

# 3Q02 Financial Earnings Results

Conference Call Presentation

Call Date: Monday, November 18, 2002

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# Conference Call Outline

**The Peruvian Economy**

**The Peruvian Banking System**

**Credicorp:**

## **Overview**

- **Banco Tequendama**
- **Banco de Credito de Bolivia**
- **Banco de Credito del Peru**
- **AtlanticSecurity Bank**
- **Pacifico Peruano Suiza**

**Summary**

**Outlook**

# Peruvian Economy

	2001	1Q02	2Q02	3Q02	FY02e
<b>GDP (%)</b>	0.2	3.0	5.3	4.0	3.6
<b>INFLATION (%)</b>	-0.1	-1.1	0.6	0.6	1.8
<b>EXCHANGE RATE</b>	3.44	3.45	3.51	3.64	3.62
<b>DEVALUATION (%)</b>	-2.3	-2.2	-0.1	3.8	5.2
<b>FISCAL DEFICIT (%PBI)</b>	-2.5	-1.4	-1.8	-2.8	-2.3
<b>RESERVES (US\$BN)</b>	8.6	8.8	9.1	9.9	9.7

# Peruvian Banking System

	3Q01	2Q02	3Q02
<b>TOTAL LOANS (US\$BN)</b>	<b>10.4</b>	<b>10.5</b>	<b>10.4</b>
<b>PDLs / TOTAL LOANS*</b>	<b>10.1%</b>	<b>8.2%</b>	<b>8.2%</b>
<b>COVERAGE</b>	<b>111%</b>	<b>124%</b>	<b>124%</b>
<b>TOTAL DEPOSITS (US\$BN)</b>	<b>13.4</b>	<b>13.3</b>	<b>13.6</b>
<b>LOAN RATES (US\$)</b>	<b>12.0%</b>	<b>10.1%</b>	<b>10.0%</b>
<b>DEPOSIT RATES (US\$)</b>	<b>3.2%</b>	<b>1.6%</b>	<b>1.5%</b>
<b>LOAN RATES (S/.)</b>	<b>24.6%</b>	<b>19.9%</b>	<b>20.4%</b>
<b>DEPOSIT RATES (S/.)</b>	<b>6.7%</b>	<b>3.0%</b>	<b>3.4%</b>

*\*Ratios reflect benefits of Government sponsored programs in which BCP did not participate.*

# Credicorp Overview

Earnings Contribution (USMN)	3Q01	2Q02	3Q02	9M01	9M02
Banco de Credito	15.6	13.3	10.0	34.0	37.3
Pacifico	0.5	1.4	2.7	-0.8	6.3
Atlantic	-1.4	0.1	0.1	4.1	1.5
Tequendama**	-0.1	-0.5	-3.1	-1.7	-3.5
Credicorp & Others*	-3.5	-3.3	-6.6	-7.6	-12.7
<b>TOTAL INCOME</b>	<b>11.1</b>	<b>11.0</b>	<b>3.1</b>	<b>28.0</b>	<b>28.8</b>
<hr/>					
Total Assets	8,032	7,291	7,399	8,032	7,399
Net Equity	802.7	801.3	798.5	802.7	798.5
BIS Ratio (%)	12.6	12.0	12.2	12.6	12.2

\* Includes income from ICSA and Banco Capital (through November 2001).

\*\* Excludes transfers to Credicorp and Others

# Tequendama

Key Figures (US\$MN)	3Q01	2Q02	3Q02
Assets	352	339	296
Equity	35	38	33
Deposits	191	193	159
Market %	0.8%	1.3%	0.9%
Loans	242	239	210
Market %	1.5%	0.8%	1.5%
PDLs / Loans	5%	5.5%	4.7%
Reserves / PDLs	74.5%	76.8%	73.8%
OPEX / Income	83.2%	73.2%	95.9%
<b>CONTRIBUTION*</b>	<b>-0.1</b>	<b>-0.5</b>	<b>-9.5</b>

# Bolivia

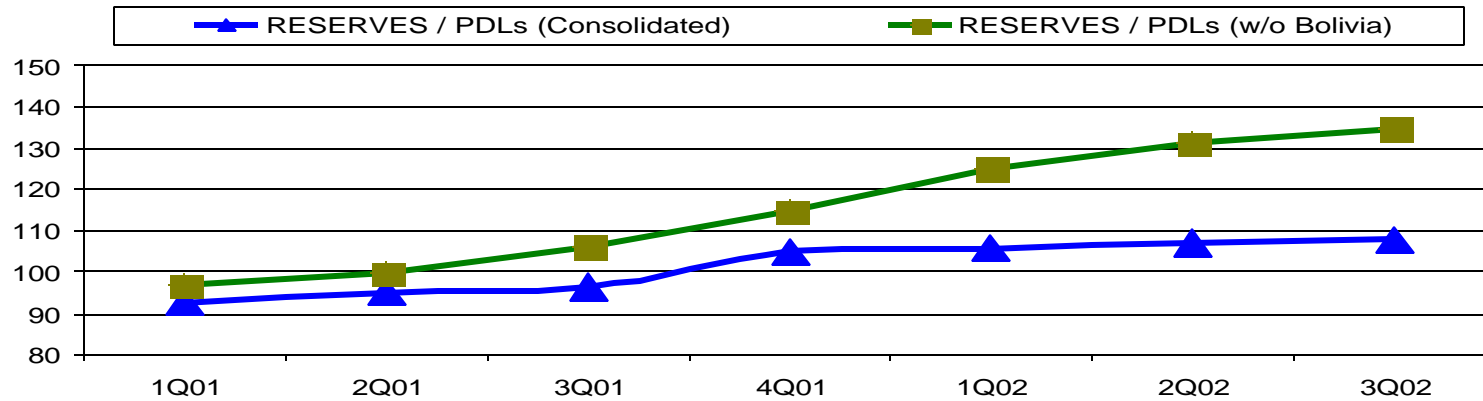
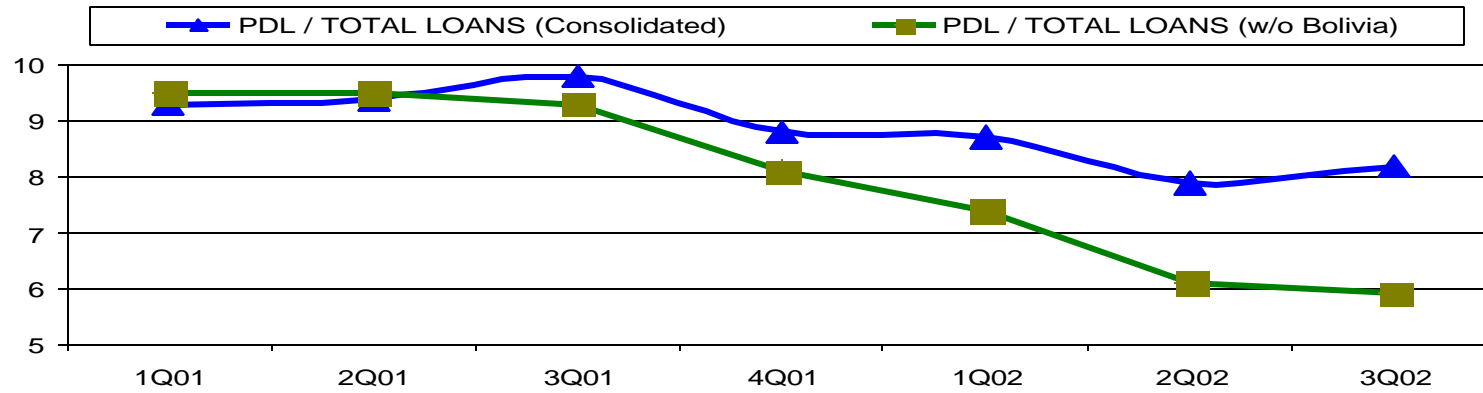
Key Figures (US\$MN)	3Q01	2Q02	3Q02
Assets	633	529	468
Deposits	517	413	363
Loans	441	355	322
NIM	6.1%	5.7%	5.8%
PDLs / Loans	13.5%	23.8%	25.3%
Reserves / PDLs	45.6%	45.9%	47.9%
OPEX / Income	54.9%	54.1%	57.3%

## Credito (consolidated)

Key Figures (US\$MN)	3Q01	2Q02	3Q02
Assets	6,033	5,768	5,981
Deposits	5,055	4,835	5,051
Mkt%	32.3%	31.4%	32.9%
Loans	3,553	3,567	3,506
Mkt%	27.4%	27.2	27.8%
NIM	6.20%	6.03%	5.57%
Fees	35.5	37.9	41.7%
PDLs / Loans	9.83%	7.93%	8.16%
Reserves / PDLs	96.4%	107.0%	107.6%
OPEX / Income	54.1%	55.4%	53.3%
<b>CONTRIBUTION</b>	<b>15.6</b>	<b>13.3</b>	<b>10.0</b>



# BCP's Loan Quality



# Atlantic

Key Figures (US\$MN)	3Q01	2Q02	3Q02
Assets	687	632	656
Equity	119	105	102
Deposits	543	503	537
Net Loans	206	167	154
Investments	264	312	299
NIM	2.5%	3.4%	3.0%
Managed Funds	372	474	482
Reserves / PDLs	0.2%	0.1%	0.4%
OPEX / Income	29.9%	44.1%	63.9%
<b>CONTRIBUTION</b>	<b>-1.4</b>	<b>0.1</b>	<b>0.1</b>

# Pacifico

<b>Key Figures (US\$MN)</b>	<b>3Q01</b>	<b>2Q02</b>	<b>3Q02</b>
<b>Assets</b>	<b>317</b>	<b>379</b>	<b>401</b>
<b>Equity</b>	<b>81.1</b>	<b>95.0</b>	<b>96.9</b>
<b>Gross Premiums</b>	<b>53.8</b>	<b>53.5</b>	<b>63.7</b>
<b>Net Premiums</b>	<b>31.4</b>	<b>32.5</b>	<b>35.4</b>
<b>Net Loss Ratio</b>	<b>65.3%</b>	<b>68.4%</b>	<b>59.1%</b>
<b>Net Underwriting Results</b>	<b>7.8%</b>	<b>5.2%</b>	<b>9.3%</b>
<b>Combined Ratio</b>	<b>87.6%</b>	<b>91.8%</b>	<b>81.1%</b>
<b>CONTRIBUTION</b>	<b>0.5</b>	<b>1.4</b>	<b>2.7</b>

# Credicorp Overview 3Q02

## **1. Disappointing results at non-Peruvian operations**

- **Tequendama: Extraordinary loss due to currency depreciation**
- **Bolivia: Finishing loan portfolio clean-up**
- **Atlantic: Moving toward lower risk investment portfolio**

## **2. Improved results at PPS due to:**

- **Increased volumes**
- **Efforts to maintain margins**
- **Increased re-insurance costs**
- **Increased profitability in health and life insurance business**

## Credicorp Overview 3Q02 (Cont.)

### **3. Continued improvements at BCP in spite of:**

- Margin compression
- Weak loan demand
- Provisions for Bolivian operations

### **4. Increased market share in both Deposits and Loans**

### **5. Strong growth in non-interest income**

### **6. Increases in OPEX due to**

- Systems efforts
- BCP image campaign
- Increases in fee-based sales staff

## Acquisition of BSCH (Peru)

### **Overview**

**Buyer to be Banco de Credito del Peru**

**Commercial Banking operations & Mutual Funds**

**Acquisition price of US\$50Mn for 100% Tender Offer**

**Transaction should be completed by year-end**

**Merger should be completed in March 2003**

## Comparison between BCP and BSCH(Peru)

(Figures in US\$MN as of August 2002)

	<b>BSCH</b>	<b>BCP</b>
Total Loans	<b>699</b>	<b>2,642</b>
Commercial Loans	293	2,058
Mortgages	159	240
Leasing	164	101
Credit Cards	18	89
Others	65	154
Deposits	<b>571</b>	<b>4,217</b>
Equity	<b>128</b>	<b>533</b>
Net Income	<b>6</b>	<b>48</b>
No. Employees	<b>751</b>	<b>6,580</b>
No. ATMs	<b>76</b>	<b>383</b>
No. Credit Cards	<b>31,635</b>	<b>163,466</b>
No. Branches	<b>43</b>	<b>215</b>
Deposits Market share	<b>5.1%</b>	<b>31.7%</b>
Loans Market share	<b>6.8%</b>	<b>27.7%</b>

### Funds under management (US\$Mn)

Santander Fondos Mutuos	<b>262</b>
Credifondo	<b>559</b>

## Why is BCP buying BSCH?

- **To move us closer to our medium-term strategic goal, given the low growth scenario in the Peruvian financial system**
- **The transaction provides critical mass to BCP's business, optimizing the use of our infrastructure and resources**
  - *Greater Loans and Deposits.*
  - *New clients.*
  - *Fee income.*
  - *Optimization of infrastructure and resources*
- **Expected increase in ROE of 3% in the medium-term**



# Outlook

**Lending activity slow**

**Continued pressure on financial margins**

**Improved asset quality and lower provisions**

**Focus on cost reduction efforts**

*To the Q&A section ...*

## Safe Harbor for forward-looking statements

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