



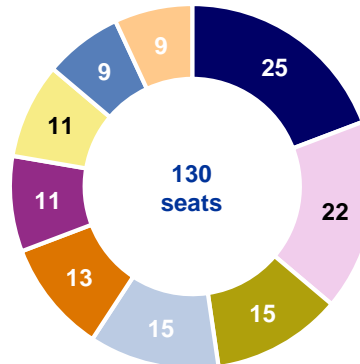
CREDICORP

Earnings Conference Call
Fourth Quarter 2019



I) Following the dissolution of Congress by President Vizcarra on September 30, 2019, Congressional elections were held on January 26, 2020:

- **A fragmented Congress:** 9 political parties hold seats in Congress
- A simple majority requires 66 votes while absolute majority requires 87 votes (requires consensus between several parties to pass legislation).



- Political analysts expect a better relationship between Congress and the Executive branch. The new congress is not expected to be a threat to Peru's macroeconomic fundamentals.

II) Measures taken by Executive branch to bolster public investment:

- The executive branch has issued decrees to bolster public investment such as:
 - The reactivation of paralyzed projects.
 - Measures to increase execution levels of prioritized infrastructure projects
 - Prioritized public investment regime (executive director assigned, PMO and other methodologies, etc).
 - Loosening the fiscal deficit rule to reach 1% of GDP target by 2024 instead of 2021.
- Estimates suggest a strong rebound of public investment in 2020 (around 8%)

III) Economic activity decelerated during 4Q19:

- Our estimates suggest GDP expanded below 2% y/y in 4Q19. With this result GDP expanded 2.0% in 2019. The lackluster result of 2019 is attributable mainly to a decline in primary sectors and public investment. Nonetheless, non-primary GDP grew around 3%
- For 2020 we expect GDP to advance 3.0%. This recovery will mostly be attributable to a rebound in the primary sectors and public investment.
- Peru is still expected to remain one of the most dynamic economies of the region.

Chart 1: Peru: GDP and Non-primary GDP
(% change YoY) ⁽¹⁾

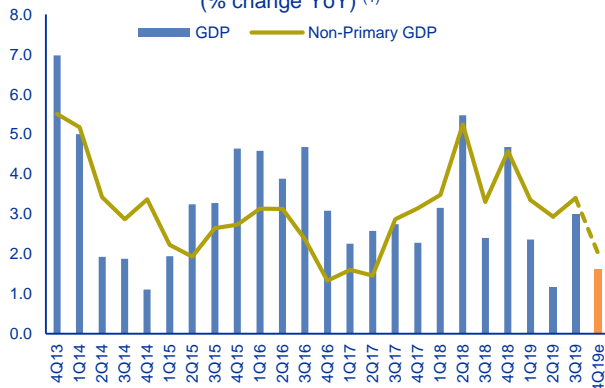


Chart 2: LatAm: 2020 GDP growth forecast – consensus analysts (% change YoY) ⁽²⁾

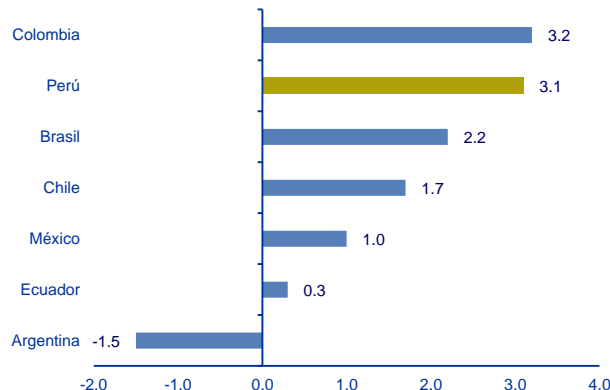
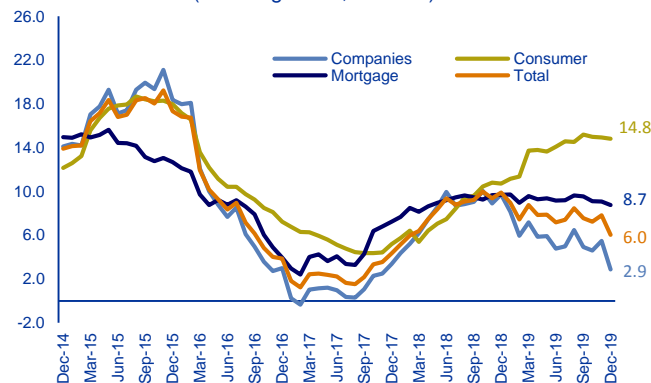


Chart 3: Peru: Banking Sector loans by type
(% change YoY, nominal) ⁽³⁾



(1) Source: BCRP, 4Q19 considers actual data for October and November, and an estimate for December.

(2) Source: Latinfocus (Jan-20)

(3) Source: Asbanc.

Universal Banking

		Stand-alone	Bolivia
	FY2019 Contribution ⁽¹⁾	74.2%	1.8%
	ROAE	FY 2018	20.3%
		FY 2019	11.8%
		FY 2018	20.4%
		FY 2019	11.0%

BCP Stand-alone:

- + Growth driven by Retail Banking boosted Risk-adjusted NIM
- Competition and reduced credit demand in Wholesale Banking
- + Transformation investments increased while maintaining cost management focus, thus the Efficiency ratio improved in 100 bps

BCP Bolivia:

- + Loan growth and improvement in efficiency as BCP Bolivia marked its 25th year anniversary

Microfinance

	FY2019 Contribution ⁽¹⁾	9.2%	0.1%
	ROAE	FY 2018	25.9%
		FY 2019	9.1%
		FY 2018	20.1%
		FY 2019	8.9%

- Downward pressure on margins due to competition and focus on clients with lower risk-profile: NIM dropped 76 bps
- + Focus on fine-tuning risk and collections models has already generated improvements as Cost of Risk decreased 47 bps
- + Migration to Hybrid model: leverage the use of data&analytics
- Efficiency ratio deteriorated as we built capabilities to sustain business growth: increase in headcount, mainly in salesforce
- + Finalized the acquisition of Bancopartir (Colombia)

Insurance & Pension Funds

			PRIMA ^{AFP} Grupo Crédito
	FY2019 Contribution ⁽¹⁾	8.8%	4.6%
	ROAE	FY 2018	12.9% ⁽²⁾
		FY 2019	22.3%
		FY 2018	14.0% ⁽²⁾
		FY 2019	29.5%

Pacifico:

- + Increase in underwriting result and net interest income in the P&C business
- + Operating expenses grew less than operating income
- Higher net claims in the life business, attributable to D&S policies

Prima AFP:

- + Increase in profitability due to growth in operating income and in the profitability of the legal reserve

Investment Banking & Wealth Management

	FY2019 Contribution ⁽¹⁾	1.0%	4.4%
	ROAE	FY 2018	13.5%
		FY 2019	26.1%
		FY 2018	6.5%
		FY 2019	

- + Proprietary portfolios had a good run in a context of good market conditions, both trading and available-for-sale portfolios performed well
- + Expansion in the product portfolio for Wealth Management clients continued, especially in Colombia and Chile
- Corporate Finance activity in 2019 was slower than in 2018. However, 4Q19 income was higher than that of previous quarters
- + Completed acquisition of Ultraserfinco and started merging operations

(1) Contribution calculated with Credicorp's Net income, which includes Others (Grupo Credito, Atlantic Security Holding Corporation and others Holdings of Credicorp Ltd).

(2) Figures include unrealized gains or losses that are considered in Pacifico's Net Equity from the investment portfolio of Pacifico Vida. ROAE excluding such unrealized gains was 16.1% for 2018 and 16.5% for 2019.

Profitability

	Quarterly		FY 2019
	QoQ	YoY	
Net Income	S/ 973 ▼-11.0% ▲+1.7%		S/ 4,265 ▲+7.1%
ROAE	14.9% ▼-220 bps ▼-140 bps		17.0% ▼-50 bps
ROAA	2.1% ▼-30 bps ▼-10 bps		2.3% 0 bps

Loan Portfolio

	Quarterly		FY 2019
	QoQ	YoY	
Loans (ADB)*	S/ 114,626 ▲+2.7% ▲+6.0%		S/ 110,799 ▲+6.6%
CoR	1.77% ▼+2bps ▲+30 bps		1.60% ▲+22 bps
NPL	3.88% ▼-19 bps ▼-9 bps		

Margins

	Quarterly		FY 2019
	QoQ	YoY	
Net Interest Income	S/ 2,354 ▲+3.4% ▲+4.9%		S/ 9,077 ▲+6.9%
NIM	5.46% ▲+6 bps ▼-18 bps		5.39% ▲+11 bps
Risk Adj. NIM	4.27% ▲+6 bps ▼-35 bps		4.29% ▼-4 bps

Efficiency and Solvency

	Quarterly		FY 2019
	QoQ	YoY	
Efficiency	45.7% ▲+250 bps ▲+20 bps		43.5% ▼-30 bps
CET1 BCP	12.35% ▲+13 bps ▲+34 bps		

* Average daily balance

Profitability

FY 2019

Net Income

S/ 4,265
▲+7.1%

ROAE

17.0%
▼-50bps

ROAA

2.3%
0 bps

Chart 1: Net Income Evolution
(in million S/)

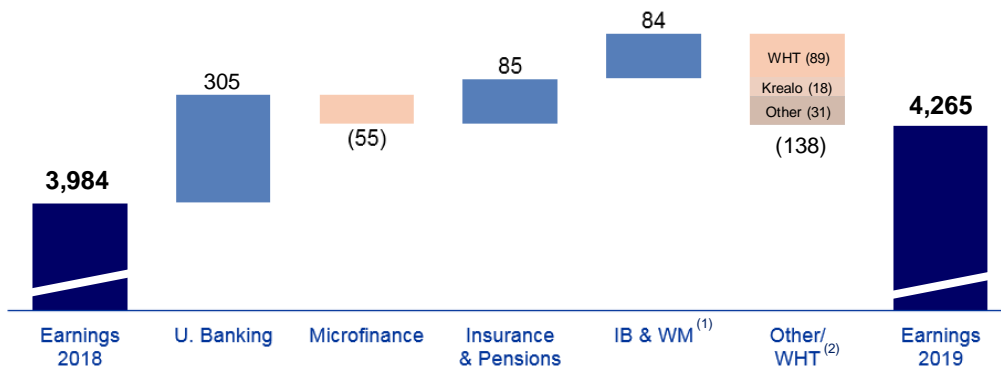
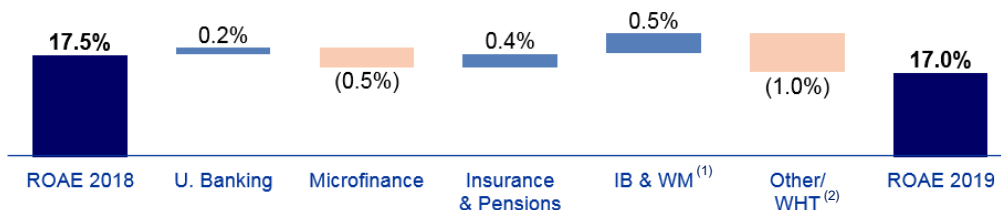


Chart 2: ROAE Evolution

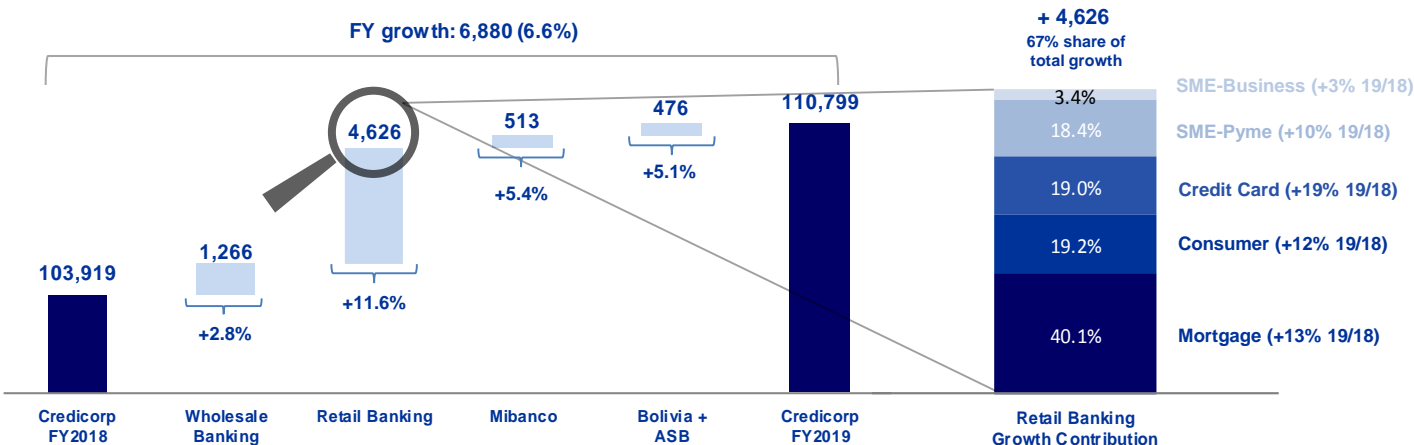


(1) IB & WM stand for Investment Banking & Weath Management LoB.

(2) WHT stands for withholding tax. Other include earnings from other subsidiaries and eliminations for consolidation purposes.

Chart 1: Loan portfolio in average daily balances
(figures in S/ million)

Chart 2: Retail Banking segment growth
(volume growth in %)



Retail Banking in BCP Stand-alone continued to lead loan growth in average daily balances

Loan expansion mainly in local currency and in higher margin segments improves our loan portfolio mix.

Chart 1: Evolution of Funding Structure
(S/ million, Year-End Balance)

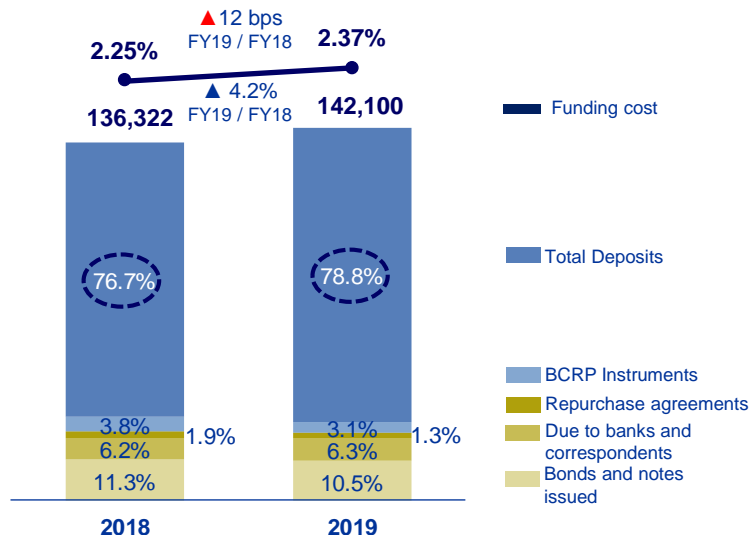
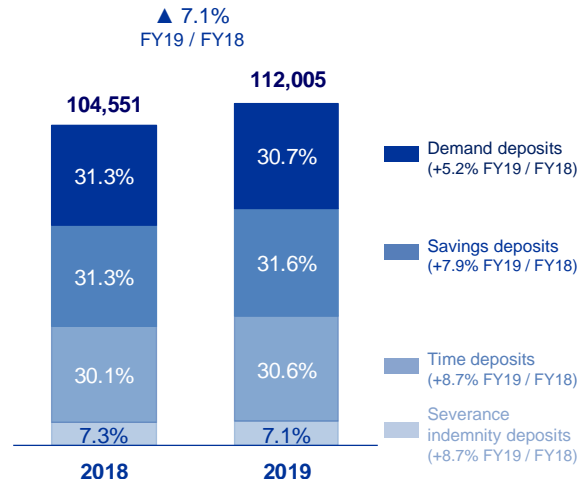


Chart 2: Deposits by type
(S/ million, Year-End Balance)



- In 2019, Deposits' share of total funding increased 210 bps, while wholesale funding sources such as Bonds and BCRP Instruments registered a decrease in their share.
- 2019 funding cost increased 12 bps mainly due to the currency mix effect, since LC funding growth accounts for 90% of the total funding volume growth



- Deposits growth was mainly driven by Times and Savings deposits, which grew 8.7% and 7.9% respectively
- Growth in Savings deposits is mainly driven by individuals; in 2019, 50% of total saving accounts were opened through self-service and digital channels vs. 43% in 2018.

Chart 1: NPL, IOL, and Cost of Risk Evolution

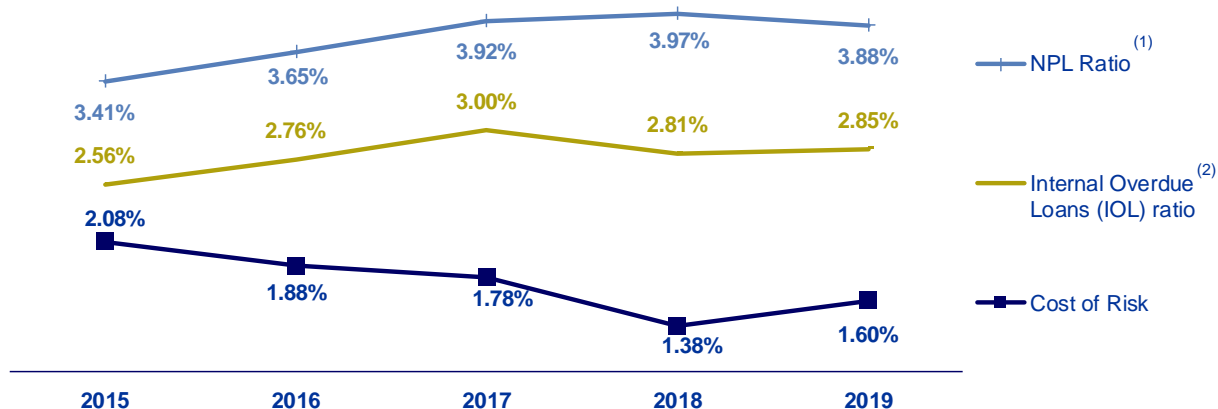
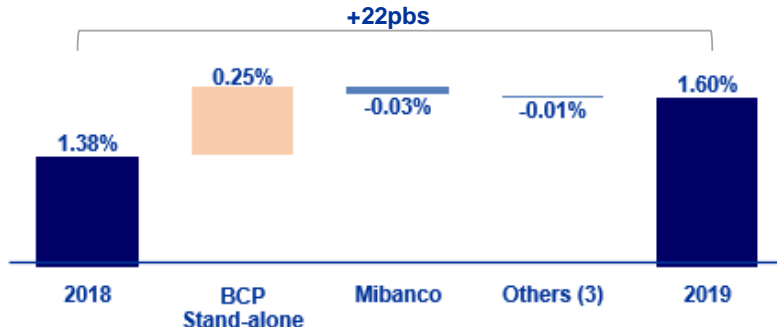


Chart 2: Evolution of Cost of Risk



- ▲ **Consumer:** Growth in Digital loans
- ▲ **Credit Card:** Higher system-wide indebtedness
- ▲ **SME-Pyme:** Deterioration in fixed assets loans
- ▼ **Wholesale:** Construction clients improvement

(1) NPL ratio: (Internal overdue loans and refinanced loans) / Total loans (Quarter-end balances)
 (2) IOL ratio: (Overdue loans and loans under legal collection) / Total loans (Quarter-end balances)
 (3) Includes BCP Bolivia, Encumbra, Bancompartir, ASB and eliminations for consolidation purposes.

Chart 1: NIM evolution

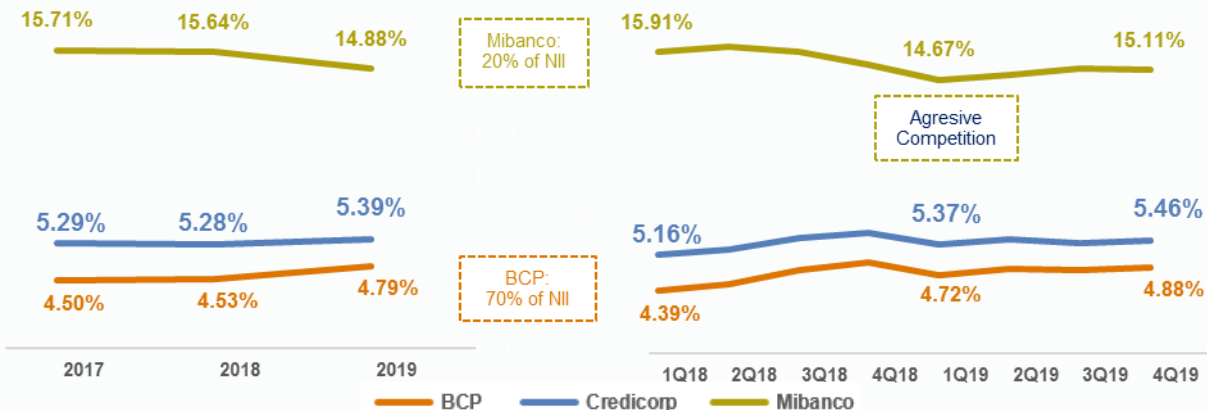


Chart 2: Risk-adjusted NIM evolution

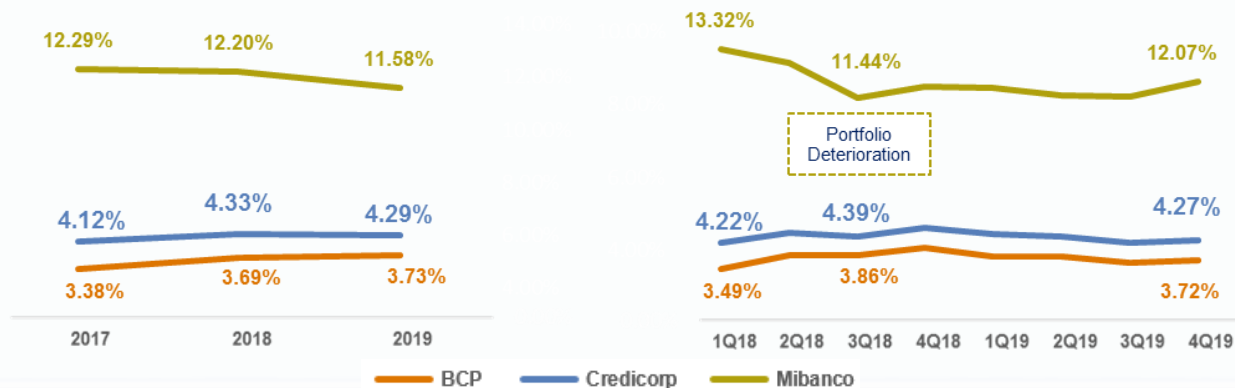


Chart 1: Evolution of non-financial income structure (S/ million)

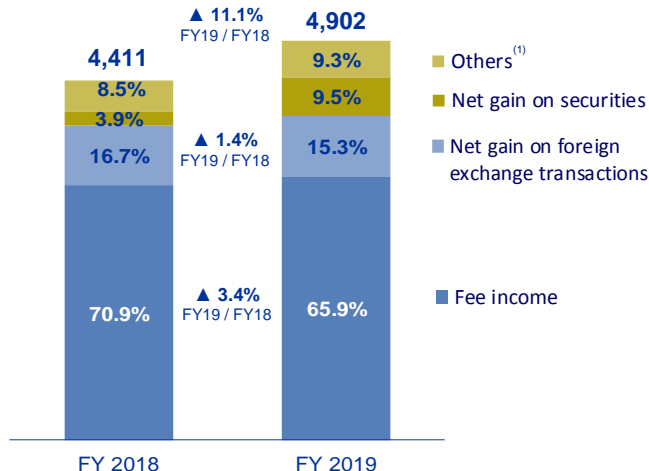
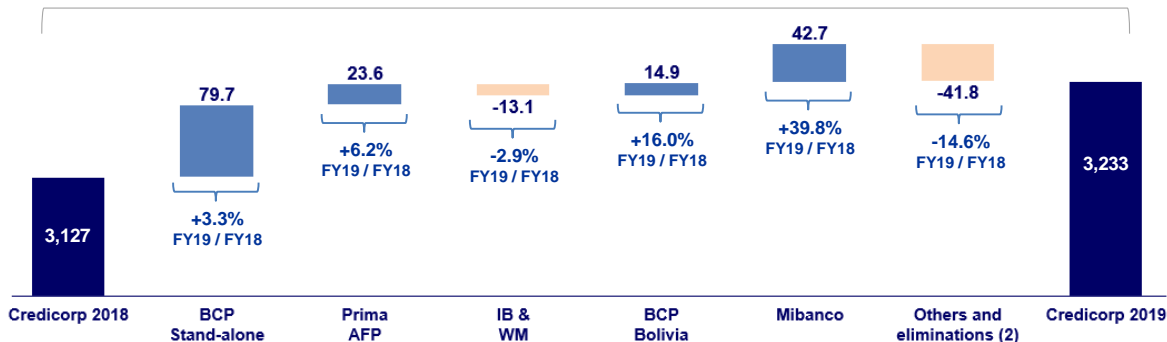


Chart 2: Fee income FY evolution by subsidiary (S/ million)

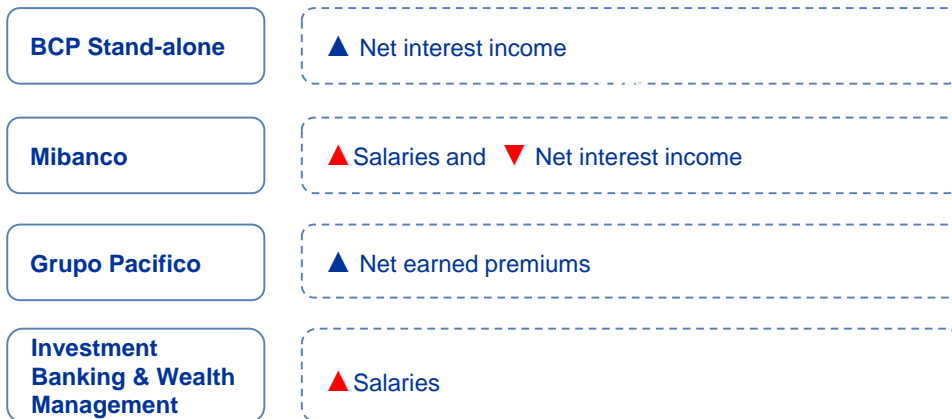
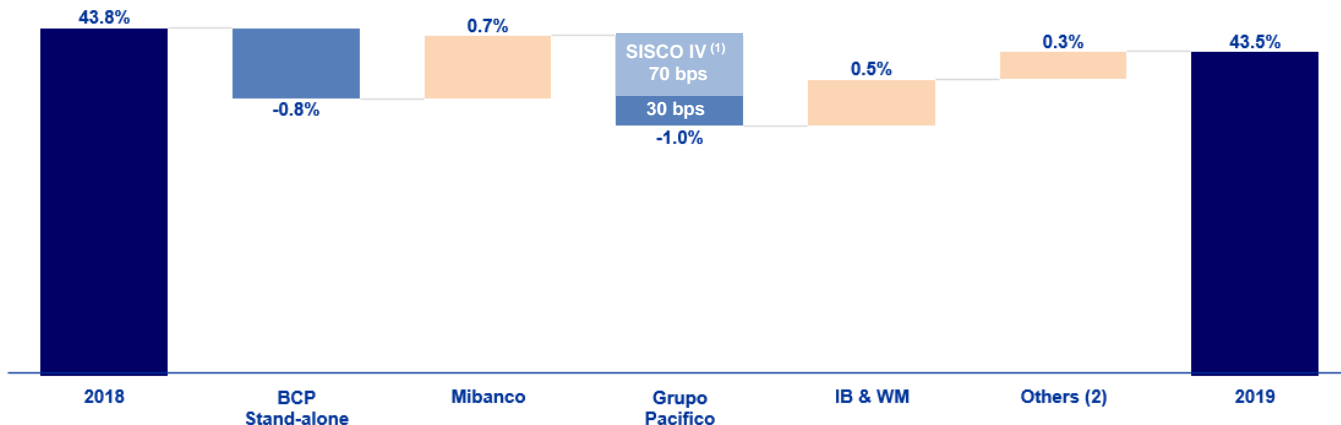
+3.4% 2019 vs 2018



(1) Others includes Net gain from associates, Net gain on derivatives held for trading, Net gain from exchange differences and Others

(2) Others and eliminations includes: Encumbra, Bancompartir, Grupo Pacifico and eliminations for consolidation purposes. Around 70% of the increase of Others and eliminations (30 millions) are due to adjustments between Grupo Pacifico and BCP Stand-alone & Mibanco for the increase in sales through the Bancassurance channels.

Efficiency ratio FY - 19 vs FY - 18 evolution by subsidiary



(1) SISCO IV: Disability, survivorship and burial expenses policies for the Private Pension Fund System

(2) Others includes: Credicorp Capital, Prima AFP, BCP Bolivia, ASB, Grupo Credito, among other subsidiaries and the eliminations for consolidation purposes.

Chart 1: Digital Clients ⁽¹⁾
(% of total clients)

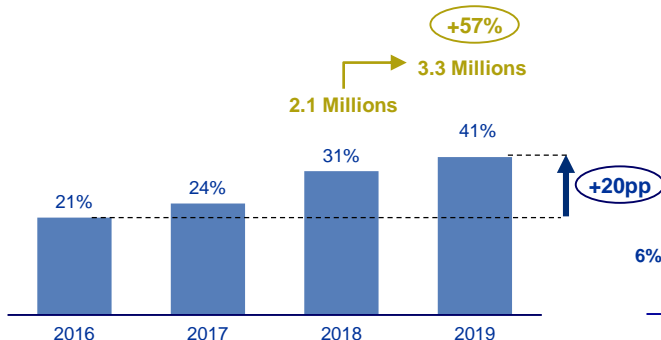


Chart 3: Digital Sales Evolution ⁽²⁾
(thousand of units, % of total units)

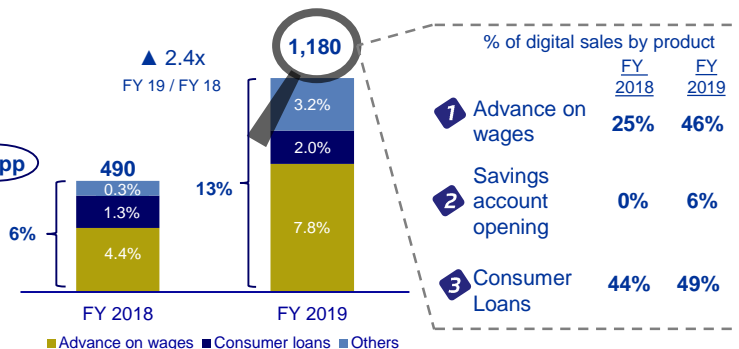


Chart 2: EAP pre approved credits
(% of clients that qualify for a credit)

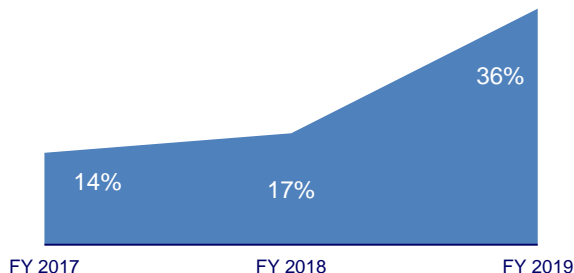
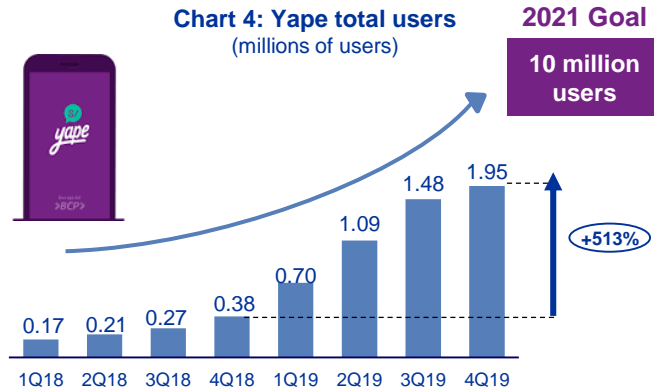


Chart 4: Yape total users
(millions of users)



(1) Consumer Banking Customers who conducts 50% of their monetary transactions online; or conducts 50% of their non-monetary transactions online; or buys products online in the last 12 months
(2) Total sales were 8.0 and 9.0 millions in 2018 and 2019, respectively. Digital sales include mobile and internet banking.

Chart 1: Net Income and GDP Growth evolution

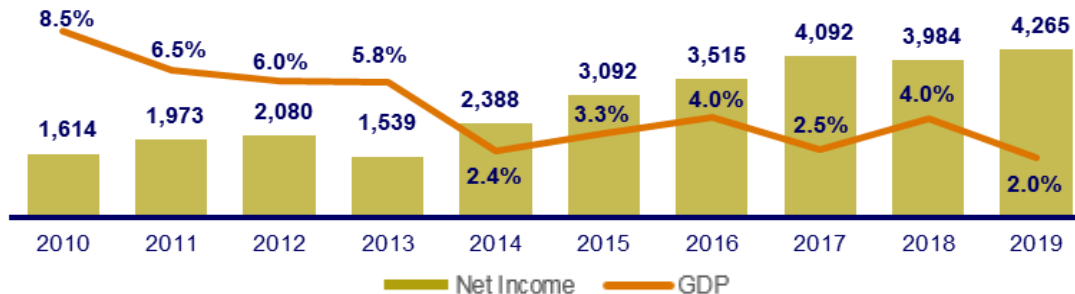


Chart 2: ROAA evolution

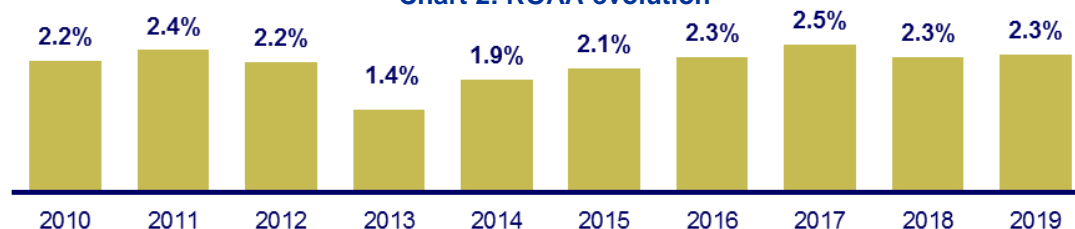
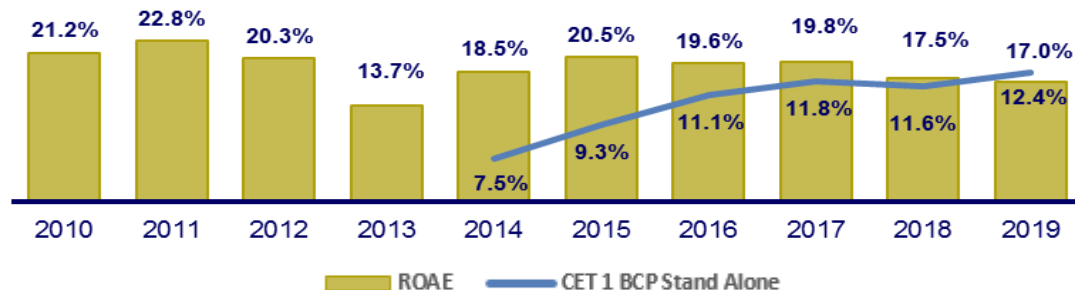


Chart 3: ROAE and CET1 BCP Stand-alone evolution



Credicorp is working to bolster the Company's governance framework with two objectives:

- Maintaining governance structures which help drive long-term stakeholder value
- Demonstrating leadership on corporate governance within our operating region

Summary of Governance Changes

Simplify Committee Structure

- From April 2020, Credicorp will reconstitute the committee structure to migrate from 7 committees to 4:



Increase Committee Independence

- After the election of Board members at the Annual General Meeting, the Chairman will participate at the Risk Committee and the Compensation & Nominations Committee, although not as the chairperson

Redefine Independence Criteria

- The Board has designated the Corporate Governance Committee this task, to ensure that we meet the highest international standards for good practice

Expand Board Size

- For the upcoming annual meeting in March, Management will submit a proposal to expand the size of the board from 8 to 9 directors
- Credicorp proposes this expansion in order to enhance the independence and diversity of its directors, expanding the skills and experiences represented

Enhance Controls

- In order to enhance our internal controls, the Board designated the CFO the task of instituting more stringent policies and procedures at the Holding companies

Guidance Credicorp Ltd. Full Year 2020

Macroeconomic indicators	2019 FY Guidance	Full year 2019	2020 FY Guidance
Real GDP growth %	≈2.5 - 3.0%	2.0%	≈3.0%
Domestic demand real growth%	≈2.5 - 3.0%	2.4%	≈2.5% - 3.0%
Private investment growth %	≈1.5 - 3.5%	4.0%	≈0.0% - 2.0%
BCRP reference rate year-end	2.25%	2.25%	≈2.0% - 2.25%
Inflation %	2.0% - 2.2%	1.9%	≈2.0% - 2.2%
Exchange rate Year-end (Soles / US Dollar)	≈3.35 - 3.40	3.31	≈3.35 - 3.40

Credicorp Financials	2019 FY Guidance	Full year 2019	2020 FY Guidance
Loan growth (average daily balances - ADB)	6% - 8%	6.6%	8% - 10%
Cost of Risk	1.4% - 1.6%	1.6%	1.6% -1.8%
Net interest margin (NIM)	5.3% - 5.6%	5.4%	5.4% - 5.7%
Risk-adjusted NIM	4.3% - 4.6%	4.3%	4.3% - 4.6%
Efficiency ratio	Stable (full year 2018: 43.8%)	43.5%	Stable
BCP Stand-alone CET1	No less than 11% in each 1Q (quarter in which we reflect the declaration of dividends each year).	No less than 11% every 1Q (quarter in which we reflect the declaration of dividends each year).	No less than 11% every 1Q (quarter in which we reflect the declaration of dividends each year).
ROAE	17.5% - 18.5%	17.0%	16.0% - 18.0%
Sustainable ROAE	≈19.00%	N.A.	≈19.0%

This material includes “forward-looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934. All statements other than statements of historical information provided herein are forward-looking and may contain information about financial results, economic conditions, trends and known uncertainties. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on the Company’s current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions.

Forward-looking statements can be identified by words such as: “anticipate”, “intend”, “plan”, “goal”, “seek”, “believe”, “project”, “estimate”, “expect”, “strategy”, “future”, “likely”, “may”, “should”, “will” and similar references to future periods. Examples of forward-looking statements include, among others, statements or estimates we make regarding guidance relating to Return on Average Equity, Sustainable Return on Average Equity, Cost of Risk, Loan growth, Efficiency ratio, BCP Stand-alone Common Equity Tier 1 Capital ratio and Net Interest Margin, current or future volatility in the credit markets and future market conditions, expected macroeconomic conditions, our belief that we have sufficient liquidity to fund our business operations during the next year, expectations of the effect on our financial condition of claims, litigation, environmental costs, contingent liabilities and governmental and regulatory investigations and proceedings, strategy for customer retention, growth, product development, market position, financial results and reserves and strategy for risk management.

The Company cautions readers that actual results could differ materially from those expected by the Company, depending on the outcome of certain factors, including, without limitation: (1) adverse changes in the Peruvian economy with respect to the rates of inflation, economic growth, currency devaluation, and other factors, (2) adverse changes in the Peruvian political situation, including, without limitation, the reversal of market-oriented reforms and economic recovery measures, or the failure of such measures and reforms to achieve their goals, and (3) adverse changes in the markets in which the Company operates, including increased competition, decreased demand for financial services, and other factors. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Our actual results and financial condition may differ materially from those indicated in the forward-looking statements. Therefore, you should not rely on any of these forward-looking statements.

Any forward-looking statement made in this material is based only on information currently available to the Company and speaks only as of the date on which it is made. The Company undertakes no obligation to release publicly the result of any revisions to these forward-looking statements which may be made to reflect events or circumstances after the date hereof, including, without limitation, changes in the Company’s business strategy or planned capital expenditures, or to reflect the occurrence of unanticipated events.



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