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**CREDICORP LTD. ANNOUNCES FINANCIAL RESULTS
FOR THE QUARTER ENDED JUNE 30, 1999**

(Lima, Peru, August 10, 1999) - Credicorp Ltd. ("Credicorp") (NYSE:BAP;LSE:BAPC1) today announced its financial results for the quarter ended June 30, 1999.

Credicorp announced for the six month period ended June 30, 1999 a consolidated net income of US\$4.2 million, compared to US\$48.1 million in the same period in 1998, or US\$0.051 and US\$0.594 per share, respectively. Consolidated net income for the quarter ended June 30, 1999 was US\$2.6 million, below US\$25.4 million in the second quarter of 1998, resulting in net income per share of US\$0.033 and US\$0.313, respectively. Net income, comparing the second quarter of 1999 with that of 1998, declined principally due to lower net interest income and translation losses.

I. CREDICORP LTD. AND SUBSIDIARIES

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

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

| | Three months ended | | | Six months ended | |
|--|--------------------|----------------|----------------|------------------|-----------------|
| | 30.06.98 | 31.03.99 | 30.06.99 | 30.06.98 | 30.06.99 |
| Net interest income | 106.9 | 91.0 | 94.7 | 201.1 | 185.8 |
| Provisions for possible loan losses, net | 41.0 | 51.1 | 37.3 | 67.3 | 88.4 |
| Other income | 92.7 | 81.0 | 88.6 | 182.0 | 169.7 |
| Claims on insurance activities | 21.3 | 20.6 | 22.0 | 45.1 | 42.6 |
| Operating expense | 108.7 | 104.0 | 111.6 | 211.9 | 215.7 |
| Translation result | 11.6 | 11.2 | (8.7) | 14.6 | 2.4 |
| Income before income tax and | | | | | |
| — minority interest | 40.2 | 7.5 | 3.7 | 73.5 | 11.2 |
| Income Tax | (11.3) | (4.2) | 1.8 | (18.8) | (2.4) |
| Minority Interest | (3.6) | (1.8) | (2.9) | (6.5) | (4.7) |
| Net Income | 25.4 | 1.5 | 2.6 | 48.1 | 4.2 |
| Net Income per share (1) | 0.313 | 0.019 | 0.033 | 0.594 | 0.051 |

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

I.1 ECONOMIC SITUATION

GDP in Peru grew 4.2% in the second quarter of 1999, and 2.8% in the first half of the year, compared to the same periods of 1998. These relatively high growth rates are in part due to the comparison with a declining GDP in 1998 caused by the El Niño damages, which resulted in negative growth of -2.5% and -0.1% for the second quarter and first half of 1998, respectively. Growth in the second quarter of 1999 is principally driven by the primary and export sectors of Fishing (131%), Mining (15%) and Agriculture (14%), while sectors related to domestic demand decreased, specially Construction (-19%) and Commerce (-2%), although Manufacturing had a 7% growth helped by increased fishmeal processing. The banking industry continued facing unfavorable conditions due to the poor performance of domestic demand.

The consumer price index in Perú rose 1.2% in the second quarter of 1999, versus 1.7% in the same period of 1998 and 2.9% in the last twelve months. The exchange rate in Perú was unchanged during the second quarter of 1999 but shows a 13.8% devaluation since June 1998.

Several monetary aggregates declined following the economic slowdown. The Peruvian banking system's credit to the private sector remained approximately at the same level during the second quarter of 1999, but decreased 1.6%, in U.S. Dollar terms, in the year since June 1998. Total liquidity also was relatively stable in the current quarter but declined 3.0% since June 1998.

I.2 INTEREST INCOME AND OTHER INCOME

In the second quarter of 1999 net interest income reached US\$94.7 million, below US\$106.9 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 5.91% during the second quarter of 1999, below 6.54% in the same quarter of the previous year, but increased from 5.65% in the first quarter of 1999. Interest earning assets, as averages of beginning and ending balances, were US\$6.4 billion in the second quarter of 1999, remaining similar to the first quarter of 1999, but declined 2.0% compared to the year-ago quarter.

Deposits and other obligations reached US\$5.6 billion at the end of June 1999, increasing 5.0% since March 1999, and 1.9% over the year-ago balance. Due to banks and correspondents decreased from US\$1,118.6 million at March 31, 1999 to US\$879.3 million at the end of the second quarter of 1999.

Non-interest income was US\$88.6 million in the second quarter of 1999, decreasing 4.4% from non-interest income of US\$92.7 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 preceding first quarter of 1999:

| <i>(% change and US\$Mn)</i> | 2Q98 | 1Q99 | 2Q99 | 2Q99 vs 1Q99 | 2Q99 vs 2Q98 |
|----------------------------------|-------------|-------------|-------------|-------------------------|-------------------------|
| Commissions for banking services | 38.2 | 33.3 | 34.1 | 2.5% | -10.7% |
| Net premiums | 30.6 | 29.0 | 29.1 | 0.4% | -4.9% |
| Gains from sale of securities | 7.9 | 0.3 | 4.5 | N/A | -43.8% |
| Gains from foreign exchange | 6.7 | 8.7 | 6.2 | -28.0% | -7.7% |
| Other income | 9.2 | 9.9 | 14.7 | 49.3% | 59.8% |
| Total Non-Interest Income | 92.7 | 81.0 | 88.6 | 9.4% | -4.4% |

I.3 OPERATING EXPENSES

Operating expenses for the second quarter of 1999 were US\$111.6 million, 2.7% above expenses in the same period of the previous year. Credicorp's operating expense components had the following variations:

| <i>(% change and US\$ Mn)</i> | 2Q98 | 1Q99 | 2Q99 | 2Q99 vs 1Q99 | 2Q99 vs 2Q98 |
|------------------------------------|--------------|--------------|--------------|-------------------------|-------------------------|
| Salaries and employee benefits | 47.8 | 44.1 | 45.9 | 4.0% | -4.0% |
| General, administrative, and taxes | 38.3 | 35.6 | 39.5 | 11.0% | 3.3% |
| Depreciation and amortization | 10.0 | 13.4 | 12.3 | -8.2% | 23.2% |
| Other | 12.6 | 10.9 | 13.9 | 27.7% | 10.4% |
| Total Operating Expense | 108.7 | 104.0 | 111.6 | 7.3% | 2.7% |

The Other expense caption increase is principally due to BCP's higher provisions for assets received in lieu of loan payment as commented in Section II.

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 60.9% in the second quarter of 1999, from 53.8% in the second quarter of last year. Operating expenses as a percentage of average total assets was 5.2% in the current quarter compared to 5.3% in the same quarter of the previous year.

I.4 LOAN QUALITY

Credicorp's total assets were US\$8.0 billion at June 30, 1999, slightly above total assets at the end of the preceding quarter, and 1.0% above the balance at June 1998. The loan portfolio as of June 30, 1999 totaled US\$4.9 billion, an increase of 2.5% compared to the balance at the end of the year-ago quarter, but remains similar to the preceding quarter balance. Loan quality indicators are shown in the following table:

| <i>(In US\$Mn)</i> | 2Q98 | 1Q99 | 2Q99 |
|------------------------|-------------|-------------|-------------|
| Total loans | 4,808.8 | 4,911.2 | 4,930.0 |
| Past due loans | 251.8 | 343.8 | 379.8 |
| Loan loss reserves | 241.9 | 285.1 | 288.7 |
| Past due / Total loans | 5.2% | 7.0% | 7.7% |
| Reserves / Past due | 96.1% | 82.9% | 76.0% |

The increase in past due loans to US\$379.8 million at the end of June 1999, from US\$343.8 million at March 31, 1999, is related mainly to increases in BCP's middle market segment and in Banco de Crédito de Bolivia.

I.5 SUBSIDIARIES

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

| <i>(US\$Mn)</i> | 2Q98 | 1Q99 | 2Q99 | 6m98 | 6m99 |
|--------------------------------|-----------------|-----------------|----------------|------------------|-----------------|
| Banco de Credito | US\$ 15.2 | US\$ 0.2 | US\$ 2.7 | US\$ 32.9 | US\$ 2.9 |
| Atlantic | 6.5 | 4.4 | 2.7 | 12.8 | 7.1 |
| PPS | 3.8 | 2.5 | 1.0 | 5.1 | 3.5 |
| Banco Tequendama | -1.2 | -3.1 | -2.0 | -2.2 | -5.0 |
| Credicorp and others* | 1.1 | -2.5 | -1.8 | -0.5 | -4.3 |
| Consolidated Net Income | US\$25.4 | US\$ 1.5 | US\$2.6 | US\$ 48.1 | US\$ 4.2 |

* Includes Inversiones Crédito and Grupo Capital.

In the second quarter of 1999 BCP contributed to Credicorp net income of US\$2.7 million, while its results according to Peruvian accounting principles reported in Section II, amounted to a net profit of US\$1.7 million, the difference is mainly due to deferred tax adjustments. In the first quarter of 1999, BCP's contribution to Credicorp (US\$0.2 million) was lower than its local net income (US\$14.1 million) principally due to exchange gains from the devaluation suffered by the Nuevo Sol in that period.

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

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

Credicorp holds a 99.7% interest in BCB, directly and through various subsidiaries, and is consolidated within the BCP financial statements. BCB had net income of US\$2.8 million in the first half of 1999, compared to US\$2.0 million in the prior year period. In the second quarter of 1999 BCB had net income of US\$1.1 million, similar to the same quarter of 1998. At June 30, 1999 BCB had a total loan portfolio of US\$541.6 million, increasing from US\$299.3 million at June 1998. The increase in loans is due principally to the acquisition of Banco de La Paz (US\$140 million) in July 1998, and the portfolio of Banco Boliviano Americano (US\$116 million) in May 1999.

Banco Tequendama, Colombia

At June 30 1999, Banco Tequendama had total loans of US\$219.4 million, compared to US\$238.8 in June 1998. Total deposits amounted to US\$172.8 million at the end of the second quarter of 1999, decreasing from US\$203.1 million as of June 1998. The bank has contributed net losses as seen in the preceding income contribution chart, partly due to higher loan loss provisions of US\$3.6 million in first half of 1999, compared to US\$1.2 million in the prior year period, and translation losses of US\$2.4 million and US\$0.2 million in the same periods, respectively, due to devaluation of the Colombian Peso.

Banco Capital, El Salvador

Banco Capital had total loans amounting to US\$109.7 million compared to US\$72.5 million at the end of the second quarters of 1999 and 1998, respectively, while total deposits reached US\$55.4 million and US\$33.2 million in the same periods. Net income for the first half of 1999 was US\$0.3 million decreasing from US\$0.5 million in the same period of 1998.

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

II.1 NET INCOME

Consolidated net income for the six month period ended June 30, 1999 was S/.53.9 million (US\$16.2 million), compared to S/.132.6 million (US\$39.7 million) in the first half of 1998. Net income for the second quarter of 1999 was S/.5.7 million (US\$1.7 million) decreasing from S/.71.9 million (US\$21.5 million) in the prior year period. The decrease in net income for the first half of 1999 was principally due to higher provisions for loan losses and for assets received in lieu of loan repayment, included within the operating expense concept. Net income for the second quarter of 1999 compared to the prior year quarter was affected, in addition to provisions for assets and higher general expenses, by a negative result from exposure to inflation compared to gains in prior periods.

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

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

| | Three months ended | | | | Six months ended | | |
|-----------------------------------|--------------------|-------------|------------|--------------|------------------|-------------|---------------|
| | 30.06.98 | 31.03.99 | 30.06.99 | 30.06.99 | 30.06.98 | 30.06.99 | 30.06.99 |
| | | | | US\$ | | | US\$ |
| Net interest income | 281.0 | 276.9 | 271.8 | \$81.4 | 532.6 | 548.7 | \$164.3 |
| Provisions for loan losses, net | 119.0 | 162.6 | 114.5 | \$34.3 | 197.5 | 277.1 | \$83.0 |
| Other income | 146.7 | 147.5 | 152.3 | \$45.6 | 295.9 | 299.7 | \$89.7 |
| Operating expense | 252.9 | 281.4 | 284.1 | \$85.0 | 501.2 | 565.5 | \$169.3 |
| Result from exposure to inflation | 43.4 | 75.9 | (19.4) | (\$5.8) | 46.7 | 56.5 | \$16.9 |
| Income before income tax | 99.2 | 56.2 | 6.1 | \$1.8 | 176.6 | 62.3 | \$18.7 |
| Income Tax | 27.3 | 8.0 | 0.4 | \$0.1 | 44.0 | 8.4 | \$2.5 |
| Net Income | 71.9 | 48.2 | 5.7 | \$1.7 | 132.6 | 53.9 | \$16.2 |
| Net Income per share (2) | 0.082 | 0.055 | 0.006 | \$0.002 | 0.151 | 0.061 | \$0.018 |

(1) Financial statements prepared according to Peruvian GAAP. The financial information is in constant soles as of June 30, 1999. Figures in US\$ have been translated at the exchange rate of S/.3.34 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/.271.8 million (US\$81.4 million) during the second quarter of 1999, decreasing 3.3% compared to the prior year quarter, and 1.8% below the first quarter of 1999. Compared to the second quarter of 1998, net interest income decreased due to a lower net interest margin which was not completely offset by higher average interest earning assets, which grew 9.3%.

In the second quarter of 1999, the net interest margin was 5.80% decreasing from 6.55% in the prior year quarter, and from 5.99% in the first quarter of 1998. Compared to the first quarter of 1999, the decrease in net interest margin is principally a result of 2.5% increase in lending to lower margin business segments, lower volume of Nuevos Soles loans, and to increased funding costs from higher time deposits from institutions.

II.3 NON-INTEREST INCOME

Non-interest income, including fee revenue and other non-interest items, increased 3.8% to S/.152.3 million (US\$45.6 million) in the second quarter of 1999 with respect to the same period in the prior year. In the second quarter of 1999, fees from banking services amounted to S/.96.2 million (US\$28.8 million), 8.4% below 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> | 2Q98 | 2Q99 | Growth |
|------------------------------|--------------|-------------|---------------|
| Contingent credits | 7.1 | 7.5 | 6.1% |
| Foreign Trade | 7.9 | 5.9 | -26.1% |
| Account Maintenance | 29.7 | 28.6 | -3.7% |
| Insurance | 8.7 | 7.8 | -9.8% |
| Collections fees | 16.8 | 16.8 | 0.3% |
| Fund transfer services | 12.6 | 13.3 | 4.9% |
| Credit card fees | 10.0 | 9.4 | -5.6% |
| Brokerage | 6.2 | 5.4 | -12.9% |
| Other | 6.2 | 1.6 | -74.4% |
| Total | 105.1 | 96.2 | -8.4% |

Within banking fees, the Other concept decreased 74.4% mainly due to the inclusion in the second quarter of 1998 of commissions for certain syndicated medium term loans. Decreased foreign trade fees is mostly explained by lower volume of imported goods due to the slowdown in Peruvian economic activity.

Gains on securities transactions increase from S/.7.8 million (US\$2.3 million) in the second quarter of 1998 to S/.13.7 million (US\$4.1 million) in the second quarter of 1999, principally due to the sale of certain equity securities and to the reversal of provisions after the improvement in capital markets valuations.

Gains from foreign exchange transactions were S/.18.9 million (US\$5.7 million) in the second quarter of 1999, decreasing 15.0% versus the prior year quarter because of lower margins found in the Peruvian market due to stable exchange rates since last March.

Comparing the second quarter of 1998 to the same period in 1999, the Other Income caption increased from S/.11.6 million (US\$3.5 million) to S/.23.4 million (US\$7.0 million), principally due to extraordinary income related to recoveries made by Cobros y Recuperos, a fully owned subsidiary of Credicorp, and to the reversal of prior year provisions.

II.4 OPERATING EXPENSES

During the second quarter of 1999, BCP's operating expenses reached S/.284.1 million (US\$85.1 million), increasing 12.3% compared to the same period in 1998, principally due to higher provisions for assets received in lieu of loan repayment and to general and administrative expenses. Approximately 42% of the operating expenses were attributable to employee salaries and other expenses related to personnel. These expenses increased 2.9% to S/.118.6 million (US\$35.5 million) from the same period of the previous year. During the current quarter the number of employees decreased by 30 to 7,611, mainly in Solución Financiera de Crédito.

General and administrative expenses, which represented 32% of overall operating expenses, were S/.91.7 million (US\$27.4 million) in the second quarter of 1999, increasing 13.7% compared to expenses in the same quarter of last year due to higher currency and securities transport costs and to office supplies and operating costs. The most significant expenditures were:

| <i>(In constant S/. Mn.)</i> | 2Q98 | 2Q99 | Growth |
|--------------------------------------|-------------|-------------|---------------|
| Office supplies and operating costs | 14.5 | 17.4 | 18.8% |
| Communications | 8.2 | 9.8 | 19.0% |
| Third party fees | 14.5 | 13.0 | -10.0% |
| Insurance and security | 11.4 | 11.5 | 1.3% |
| Transport of currency and securities | 9.4 | 12.9 | 37.1% |
| Systems and maintenance | 11.4 | 14.0 | 23.1% |
| Advertising and marketing | 11.0 | 10.9 | -0.3% |
| Other | 0.2 | 2.1 | N/A |
| Total | 80.7 | 91.7 | 13.6% |

Other operating expenses, increased from S/.22.9 million in the second quarter of 1998 to S/.29.3 million in the second quarter of 1999, mostly because of increased provisions for assets received in lieu of loan payments which grew 167.7% from S/.9.3 million to S/.24.9 million, respectively.

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 4.92% in the second quarter of 1998 to 4.73% in this period.

Operating expenses, as a percentage of total income, increased from 57.0% to 61.1% for the second quarters of 1998 and 1999, respectively.

II.5 ASSETS AND LIABILITIES

Total assets of BCP were S/.21.8 billion (US\$6.5 billion) at the end of June 1999, 9.4% over the balance of the year-ago quarter, but decreasing 1.0% since March 1999. Total assets include US\$116 million in loans acquired during May 1999 by Banco de Crédito de Bolivia.

Total loans were S/.14.8 billion (US\$4.4 billion) at June 1999, remaining similar since the first quarter of 1999, but are 13.6% above the June 30, 1998 balance. At June 30, 1999, the loan portfolio, net of provisions, represented 63.8% of total assets, compared to 62.1% in the prior year quarter. At June 30, 1999 the Soles portion of the loan portfolio was 12.6%, increasing from 12.1% at the end of the preceding quarter, but remains below 15.1% at June 30, 1998.

As of June 30, 1999, total deposits were S/.17.3 billion (US\$5.2 billion), increasing 12.8% since last year's quarter, and 2.2% over the preceding quarter balance. During the current quarter, time deposits increased 6.0%, demand deposits by 1.6%, while savings decreased 3.7%. At the end of the second quarter of 1999, Nuevos Soles deposits comprised 17.1% of total deposits, compared to 20.5% the year before, and 16.2% as of March 31, 1999.

Growth in assets and liabilities in local currency records is mostly due to the Nuevo Sol devaluation that took place in 1998 and in the first quarter of 1999, exceeding the inflation adjustment index. For the year preceding June 30, 1999, devaluation of the official SBS exchange rate was 15.2%, compared to a 4.9% inflation adjustment in the period.

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

| <i>(In % of total and constant S/.Mn)</i> | Loans, net | | | Total Deposits | | |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| | 2T98 | 1T99 | 2T99 | 2T98 | 1T99 | 2T99 |
| Banco de Crédito del Perú | 78.2% | 71.9% | 69.8% | 78.9% | 79.2% | 78.1% |
| Banco de Crédito de Bolivia | 7.2% | 10.4% | 12.7% | 7.9% | 7.7% | 8.9% |
| Banco de Crédito Overseas | 9.7% | 11.5% | 11.9% | 10.5% | 10.3% | 9.9% |
| Crédito Leasing | 3.8% | 4.9% | 4.5% | 2.0% | 2.4% | 2.6% |
| Solución Financiera de Crédito | 1.1% | 1.3% | 1.1% | 0.6% | 0.4% | 0.5% |
| <u>Total %</u> | <u>100.0%</u> | <u>100.0%</u> | <u>100.0%</u> | <u>100.0%</u> | <u>100.0%</u> | <u>100.0%</u> |
| <u>BCP consolidated Total</u> | <u>S/.12,39</u> | <u>S/.13,93</u> | <u>S/.13,91</u> | <u>S/.15,29</u> | <u>S/.16,87</u> | <u>S/.17,25</u> |
| | <u>2</u> | <u>4</u> | <u>4</u> | <u>2</u> | <u>5</u> | <u>1</u> |

BCP had a market share in the Peruvian market, considering operations of Banco de Crédito, Credileasing and Solución, of 23.3% of total loans (22.5% at March 31, 1999) and 30.3% of total deposits (29.4% at March 31, 1999). (According to SBS statistics at June 15, 1999, and May 31, 1999 for Credileasing.)

Loan portfolio composition by business segment developed as follows:

| <i>(In % of total and constant S/. Mn)</i> | 2Q98 | 1Q99(1) | 2Q99 |
|--|------------------|------------------|------------------|
| Corporate | 36.7% | 40.8% | 41.4% |
| Middle market | 33.9% | 32.0% | 33.4% |
| Retail: | 29.4% | 27.2% | 25.2% |
| - small business | 15.3% | 13.3% | 11.4% |
| - home mortgage | 6.6% | 7.2% | 7.7% |
| - consumer | 5.0% | 4.1% | 3.6% |
| - credit cards | 2.5% | 2.6% | 2.5% |
| <u>Total</u> | <u>100.0%</u> | <u>100.0%</u> | <u>100.0%</u> |
| Total Loans | S/.13,067 | S/.14,865 | S/.14,849 |

(1) Changed vs the 1Q99 report.

During the second quarter of 1999, total loan volume remained stable, with corporate and middle market loans growing slightly, while retail loan categories decreased. In the quarter, corporate loans grew 1.3% to S/.6.1 billion (US\$1.8 billion), middle market loans by 4.2% to S/.4.9 billion (US\$1.5 billion), while retail market loans decreased 7.4% to S/.3.7 billion (US\$1.1 billion). Retail loans, on a product-by-product basis, show the following changes:

| <i>(% change and constant S/. Mn)</i> | 2Q98 | 1Q99 | 2Q99 | 2Q99 vs 1Q99 | 2Q99 vs 2Q98 |
|---------------------------------------|--------------|--------------|--------------|-----------------|-----------------|
| Small business loans | 2,002 | 1,976 | 1,696 | -14.2% | -15.3% |
| Mortgage loans | 865 | 1,080 | 1,144 | 6.0% | 32.3% |
| Consumer loans | 658 | 604 | 541 | -10.5% | -17.8% |
| Credit card loans | 319 | 386 | 367 | -5.0% | 14.8% |
| Total Retail | 3,844 | 4,046 | 3,748 | -7.4% | -2.5% |

At the close of June 30, 1999, contingent credits were S/.2.7 billion (US\$0.8 billion), 12.3% under the balance at March 1999, and 13.5% lower than the year-ago balance. Guarantees and stand-by letters of credit, which comprised 58.4% of such contingent credits, decreased 5.1% to S/.1.6 billion (US\$479.5 million) since the first quarter of 1999. Letters of credit which totaled S/.334.4 million (US\$100.1 million) at June 30, 1999, increased 7.3% from the balance of S/.311.7 million (US\$93.3

million) at March 31, 1999. Foreign exchange futures operations decreased from S/.805.4 million (US\$241.1 million) as of March 31, 1999, to S/.362.1 million (US\$108.4 million) at the end of the current quarter.

II.6 LOAN QUALITY

Loan quality indicators deteriorated in the second quarter of 1999. Past due loans as a percentage of total loans were 8.20% at June 1999, compared to 7.51% at March 1999.

At the end of the second quarter of 1999, past due loans were S/.1.2 billion (US\$364.5 million), increasing 9.1% over S/.1.1 billion (US\$334.2 million) as of March 1999. Past due loans increased principally in the middle market segment and in Banco de Crédito de Bolivia.

Refinanced loans amounted to S/.234.6 million (US\$70.2 million) as of June 1999, similar to the balance at the preceding quarter and 16.6% over S/.201.1 million (US\$60.2 million) at June 1998.

Loans believed to be unrecoverable, which were fully provisioned in prior periods, were written off during the second quarter of 1999 for a total of S/.84.3 million (US\$25.3 million), approximately 70% related to middle market and small businesses and 30% to consumer loans. This compared to charge-offs of S/.94.8 million (US\$28.4 million) in the first quarter of 1999, and S/.53.0 million (US\$15.9 million) in the second quarter of 1998.

Loans classified as Substandard, (i.e., Deficient, Doubtful and Loss) represented 16.4% of the total loan portfolio at the end of the second quarter of 1999, increasing from 15.5% at March 31, 1999, and from 12.5% at the end of the year-ago quarter. The loan classification is as follows:

| <i>(% of Total loans and S/.Mn const.)</i> | 2Q98 | 1Q99 | 2Q99 |
|--|------------------|------------------|------------------|
| A: Normal | 75.6% | 70.7% | 70.1% |
| B: Potential Problem | 11.8% | 13.8% | 13.5% |
| C: Deficient | 5.6% | 7.5% | 7.6% |
| D: Doubtful | 4.4% | 5.2% | 5.9% |
| E: Loss | 2.5% | 2.8% | 2.9% |
| <u>Total</u> | <u>100.0%</u> | <u>100.0%</u> | <u>100.0%</u> |
| Total Loans | S/.13,067 | S/.14,865 | S/.14,849 |

As of June 30, 1999, loan loss provisions outstanding totaled S/.933.7 million (US\$279.5 million) remaining similar to the preceding quarter balance. The ratio of loan provisions to past due loans reached 76.7% at the end of the second quarter of 1999, decreasing from 83.4% at the end of the preceding quarter.

Of total provisions outstanding at the end of the second quarter of 1999, S/.72.1 million (US\$21.6 million) corresponded to generic provisions. At March 31, 1999, generic provisions were S/.68.5 million (US\$20.5 million)

In the second quarter of 1999, S/.114.5 million (US\$34.3 million) of loan loss provisions, net of recoveries, were charged against income, decreasing from S/.119.0 million (US\$35.6 million) made during the second quarter of last year. During the first quarter of 1999, such provision expense reached S/.162.6 million (US\$48.7 million).

Provision expense charged by business segment was:

| <i>(% of Provision expense and S./Mn const.)</i> | 2Q98 | 1Q99 | 2Q99 |
|--|-----------------|-----------------|-----------------|
| Corporate Banking | 2.5% | 9.2% | 7.2% |
| Middle Market | 32.7% | 30.9% | 46.7% |
| Retail | 64.8% | 59.9% | 46.1% |
| <u>Total</u> | <u>100.0%</u> | <u>100.0%</u> | <u>100.0%</u> |
| Total Provision Expense | S/.119.0 | S/.162.6 | S/.114.5 |

II.7 CAPITAL ADEQUACY

At the end of the second 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 9.7 to 1.0 (10.3%). Risk-weighted assets include S/.845.3 million (US\$253.1 million) of market risk exposure whose coverage require S/.73.6 million (US\$22.0 million) of regulatory capital. 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 June 30, 1999, BCP's consolidated "regulatory capital" was S/.1,831.2 million (US\$548.3 million), 6.8% above the balance at the first quarter of 1999 after voluntary reserves were constituted. Regulatory capital included S/.183.9 million (US\$55.1 million) of subordinated debt at June 1999 (S/.184.7 million as of March 1999).

| | BCP unconsolidated | | BCP consolidated | |
|------------------------------|-------------------------------|-------------|-------------------------|-------------|
| <i>(In constant S./ Mn.)</i> | 2Q98 | 2Q99 | 2Q98 | 2Q99 |
| Regulatory capital | 1,386 | 1,464 | 1,583 | 1,831 |
| Risk weighted assets | 12,844 | 13,825 | 15,665 | 17,703 |
| Weighted assets / Capital | 9.3 | 9.5 | 9.9 | 9.7 |
| Capital / Weighted Assets | 10.8% | 10.6% | 10.1% | 10.3% |

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

Consolidated net income for the six month period ended June 30, 1999 was US\$9.1 million, lower than US\$18.5 million of the first half of 1998. Net income for the second quarter of 1999 was US\$4.7 million, below net income of US\$9.6 million for the prior year quarter. Decreased second quarter net income is principally due to lower dividend income and income from securities transactions, and higher provisions for risk assets.

Net earnings, before considering gains and losses on securities transactions, decreased from US\$8.5 million in the second quarter of 1998 to US\$4.1 million in the current quarter, due mostly to lower dividend and net interest income.

Net interest income before risk provisions, which includes dividend income, was US\$6.7 million in the second quarter of 1999, 43.4% below US\$9.6 million in the year-ago quarter. Dividends decreased from US\$4.6 million to US\$2.2 million in the second quarters of 1998 and 1999, respectively. Without including dividends, net interest income was US\$4.4 million in the second quarter of 1999, compared to US\$5.0 million in the prior year quarter. Net interest margin, without considering dividends and investments in equity shares, was 2.4% during the second quarter of 1998 and 1.4% in the 1999 quarter.

Net earnings on securities transactions, which was US\$1.2 million in the second quarter of 1998, decreased to US\$0.6 million in the second quarter of 1999.

The loan portfolio, net of provisions, was US\$265.3 million as of June 30, 1999, decreasing from a balance of US\$281.6 million at the end the first quarter of 1999, but remained similar to the balance at the year-ago quarter. Deposits decreased to US\$606.9 million at June 30, 1999 from US\$627.5 million at the end of the preceding quarter, but remained above US\$534.7 million at the end of June 1998.

The investment portfolio was US\$206.0 million at June 1999, increasing from the balance of US\$195.3 million at March 1999. Funds under management increased from US\$217.9 million at March 31, 1999, to US\$238.9 million at June 30, 1999, still remaining below the balance of US\$331.9 million at June 1998.

Net equity reached US\$123.8 million at the end of June 1999, remaining similar to the balance at the preceding quarter, and increasing from US\$117.8 million in the year-ago quarter.

The balance of total risk provisions, which includes reserves for possible loan losses, increased to US\$1.2 million at the end of the second quarter from US\$0.8 million at March 1999, having been US\$7.0 million at June 1998. The loan portfolio had no past dues.

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

IV. EL PACIFICO-PERUANO SUIZA AND SUBSIDIARY ("PPS")

Consolidated net income for the six month period ended June 30, 1999, was S/.26.2 million (US\$7.9 million), lower than S/.37.0 million (US\$11.1 million) in the first half of 1998. Net income in the first half of 1999 decreased compared to the prior year period principally due to decreased financial income and higher operating expense, which were partly offset by increased net underwriting results. Net income in the second quarter of 1999 was S/.11.6 million (US\$3.5 million), compared to S/.31.3 million (US\$9.4 million) in the prior year period. In the second quarter of 1999, return on average shareholders' equity ("ROE") was 16.3%, decreasing from 61.9% during the same period of last year.

In the second quarter of 1999, total premiums were S/.130.5 million (US\$39.1 million) increasing 9.5% over S/.119.2 million (US\$35.7 million) in the prior year quarter, but lower than the preceding quarter's S/.138.5 million (US\$41.5 million). Net premiums earned, net of reinsured premiums, were S/.99.0 million (US\$29.6 million) in the second quarter of 1999, increasing 4.4% over S/.94.8 million (US\$28.4 million) in the same quarter of 1998, principally due to higher premiums which were partly offset by increased technical reserves, S/.3.9 million (US\$1.2 million) in the current quarter compared to S/.0.4 million (US\$0.1 million) in the year-ago quarter.

Comparing results for the first half of 1999 and 1998, growth of the health and medical assistance insurance (22.8% of total premiums) was 12.2%; the automobile insurance line (15.6% of total premiums) decreased 2.4%; while property lines, fire and technical lines (26.2% of total premiums), decreased 4.4%. Premiums issued during the first half of 1999 by the subsidiary El Pacífico Vida (26.9% of total premiums) increased 43.7% compared to the year-ago period. In these same periods, pension fund benefits insurance decreased 2.0%, while group life insurance and individual life insurance policies increased 23.3% and 94.7%, respectively.

Net underwriting results were S/.17.5 million (US\$5.3 million) in the second quarter of 1999, decreasing from S/.22.3 million (US\$6.7 million) in the prior year quarter, mainly because of higher net claims in the health and marine hull lines. The ratio of net underwriting results (net premiums less reserves and claims as a percentage of total premiums) was 13.2% in the second quarter of 1999, decreasing from 18.7% in the prior year period. Net claims incurred in the second quarter of 1999 were S/.73.4 million (US\$22.0 million), increasing from S/.64.8 million (US\$19.4 million) in the second quarter of 1998. The net loss ratio (net claims to net premiums) increased to 71.4% in the current quarter, from 68.1% in the second quarter of 1998.

The combined ratio (the sum of net claims, general expenses and commissions, as a percentage of net premiums) was 103.1% in the second quarter of 1999, above 98.5% of the prior year period, increasing mainly because of higher net claims and increased operating expenses. Operating expenses increased 18.5% to S/.23.4 million, principally due to increases in personnel and third party fee expenses. Personnel expenses grew due to increased individual life insurance advisers, 393 at June 1999 compared to 177 a year ago. Fee expenses included medical bills, and performance bonuses amounting to S/.1.8 million (US\$0.5 million) which may be considered within net underwriting results. Operating expenses over net premiums increased from 20.6% to 22.6% comparing the second quarters of 1998 and 1999, respectively.

Net financial income was S/.16.8 million (US\$5.0 million) in the second quarter of 1999, 47.4% lower than in the prior year period, mainly due to lower dividend income. Investments in real estate and financial assets were S/.473.1 million (US\$141.6 million) at the end of the second quarter of 1999, increasing 7.5% from the balance of the prior year quarter. As of June 30, 1999, total assets were S/.776.2 million (US\$232.4 million) increasing 11.9% compared to the year-ago balance.

*** 8 Tables To Follow ***

CREDICORP LTD. AND SUBSIDIARIES

Table 1

CONSOLIDATED BALANCE SHEETS

(In thousands of U.S. Dollars)

| ASSETS | As of | | | |
|---|------------------|------------------|------------------|------------------|
| | Jun. 30, 1998 | Dec. 31, 1998 | Mar. 31, 1999 | Jun. 30, 1999 |
| CASH AND DUE FROM BANKS | | | | |
| Cash and non interest bearing deposits in banks | 408,235 | 243,125 | 258,313 | 230,419 |
| Interest bearing deposits in banks | 1,387,799 | 1,369,316 | 1,445,002 | 1,440,188 |
| | 1,796,034 | 1,612,441 | 1,703,315 | 1,670,607 |
| MARKETABLE SECURITIES, net | 460,605 | 342,293 | 359,685 | 456,463 |
| LOANS | 4,808,827 | 5,104,450 | 4,911,192 | 4,930,023 |
| Current | 4,556,999 | 4,798,270 | 4,567,393 | 4,550,213 |
| Past Due | 251,828 | 306,180 | 343,799 | 379,810 |
| Less - Reserve for possible loan losses | (241,948) | (270,082) | (285,098) | (288,740) |
| LOANS NET | 4,566,879 | 4,834,368 | 4,626,094 | 4,641,283 |
| INVESTMENT SECURITIES AVAILABLE FOR SALE | 258,863 | 271,996 | 311,445 | 300,905 |
| REINSURANCE ASSETS | 68,403 | 55,840 | 51,590 | 55,632 |
| PREMIUMS AND OTHER POLICYHOLDER RECEIVABLES | 34,500 | 43,632 | 44,814 | 43,218 |
| PROPERTY, PLANT and EQUIPMENT, net | 283,293 | 290,785 | 286,132 | 283,672 |
| DUE FROM CUSTOMERS ON ACCEPTANCES | 52,479 | 54,198 | 67,665 | 72,175 |
| OTHER ASSETS | 384,215 | 446,922 | 469,624 | 460,082 |
| TOTAL ASSETS | 7,905,271 | 7,952,475 | 7,920,364 | 7,984,037 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | | |
| DEPOSITS AND OBLIGATIONS: | | | | |
| Non-interest bearing | 566,359 | 565,443 | 482,096 | 504,229 |
| Interest bearing | 4,952,019 | 4,918,599 | 4,869,180 | 5,117,982 |
| | 5,518,378 | 5,484,042 | 5,351,276 | 5,622,211 |
| DUE TO BANKS AND CORRESPONDENTS | 1,019,549 | 1,047,503 | 1,118,602 | 879,256 |
| ACCEPTANCES OUTSTANDING | 52,479 | 54,198 | 67,665 | 72,175 |
| RESERVE FOR PROPERTY AND CASUALTY CLAIMS | 116,648 | 104,155 | 104,740 | 118,247 |
| RESERVE FOR UNEARNED PREMIUMS | 60,850 | 62,084 | 61,002 | 56,816 |
| REINSURANCE PAYABLE | 7,694 | 9,067 | 7,375 | 5,120 |
| OTHER LIABILITIES | 274,156 | 340,090 | 376,807 | 393,309 |
| MINORITY INTEREST | 97,086 | 98,949 | 95,171 | 96,544 |
| TOTAL LIABILITIES | 7,146,840 | 7,200,088 | 7,182,638 | 7,243,678 |
| NET SHAREHOLDERS' EQUITY | 758,431 | 752,387 | 737,726 | 740,359 |
| TOTAL LIABILITIES and NET SHAREHOLDERS' EQUITY | 7,905,271 | 7,952,475 | 7,920,364 | 7,984,037 |
| CONTINGENT CREDITS | 1,078,942 | 1,072,913 | 898,658 | 786,768 |

CREDICORP LTD. AND SUBSIDIARIES
Table 2
CONSOLIDATED INCOME STATEMENTS

(In thousands of U.S. Dollars)

| | Three months ended | | | Six months ended | |
|---|--------------------|----------|----------|------------------|----------|
| | 30.06.98 | 31.03.99 | 30.06.99 | 30.06.98 | 30.06.99 |
| INTEREST INCOME | | | | | |
| Interest on loans | 179,057 | 185,044 | 173,441 | 344,704 | 358,485 |
| Interest and dividends on investments: | 5,908 | 1,402 | 3,701 | 8,647 | 5,103 |
| Interest on deposits with banks | 18,951 | 18,088 | 15,941 | 35,815 | 34,029 |
| Interest on trading securities | 16,280 | 11,538 | 19,918 | 33,683 | 31,456 |
| Total Interest Income | 220,196 | 216,072 | 213,001 | 422,849 | 429,073 |
| INTEREST EXPENSE | | | | | |
| Interest on deposits | 88,104 | 93,483 | 91,658 | 170,306 | 185,141 |
| Interest on borrowed funds | 21,335 | 27,178 | 18,224 | 43,791 | 45,402 |
| Other interest expense | 3,862 | 4,388 | 8,370 | 7,669 | 12,758 |
| Total Interest Expense | 113,301 | 125,049 | 118,252 | 221,766 | 243,301 |
| Net Interest Income | 106,895 | 91,023 | 94,749 | 201,083 | 185,772 |
| Provision for possible loan losses, net | 40,964 | 51,061 | 37,298 | 67,282 | 88,359 |
| Net interest income after provision for possible loan losses | 65,931 | 39,962 | 57,451 | 133,801 | 97,413 |
| OTHER INCOME | | | | | |
| Fees and commissions from banking services | 38,214 | 33,311 | 34,146 | 71,802 | 67,457 |
| Net gains from sales of securities | 7,933 | 277 | 4,455 | 9,288 | 4,732 |
| Net gains on foreign exchange transactions | 6,687 | 8,564 | 6,170 | 13,815 | 14,734 |
| Net premiums earned | 30,626 | 29,007 | 29,116 | 60,825 | 58,123 |
| Other income | 9,224 | 9,873 | 14,739 | 26,287 | 24,612 |
| | 92,684 | 81,032 | 88,626 | 182,017 | 169,658 |
| CLAIMS ON INSURANCE ACTIVITIES | | | | | |
| Net claims incurred | 9,935 | 6,204 | 9,688 | 21,192 | 15,892 |
| Increase in future policy benefits for life and health | 11,324 | 14,431 | 12,299 | 23,878 | 26,730 |
| | 21,259 | 20,635 | 21,987 | 45,070 | 42,622 |
| OPERATING EXPENSE | | | | | |
| Salaries and employee benefits | 47,796 | 44,135 | 45,888 | 94,832 | 90,023 |
| General, administrative, and other taxes | 38,300 | 35,620 | 39,549 | 76,173 | 75,169 |
| Depreciation and amortization | 9,969 | 13,375 | 12,285 | 19,607 | 25,660 |
| Other | 12,606 | 10,902 | 13,918 | 21,332 | 24,820 |
| | 108,671 | 104,032 | 111,640 | 211,944 | 215,672 |
| Translation result | 11,563 | 11,168 | (8,724) | 14,648 | 2,444 |
| Income before income tax, and minority interest | 40,248 | 7,495 | 3,726 | 73,452 | 11,221 |
| Income Tax | (11,315) | (4,185) | 1,824 | (18,817) | (2,361) |
| Minority Interest | (3,569) | (1,784) | (2,916) | (6,494) | (4,700) |
| NET INCOME | 25,364 | 1,526 | 2,634 | 48,141 | 4,160 |

CREDICORP LTD. AND SUBSIDIARIES
Table 3
SELECTED FINANCIAL INDICATORS

| | Three months ended | | | Six months ended | |
|---|--------------------|----------|----------|------------------|----------|
| | 30.06.98 | 31.03.99 | 30.06.99 | 30.06.98 | 30.06.99 |
| Profitability | | | | | |
| Net income per common share (US\$ per share)(1) | 0.313 | 0.019 | 0.033 | 0.594 | 0.051 |
| Net interest margin on interest earning assets (2) | 6.54% | 5.65% | 5.91% | 6.25% | 5.74% |
| Return on average total assets (2)(3) | 1.27% | 0.08% | 0.13% | 1.23% | 0.10% |
| Return on average shareholders' equity (2)(3) | 13.60% | 0.82% | 1.43% | 12.82% | 1.11% |
| No. of outstanding shares (millions)(4) | 81.00 | 81.00 | 81.00 | 81.00 | 81.00 |
| Quality of loan portfolio | | | | | |
| Past due loans as a percentage of total loans | 5.24% | 7.00% | 7.70% | 5.24% | 7.70% |
| Reserves for loan losses as a percentage of total past due loans | 96.08% | 82.93% | 76.02% | 96.08% | 76.02% |
| Reserves for loan losses as a percentage of total loans | 5.03% | 5.81% | 5.86% | 5.03% | 5.86% |
| Reserves for loan losses as a percentage of substandard loans (C+D+E) | 43.92% | 40.84% | 38.54% | 43.92% | 38.54% |
| Past due loans - reserves for loan losses as a percentage of shareholders' equity | 1.30% | 7.96% | 12.30% | 1.30% | 12.30% |
| Operating efficiency | | | | | |
| Oper. expense as a percent. of total income (5) | 53.75% | 60.28% | 60.88% | 54.75% | 60.59% |
| Oper. expense as a percent. of av. tot. assets(2)(3)(5) | 5.29% | 5.02% | 5.24% | 5.26% | 5.12% |
| Capital adequacy | | | | | |
| Total Regulatory Capital (US\$Mn) | 695.1 | 697.3 | 699.3 | 695.1 | 699.3 |
| Tier I Capital (US\$Mn) | 621.8 | 621.8 | 621.8 | 621.8 | 621.8 |
| Regulatory capital / risk-weighted assets (6) | 11.01% | 11.20% | 10.76% | 11.01% | 10.76% |
| Average balances (US\$Mn) (3) | | | | | |
| Interest earning assets | 6,537.7 | 6,441.0 | 6,409.5 | 6,431.2 | 6,478.4 |
| Total Assets | 7,989.4 | 7,936.4 | 7,952.2 | 7,854.4 | 7,968.3 |
| Net equity | 745.7 | 745.1 | 739.0 | 750.9 | 746.4 |

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

(2) Ratios are annualized.

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

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

(5) Total income includes net interest income and other income. Operating expense is net of provisions for other assets received in lieu of loan repayment and mandatory employee profit sharing expense.

(6) Risk-weighted assets include US\$253.3Mn of market risk assets at 2Q99.

BANCO DE CREDITO DEL PERU AND SUBSIDIARIES

Table 4

CONSOLIDATED BALANCE SHEETS

(Constant Nuevos Soles, as of June 30, 1999, and U.S. Dollars in thousands)

| ASSETS | 30.06.98 | 31.12.98 | 31.03.99 | 30.06.99 | 30.06.99 |
|---|-------------------|-------------------|-------------------|-------------------|--------------------|
| | | | | | US\$000(1) |
| CASH AND DUE FROM BANKS | 5,163.351 | 4,858.626 | 5,454.219 | 5,099.883 | \$1,526.911 |
| Cash and Checks | 1,161.795 | 738.443 | 851.825 | 716.939 | \$214.652 |
| Deposits in Central Bank of Peru | 3,337.451 | 3,093.769 | 3,619.715 | 3,487.322 | \$1,044.108 |
| Deposits with local and foreign banks | 664.105 | 1,026.414 | 982.679 | 895.622 | \$268.150 |
| MARKETABLE SECURITIES, net | 741.650 | 450.154 | 455.159 | 677.865 | \$202.954 |
| LOANS | 13,067.224 | 14,523.103 | 14,864.908 | 14,848.537 | \$4,445.670 |
| Current | 12,337.750 | 13,578.581 | 13,748.639 | 13,631.197 | \$4,081.197 |
| Past Due | 729.475 | 944.522 | 1,116.269 | 1,217.340 | \$364.473 |
| Less - Reserve for possible loan losses | (675.186) | (835.430) | (930.990) | (933.676) | (\$279.544) |
| LOANS NET | 12,392.038 | 13,687.673 | 13,933.918 | 13,914.861 | \$4,166.126 |
| INVESTMENT SECURITIES AVAILABLE FOR SALE | 184.915 | 229.045 | 372.880 | 298.114 | \$89.256 |
| PROPERTY, PLANT and EQUIPMENT, net | 634.627 | 667.979 | 662.667 | 650.943 | \$194.893 |
| OTHER ASSETS | 821.346 | 1,117.577 | 1,170.954 | 1,177.350 | \$352.500 |
| TOTAL ASSETS | 19,937.927 | 21,011.054 | 22,049.797 | 21,819.016 | \$6,532.640 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | | | |
| DEPOSITS AND OBLIGATIONS: | 15,292.207 | 15,961.156 | 16,874.670 | 17,250.850 | \$5,164.925 |
| Demand deposits | 3,356.691 | 2,742.326 | 2,946.147 | 2,992.937 | \$896.089 |
| Saving accounts | 4,991.027 | 5,236.124 | 5,228.568 | 5,033.962 | \$1,507.174 |
| Time deposits | 6,944.489 | 7,982.706 | 8,699.955 | 9,223.951 | \$2,761.662 |
| DUE TO BANKS AND CORRESPONDENTS | 2,265.468 | 2,295.340 | 2,305.058 | 1,687.551 | \$505.255 |
| OTHER LIABILITIES | 747.213 | 1,061.707 | 1,206.198 | 1,216.502 | \$364.222 |
| PROVISION FOR SEVERANCE INDEMNITIES | 6.810 | 7.783 | 14.357 | 9.162 | \$2.743 |
| SHAREHOLDERS EQUITY: | 1,626.229 | 1,685.068 | 1,649.514 | 1,654.951 | \$495.494 |
| Capital stock | 963.737 | 963.442 | 963.602 | 963.442 | \$288.456 |
| Legal reserve | 449.739 | 449.599 | 517.635 | 635.451 | \$190.255 |
| Retained earnings | 212.753 | 272.027 | 168.277 | 56.058 | \$16.784 |
| TOTAL LIABILITIES AND EQUITY | 19,937.927 | 21,011.054 | 22,049.797 | 21,819.016 | \$6,532.640 |
| Contingent Credits | 3,166.966 | 3,396.709 | 3,126.056 | 2,740.592 | \$820.537 |

(1) Translated at S/.3.34 per US\$1.00.

BANCO DE CREDITO DEL PERU AND SUBSIDIARIES

Table 5

CONSOLIDATED INCOME STATEMENTS

(Constant Nuevos Soles, as of June 30, 1999, and U.S. Dollars in thousands)

| | Three months ended | | | | Six months ended | | |
|---|--------------------|----------------|-----------------|-------------------|------------------|----------------|-------------------|
| | 30.06.98 | 31.03.99 | 30.06.99 | 30.06.99 | 30.06.98 | 30.06.99 | 30.06.99 |
| Interest income and expense | | | | US\$000(1) | | | US\$000(1) |
| Interest income | 556.785 | 612.283 | 592.239 | \$177.317 | 1,068.865 | 1,204.522 | \$360.635 |
| Less - Interest expense | <u>275.769</u> | <u>335.422</u> | <u>320.429</u> | <u>\$95.937</u> | <u>536.241</u> | <u>655.851</u> | <u>\$196.363</u> |
| Net interest income | 281.016 | 276.861 | 271.810 | \$81.380 | 532.624 | 548.671 | \$164.273 |
| Provisions for possible loan losses, net | 118.981 | 162.625 | 114.493 | \$34.279 | 197.468 | 277.118 | \$82.969 |
| Net interest income after provisions | 162.035 | 114.236 | 157.317 | \$47.101 | 335.156 | 271.553 | \$81.303 |
| Other Income | | | | | | | |
| Fees and commissions from services | 105.070 | 102.692 | 96.200 | \$28.802 | 197.426 | 198.892 | \$59.549 |
| Net gains from sales of securities | 7.775 | 0.601 | 13.669 | \$4.093 | 7.898 | 14.270 | \$4.272 |
| Net gains on foreign exchg. transacts. | 22.309 | 25.531 | 18.967 | \$5.679 | 43.703 | 44.498 | \$13.323 |
| Other income | <u>11.568</u> | <u>18.629</u> | <u>23.419</u> | <u>\$7.012</u> | <u>46.857</u> | <u>42.048</u> | <u>\$12.589</u> |
| | 146.722 | 147.453 | 152.255 | \$45.585 | 295.884 | 299.708 | \$89.733 |
| Operating Expense | | | | | | | |
| Salaries and employee benefits | 115.251 | 119.920 | 118.640 | \$35.521 | 228.642 | 238.560 | \$71.425 |
| General and administrative | 80.647 | 88.802 | 91.681 | \$27.449 | 167.057 | 180.483 | \$54.037 |
| Depreciation and amortization | 23.770 | 32.540 | 33.183 | \$9.935 | 48.324 | 65.723 | \$19.678 |
| Taxes other than income tax | 10.400 | 10.456 | 11.229 | \$3.362 | 17.332 | 21.685 | \$6.493 |
| Other | <u>22.881</u> | <u>29.674</u> | <u>29.333</u> | <u>\$8.782</u> | <u>39.832</u> | <u>59.007</u> | <u>\$17.667</u> |
| | 252.949 | 281.392 | 284.066 | \$85.050 | 501.187 | 565.458 | \$169.299 |
| Result from exposure to inflation | 43.421 | 75.917 | (19.399) | (\$5.808) | 46.700 | 56.518 | \$16.922 |
| Income before income tax | 99.229 | 56.214 | 6.107 | \$1.828 | 176.553 | 62.321 | \$18.659 |
| Income Tax | 27.323 | 7.989 | 0.389 | \$0.116 | 43.987 | 8.378 | \$2.508 |
| NET INCOME | 71.906 | 48.225 | 5.718 | \$1.712 | 132.566 | 53.943 | \$16.151 |

(1) Translated at S/.3.34 per US\$1.00.

BANCO DE CREDITO DEL PERU AND SUBSIDIARIES

**Table 6
SELECTED FINANCIAL INDICATORS**

| | Three months ended: | | | Six months ended: | |
|---|---------------------|----------|----------|-------------------|----------|
| | 30.06.98 | 31.03.99 | 30.06.99 | 30.06.98 | 30.06.99 |
| Profitability | | | | | |
| Net income per common share (S/. per share)(1) | 0.082 | 0.055 | 0.006 | 0.151 | 0.061 |
| Net interest margin on interest earning assets (2) | 6.55% | 5.99% | 5.80% | 6.31% | 5.96% |
| Return on average total assets (2)(3) | 1.45% | 0.90% | 0.10% | 1.36% | 0.50% |
| Return on average shareholders' equity (2)(3) | 18.09% | 11.57% | 1.38% | 16.55% | 6.46% |
| Quality of loan portfolio | | | | | |
| Past due loans as a percentage of total loans | 5.58% | 7.51% | 8.20% | 5.58% | 8.20% |
| Reserves for loan losses as a percentage of total past due loans | 92.56% | 83.40% | 76.70% | 92.56% | 76.70% |
| Reserves for loan losses as a percentage of total loans | 5.17% | 6.26% | 6.29% | 5.17% | 6.29% |
| Reserves for loan losses as a percentage of substandard loans (C+D+E) | 41.13% | 40.46% | 38.43% | 41.13% | 38.43% |
| Past due loans - reserves for loan losses as a percentage of shareholders' equity | 3.34% | 11.23% | 17.14% | 3.34% | 17.14% |
| Operating efficiency (5) | | | | | |
| Oper. expense as a percent. of total income (4) | 56.95% | 62.81% | 61.11% | 58.53% | 61.96% |
| Oper. expense as a percent. of av. tot. assets(2)(3) | 4.92% | 4.95% | 4.73% | 4.96% | 4.91% |
| Capital adequacy | | | | | |
| Net equity as a percentage of period end total assets | 8.16% | 7.48% | 7.58% | 8.16% | 7.58% |
| Regulatory capital / risk-weighted assets | 9.79% | 10.00% | 10.34% | 9.79% | 10.34% |
| Average balances (constant millions S/.) (3) | | | | | |
| Interest earning assets | 17,149.1 | 18,477.6 | 18,749.1 | 16,870.8 | 18,420.5 |
| Total Assets | 19,819.9 | 21,530.4 | 21,934.4 | 19,543.9 | 21,415.0 |
| Net equity | 1,590.2 | 1,667.3 | 1,652.2 | 1,602.2 | 1,670.0 |
| Additional data | | | | | |
| No. of outstanding shares (millions) | 880.0 | 880.0 | 880.0 | 880.0 | 880.0 |
| No. of employees | 6,609 | 7,641 | 7,611 | 6,609 | 7,611 |
| Inflation rate (Wholesale price index) | 0.95% | 1.93% | 0.87% | 4.39% | 2.82% |
| Exchange rate (S/. per 1 U.S. Dollar) | 2.90 | 3.38 | 3.34 | 2.90 | 3.34 |

(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/.9.3 million in 2Q98, S/.14.8Mn in 1Q99, and S/.24.9Mn in 2Q99).

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 | | | Six months ended | |
|---|--------------------|----------|----------|------------------|----------|
| | 30.06.98 | 31.03.99 | 30.06.99 | 30.06.98 | 30.06.99 |
| Results | | | | | |
| Net Interest Income, net of reserve expense | 9,346 | 5,453 | 5,290 | 16,383 | 10,742 |
| Other Income(2) | 2,904 | 1,545 | 2,264 | 7,318 | 3,809 |
| Operating Expense | 2,608 | 2,639 | 2,825 | 5,192 | 5,464 |
| Net income before gains (losses) on securities | 8,458 | 3,745 | 4,120 | 14,128 | 7,865 |
| Net Income | 9,642 | 4,359 | 4,729 | 18,508 | 9,088 |
| Net Income per share (US\$) | 0.24 | 0.11 | 0.12 | 0.46 | 0.23 |
| Balance Sheets (end of period) | | | | | |
| Total Assets | 817,028 | 991,065 | 933,607 | 817,028 | 933,607 |
| Loan portfolio, net | 263,848 | 281,618 | 265,282 | 263,848 | 265,282 |
| Marketable securities and investments | 217,730 | 195,290 | 205,981 | 217,730 | 205,981 |
| Total Deposits | 534,664 | 627,512 | 606,872 | 534,664 | 606,872 |
| Shareholders' equity | 117,765 | 124,044 | 123,773 | 117,765 | 123,773 |
| Funds under administration | 331,879 | 217,902 | 238,914 | 331,879 | 238,914 |
| Ratios (3) | | | | | |
| Net interest margin / interest earning assets (4)(5)(6) | 2.4% | 1.7% | 1.4% | 2.5% | 1.6% |
| Return on average stockholders' equity(5) | 30.1% | 14.3% | 15.3% | 30.0% | 14.9% |
| Return on average total assets(5) | 4.5% | 1.9% | 2.0% | 4.3% | 2.0% |
| Past due loans as a percentage of total loans | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Reserves for loan losses as a percentage of total loans | 0.3% | 0.3% | 0.2% | 0.3% | 0.2% |
| Operating expense / total income | 21.3% | 37.7% | 37.4% | 21.9% | 37.5% |
| Operating expense / average total assets(5) | 1.2% | 1.1% | 1.2% | 1.2% | 1.2% |
| Operating expense / average total assets + funds under management(5) | 0.9% | 0.9% | 0.9% | 0.9% | 1.0% |

(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 June 30, 1999, and
U.S. Dollars in thousands, except net income per share)

| | As of and for the three month period ended | | | | As of and for the six month period ended | | |
|---|---|------------------|-------------------|-------------------|---|------------------|------------------|
| | 30.06.98 | 31.03.99 | 30.06.99 | 30.06.99 | 30.06.98 | 30.06.99 | 30.06.99 |
| Results | US\$000(1) | | | | US\$000(1) | | |
| Total gross Premiums | 119,217 | 138,462 | 130,542 | \$39,084 | 242,959 | 269,004 | \$80,540 |
| Change in Reserves | 427 | 5,836 | 3,878 | \$1,161 | 2,850 | 9,714 | \$2,908 |
| Net Underwriting Results | 22,338 | 27,959 | 17,535 | \$5,250 | 37,652 | 45,494 | \$13,621 |
| Net Financial Income | 32,024 | 9,559 | 16,845 | \$5,043 | 41,511 | 26,405 | \$7,906 |
| General Expenses | 19,600 | 22,909 | 23,224 | \$6,953 | 37,999 | 46,133 | \$13,812 |
| Net Income | 31,277 | 14,601 | 11,628 | \$3,481 | 37,039 | 26,230 | \$7,853 |
| Net Income per share (S/.) ⁽²⁾ | 1.715 | 0.801 | 0.638 | \$0.191 | 2.031 | 1.438 | \$0.431 |
| Balance Sheets (end of period) | | | | | | | |
| Total Assets | 693,991 | 766,233 | 776,237 | \$232,406 | 693,991 | 776,237 | \$232,406 |
| Investments in Secur. and Real estate | 440,298 | 453,802 | 473,106 | \$141,649 | 440,298 | 473,106 | \$141,649 |
| Technical Reserves | 317,181 | 357,817 | 373,106 | \$111,708 | 317,181 | 373,106 | \$111,708 |
| Net Equity | 265,495 | 296,963 | 309,123 | \$92,552 | 265,495 | 309,123 | \$92,552 |
| Ratios- | | | | | | | |
| Net underwriting results | 18.7% | 20.2% | 13.4% | 13.4% | 15.5% | 16.9% | 16.9% |
| Loss ratio | 111.1% | 69.3% | 94.5% | 94.5% | 116.3% | 81.5% | 81.5% |
| Return on avge. equity (3)(4) | 61.9% | 21.5% | 16.3% | 16.3% | 34.8% | 18.3% | 18.3% |
| Return on total premiums | 26.2% | 10.5% | 8.9% | 8.9% | 15.2% | 9.8% | 9.8% |
| Shareholders' Equity / Total Assets | 38.3% | 38.8% | 39.8% | 39.8% | 38.3% | 39.8% | 39.8% |
| Increase in Risk Reserves | 0.4% | 5.3% | 3.8% | 3.8% | 1.5% | 4.5% | 4.5% |
| Combined Ratio | 98.5% | 91.2% | 103.1% | 103.1% | 100.9% | 96.9% | 96.9% |
| - Net Claims / Net Premiums | 68.1% | 63.4% | 71.4% | 71.4% | 71.4% | 67.2% | 67.2% |
| - Op. Exp.+Comiss./Net Premiums | 30.5% | 27.9% | 31.7% | 31.7% | 29.4% | 29.7% | 29.7% |
| Operating expense/Net Premiums | 20.6% | 20.7% | 22.6% | 22.6% | 19.9% | 21.6% | 21.6% |
| Oper. expense / Avge. assets (3)(4) | 12.4% | 12.8% | 12.6% | 12.6% | 13.1% | 12.6% | 12.6% |

(1) Translated at S/.3.34 per US\$1.00.

(2) Based on 18.2 million shares in all periods. Actual outstanding shares were 15.8 million in 2Q98 and in 1Q99 and 18.2 million in 2Q99.

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

(4) Annualized.