



Credicorp Ltd.: Credicorp Ltd. Reports First Quarter 2023 Financial and Operating Results

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Lima, May 05, 2023 (GLOBE NEWSWIRE) -- **Credicorp Ltd. Reports First Quarter 2023 Financial and Operating Results**

ROE of 18.7% Driven by Resilient Core Income

Cost of Risk Stable Sequentially Remaining High impacted by Social and Climatic Events in Peru

Lima, Peru – May 5, 2023 – Credicorp Ltd. (“Credicorp” or “the Company”) (NYSE: BAP | BVL: BAP), the leading financial services holding company in Peru with a presence in Chile, Colombia, Bolivia and Panama today reported its unaudited results for the quarter ended March 31, 2023. Financial results are expressed in Soles and are presented in accordance with International Financial Reporting Standards (IFRS). Effective 1Q23, the Company reports under IFRS 17 accounting standards for insurance contracts. While the impact on consolidated net income is not material, the reclassification of line items in the P&L has impacted the efficiency ratio. To facilitate comparability, figures for 1Q22 and 4Q22 have been restated to reflect IFRS 17.

1Q23 OPERATING AND FINANCIAL HIGHLIGHTS

- **Net Income** attributable to Credicorp increased 18.1% YoY to stand at S/1,384 million, driven by an improvement in performance in Universal Banking and strong results in the Insurance business. ROAE rose to 18.7% in the quarter, up from 17.0% in 1Q22 and seasonally higher than the 15.3% reported in 4Q22.
- **Structural Loans**, measured in average daily balances, declined 0.7% QoQ, primarily due to seasonality in Wholesale Banking, but increased 9.7% YoY led by growth in Retail Banking at BCP and by Mibanco.
- **Total Deposits** at quarter-end increased 1.1% QoQ and 0.5% YoY to S/148,623 million, where the high interest rate backdrop continued to drive migration from Demand and Saving Deposits to Time Deposits. **Low-cost Deposits** represented 54.7% of total funding.
- The **Structural NPL ratio** increased 17 bps QoQ to 5.12%, driven by an increase in the volume of the overdue portfolio in Wholesale Banking, which was already provisioned given that our models anticipate deterioration; Mibanco, which was impacted by social and climatic events in an adverse macroeconomic environment; and Consumer and Credit Card loans, after higher-risk segments were targeted in 2022.
- **Structural Provisions** increased 1.3% QoQ, driven by Retail Banking at BCP and Mibanco and, partially offset by Wholesale Banking. At BCP, provisions in retail banking rose, reflecting a downturn in customer payment as well as the impacts of an update to macroeconomic outlook variables such as inflation, interest rates and GDP growth. Mibanco increased provisions due to social and climate events. In this context, stringent origination standards were applied in specific consumer segments at BCP, and the risk appetite was adjusted in a number of geographies and segments at Mibanco. The **Structural Cost of Risk** remained stable QoQ while **Structural NPL Coverage** dropped to 110.0%, which reflects an uptick in the weight of collateralized refinanced wholesale loans.
- **Core Income** declined 1.4% QoQ but increased 18.9% YoY reflecting structural loan growth and a high interest rate environment. Net Interest Income (NII) remained stable QoQ and was up 28.8% YoY, while FX Volumes and Fees contracted in both periods. On the back of higher interest rates, the **Net Interest Margin** increased 9 bps QoQ and 138 bps YoY to stand at 5.84%.
- **The Efficiency Ratio**, which has been restated under IFRS17, improved 290 bps in the QoQ comparison and stood at 44.3%. This improvement was mainly driven by an uptick in operating income at BCP stand-alone and Pacifico, which more than offset the growth reported for expenses in a context marked by on-going investment in disruptive initiatives and digital transformation.
- The **CET1 Ratio** for BCP Stand-Alone at quarter-end was 11.9%, up 30 bps YoY but down 66 bps QoQ which reflected a dividend declaration this quarter, CET1 at Mibanco rose 38 bps YoY to stand at 16.4% but declined 8 bps QoQ.
- At BCP stand-alone, 30-day local currency **LCR** currency stood at 154.1% under regulatory standards and 138.7% based on more stringent internal standards, while USD 30-day LCR stood at 203.7% and 123.1% under regulatory and more stringent internal standards, respectively.
- Credicorp maintains a diversified, liquid **investment portfolio** with investment portfolios Held to Maturity and Available for Sale accounting for 5% and 15% of Interest Earnings Assets, respectively.
- Advancing our **Strategic Initiatives**: Yape continues to drive financial inclusion and topped 8.8 million monthly active users (MAU) by quarter-end. Monthly income per MAU continues to increase and reached S/1.8 in 1Q23. We believe Yape is on track to reach cashflow breakeven in 2024.
- On the **ESG** front, we recently added two new members to our Board and increased the participation of women to 1/3; maintained the independence of the majority of members; and added expertise in digital transformation and fintech innovation. We also defined our corporate environmental strategy and roadmap, which includes developing capabilities to measure our portfolio carbon footprint; promoting green financing; and fine-tuning management of environmental risks. Implementation will begin in 2Q23. More information can be found in our recently published [2022 Annual and Sustainability Report](#).
- On April 27, the Board of Directors declared a cash dividend of S/25.00 per share equivalent to a total payment of S/ 2,359,557,925 to be paid out on June 9th, 2023.

Please find attached the full Earnings Release 1Q23 and Consolidated Charts 1Q23.

About Credicorp

Credicorp Ltd. (NYSE: BAP) is the leading financial services holding company in Peru with presence in Chile, Colombia and Bolivia. Credicorp has a diversified business portfolio organized into four lines of business: Universal Banking, through Banco de Credito del Peru – BCP and Banco de Credito de Bolivia; Microfinance, through Mibanco in Peru and Colombia; Insurance & Pension Funds, through Grupo Pacifico and Prima AFP; and Investment Banking & Wealth Management, through Credicorp Capital, Wealth Management at BCP and Atlantic Security Bank.

For further information please contact the IR team:

investorrelations@credicorpperu.com.pe

Investor Relations
Credicorp Ltd.

Attachments

- [1T23 Reporte Trimestral](#)
- [1Q23 Earnings Release](#)
- [1Q23 Consolidated Charts](#)
- [1T23 Tablas Consolidadas](#)
- [Historical Consolidated Charts](#)

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Source: CREDICORP LTD.