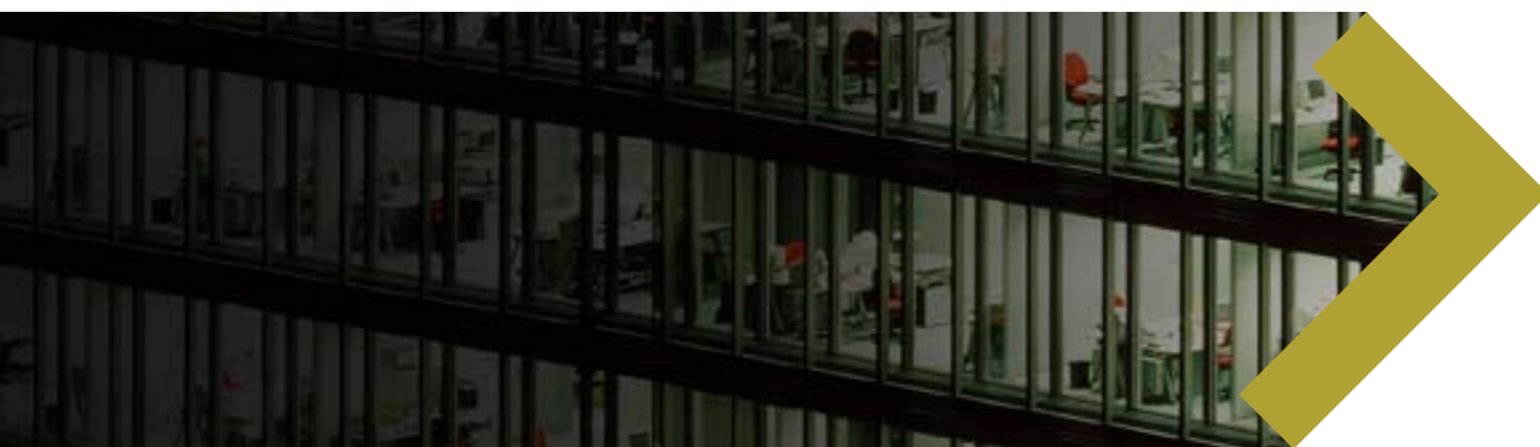
Credicorp hopes to conclude this process in 2012 by defining and approving policies. The implementation stage will be conducted over the next few years.

3. We produced the **Shareholders’ Guide**, which summarizes shareholders’ main rights and provides information on the procedures followed to prepare and conduct the General Shareholders’ Meetings.

4. We established a **“quiet period”** of 15 days prior to disclosing Credicorp’s Financial Statements. During this period, the company refrains from responding to questions or making comments regarding these results to guarantee transparency and equitable treatment in information delivery.

The Corporate Governance Committee will continue to carry out its duties by focusing on:

- Aligning the subsidiaries with the policies established by the holding.
- Monitoring the correct application of guidelines and implementing the improvement proposals that have been approved.
- Initiating a review of issues related to sustainability.



Relations with Shareholders

The Investor Relations Area is committed to resolving all our shareholders' doubts through responsible and efficient communication. We treat all shareholders equitably, including minority and foreign interests.

Relations with Clients

El BCP seeks to ensure that its client's experiences are optimum and positive to achieve success and high levels of satisfaction and loyalty.

Supplier Relations

We have taken measures to guarantee that our relations with suppliers are conducted in a fair, responsible and transparent manner, which ensure our model's sustainability.

Community Relations

BCP promote projects for education infrastructure and programs for low-income sectors and provides tools to help ensure that Peruvians develop their full potential.

Environmental Relations

BCP Works on issues related to environmental management: climate change, reducing carbon emissions and the efficient use of natural resources for direct and indirect activities.



BCP Social Responsibility



BCP is committed to the sustainable development of its environment. In 2011, we focused on the following aspects: education, infrastructure, volunteer work, the environment, and potential employee and supplier development.



Education

Matemáticas Para Todos (MPT): for a quality education

BCP is a leading national sponsor of the MPT program, which aims to make mathematics an integral part of school children's lives. This program uses a dynamic and entertaining methodology to awaken rational rather than memory-based thinking.

- 61,141 student beneficiaries.**
- 46,058 educational materials delivered.**
- 1,118 teachers trained.**
- 117 beneficiary schools in 15 regions of the country.**

Scholarships and preferential loans at Colegio Mayor

BCP provides a full scholarship to the valedictorian of the Colegio Mayor Presidente del Perú to study at a Peruvian university and covers additional costs throughout his or her years of study. The students who rank from 2 to 10 at the school receive preferential loans in nuevos soles.

- 2 full scholarships provided.**
- S/. 10,000 a year for scholarship winners.**
- 20 preferential loans placed.**



BCP in Public Works for Taxes - Piura

Support for the State's infrastructure projects

BCP is the first financial entity to subscribe to Law N° 29230. We have financed the "Rehabilitate Roads and Sidewalks while Improving Water and Sewage in the Urbanización Angamos–Etapa I project," which was begun in 2010, and the "Expansion and Improvement of the Drinking Water System and Construction of the Sewage System in La Encantada Centro Poblado," which began in 2011. Both of these projects are in the province of Piura.

- S/. 12 million in public investment.**
- 4,000 beneficiaries.**
- 5,336 m² of sidewalk.**
- 7,000 meters of sewage pipe lines.**
- 8,050 meters of drinking pipe lines.**
- 670 household connections.**

BCP Volunteers

Achieving personal successful beyond professional aspects

BCP promotes a volunteer spirit among its employees to generate opportunities for development for the country's neediest populations. The Volunteer Committee, which works in Lima and eight other cities in Peru, leads and manages these efforts.

- 869 volunteers.**
- 11,914 hours invested in volunteer work.**
- 4,932 girls and boys have benefited along with 54 families.**
- 100 trees were planted and 200 m² of green areas have been planted.**
- 12 activities to train new volunteers.**

Future Employee Development

BCP signed its first cooperation agreement with the School of Statistics at the Universidad Nacional de Ingeniería to contribute to reducing the gap between pre-professional preparation and the organizational competences that large companies require.

Quality for Suppliers

In conjunction with the Secretaría Iberoamericana and the Fundación Iberoamericana for Quality Control, BCP participated in a program to help its SME suppliers obtain ISO 9001 Quality Certification.

Volunteer Work and the Environment

We worked full speed this past year to consolidate a volunteer program to serve senior citizens.



Improvements in leisure-oriented infrastructure and recreation for:

- 350 senior citizens from the Congregación de las Hermanitas de los Ancianos Desamparados in Lima.
- 240 senior citizens at the Centro Gerontológico San Francisco de Asís, in Cusco.
- 150 senior citizens at the Hogar San José in Trujillo.
- 80 senior citizens from the Congregación de las Hermanitas de los Ancianos Desamparados in Chiclayo.
- 46 senior citizens at the Centro Residencial San Francisco de Asís in Iquitos.
- 35 senior citizens from the Asilo El Buen Jesús in Arequipa.
- 12 senior citizens from the Asilo de Ancianos Luz, Vida y Amor in Piura.

Through different volunteer efforts, our employees and their families have demonstrated an authentic sense of collaboration and participation.

- More than 2,300 volunteer hours invested in the community.

We continue to engage in socially responsible efforts to preserve the environment and have stepped up our efforts to support the paper recycling effort with Fundades.

- We were ranked eighth in the “Recycle and play your role” campaign by collecting 21 tons of paper.
- For each 1.6 tons of paper recycled, a low-income, disabled child receives a scholarship.





Chapter 6
Financial Statements



Credicorp Ltd. and Subsidiaries
Consolidated statements of financial position
As of December 31, 2011 and 2010

Assets	2011	2010
	US\$(000)	US\$(000)
<i>Cash and due from banks:</i>		
Non-interest bearing	1,094,568	1,624,377
Interest bearing	4,408,294	6,920,038
	5,502,862	8,544,415
<i>Investments:</i>		
Trading securities	75,611	115,568
Investments available-for-sale	5,915,601	3,768,248
	5,991,212	3,883,816
<i>Loans, net:</i>		
Loans, net of unearned income	17,441,941	14,375,358
Allowance for loan losses	(519,708)	(415,703)
	16,922,233	13,959,655
Financial assets designated at fair value through profit or loss	90,103	179,055
Premiums and other policies receivable	174,367	129,136
Accounts receivable from reinsurers and coinsurers	151,080	160,249
Property, furniture and equipment, net	472,433	372,913
Due from customers on acceptances	61,695	70,331
Seized assets, net	10,842	11,336
Intangible assets and goodwill, net	453,422	372,625
Other assets	902,544	707,626
Total assets	30,732,793	28,391,157

Liabilities and equity	2011	2010
	US\$(000)	US\$(000)
<i>Deposits and obligations:</i>		
Non-interest bearing	5,390,688	4,360,570
Interest bearing	13,313,159	13,457,548
	18,703,847	17,818,118
Due to banks and correspondents	2,060,020	2,240,320
Bankers' acceptances outstanding	61,695	70,331
Accounts payable to reinsurers and coinsurers	75,366	60,775
Technical reserves, insurance claims reserves and reserves for unearned premiums	1,378,298	1,196,323
Bonds and notes issued	3,965,522	2,981,918
Other liabilities	1,025,405	1,093,121
Total liabilities	27,270,153	25,460,906
<i>Equity</i>		
Capital and reserves attributable to Credicorp's equity holders:		
Capital stock	471,912	471,912
Treasury stock	(74,877)	(74,712)
Capital surplus	111,145	119,637
Reserves	1,812,977	1,398,323
Other reserves	340,168	366,721
Retained earnings	734,474	591,868
	3,395,799	2,873,749
Non-controlling interest	66,841	56,502
Total equity	3,462,640	2,930,251
Total liabilities and equity	30,732,793	28,391,157

Credicorp Ltd. and Subsidiaries
Consolidated statements of income

For the years ended December 31, 2011, 2010 and 2009

	2011 US\$(000)	2010 US\$(000)	2009 US\$(000)
Interest and dividend income	1,837,764	1,471,708	1,312,925
Interest expense	(531,600)	(414,121)	(420,564)
Net interest and dividend income	1,306,164	1,057,587	892,361
Provision for loan losses, net of recoveries	(214,898)	(174,682)	(163,392)
Net interest and dividend income after provision for loan losses	1,091,266	882,905	728,969
<i>Other income</i>			
Banking services commissions	607,843	524,895	436,819
Net gain on foreign exchange transactions	138,492	104,169	87,944
Net gain on sale of securities	61,927	80,326	120,932
Net gain on financial assets designated at fair value through profit or loss	-	64,477	42,792
Other	30,374	30,668	32,144
Total other income	838,636	804,535	720,631
<i>Insurance premiums and claims</i>			
Net premiums earned	574,423	480,293	424,682
Net claims incurred for life, property, casualty and health insurance contracts	(377,759)	(315,572)	(286,458)
Total premiums earned less claims	196,664	164,721	138,224

	2011 US\$(000)	2010 US\$(000)	2009 US\$(000)
<i>Other expenses</i>			
Salaries and employees benefits	(595,705)	(568,004)	(467,116)
Administrative expenses	(405,357)	(341,123)	(312,256)
Depreciation and amortization	(93,882)	(82,289)	(71,099)
Impairment loss on available-for-sale investments	(1,025)	(3,250)	(9,825)
Net loss on financial assets designated at fair value through profit or loss	(24,640)	-	-
Other	(109,540)	(91,219)	(96,814)
Total other expenses	(1,230,149)	(1,085,885)	(957,110)
Income before translation result and income tax	896,417	766,276	630,714
Translation result	37,881	24,120	12,222
Income tax	(210,508)	(187,081)	(138,500)
Net income	723,790	603,315	504,436
Attributable to:			
Equity holders of Credicorp Ltd.	709,272	571,302	469,785
Non-controlling interest	14,518	32,013	34,651
	723,790	603,315	504,436
<i>Earnings per share for net income attributable to equity holders of Credicorp Ltd. (in U.S. Dollars):</i>			
Basic	8.93	7.19	5.90
Diluted	8.90	7.17	5.90

Chapter 7 Annexes

Board of Directors, Management and Audit Committee



Board of Directors

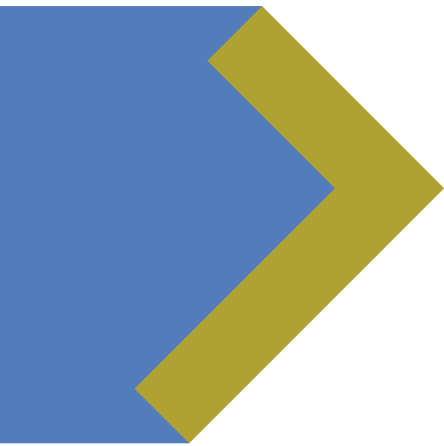
<i>Dionisio Romero P.</i>	<i>Chairman</i>
<i>Raimundo Morales</i>	<i>Vice-Chairman</i>
<i>Fernando Fort M.</i>	<i>Director</i>
<i>Reynaldo Llosa</i>	<i>Director</i>
<i>Juan Carlos Verme</i>	<i>Director</i>
<i>Luis Enrique Yarur</i>	<i>Director</i>
<i>Felipe Ortiz de Zevallos</i>	<i>Director</i>
<i>Germán Suárez</i>	<i>Director</i>

Management

<i>Dionisio Romero P.</i>	<i>Chief Executive Officer</i>
<i>Walter Bayly</i>	<i>General Manager</i>
<i>Alvaro Correa</i>	<i>Chief Financial Officer</i>
<i>David Saettone</i>	<i>Chief Insurance Officer</i>
<i>José Espósito</i>	<i>Chief Corporate Audit Officer</i>
<i>Aida G. Kleffmann</i>	<i>Chief Investor Relations Officer</i>
<i>Bárbara Falero</i>	<i>Chief Corporate Compliance Officer</i>
<i>Dawna Ferguson</i>	<i>Corporate Secretary</i>
<i>Mario Ferrari</i>	<i>Deputy General Secretary</i>

Audit Committee

<i>Raimundo Morales</i>	<i>Chairman</i>
<i>Germán Suárez</i>	<i>Director – Financial Expert</i>
<i>Juan Carlos Verme</i>	<i>Director</i>
<i>Benedicto Cigüeñas</i>	<i>Advisor</i>



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