

CREDICORP LTD  
Form 6-K  
November 12, 2010

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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FORM 6-K

Report of Foreign Private Issuer  
Pursuant to Rule 13a-16 or 15d-16 of the  
Securities Exchange Act of 1934

For the month of November 2010

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CREDICORP LTD.  
(Exact name of registrant as specified in its charter)

Clarendon House  
Church Street  
Hamilton HM 11 Bermuda  
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F  Form 40-F

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes  No

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CREDICORP  
Ltd.  
Third Quarter 2010 Results

Lima, Peru, November 10, 2010 - Credicorp (NYSE:BAP) announced today its unaudited results for the third quarter of 2010. These results are reported on a consolidated basis in accordance with IFRS in nominal U.S. Dollars.

HIGHLIGHTS

Credicorp reported solid 3Q10 earnings of US\$ 156.2 million, which despite being down 3.5% QoQ, reflect a significant improvement in its core net income of around 5% QoQ when excluding the extraordinary non-recurrent income. This is also evidenced by an earnings growth of 28.4% YoY. Performance ratios reflected this good performance reaching 2.5% ROAA and 24.4 % ROAE.

These good 3Q results confirm the recovered growth trend of 1H10 leading to a strong total net income attributed to Credicorp for the first 9 months of US\$ 442 million, up 27.2% from 2009, and pushing Credicorp's net earnings for the year 2010 towards the high end of expectations.

The continuing recovery of economic activity in the Peruvian market is again reflected in Q-end loan balances, which grew 5.6% from last Q accumulating 25.6% loan growth for the year to date.

NII grew 5% this Q keeping pace with loan growth and NIM remained flat at 5%, though some impact on NIMs from our A&L management strategy was evident at BCP.

Non-financial income, excluding the extraordinary non-recurrent gains on the sale of securities of last and the current Qs, was up 7.7% following a strong increase in fee income of 4.9%, and 11.0% growth in gains from FX transactions.

An improvement of our PDL ratio to 1.6% in 3Q10 was recorded as the absolute volumes of past due loans dropped and our loan portfolio expanded. Nevertheless, our conservative internal policy on coverage and provisions, as well as regulatory changes that required more provisions resulted in stronger provisions than originally projected reaching US\$ 52 million, up 69.3% from last Q. Therefore, our coverage was up to 193.1% from 179.3% of last Q.

The continuing good performance of the insurance business is reflected in the US\$ 44.2 million income, almost flat from last Q's US\$ 45.5 million income from insurance premiums net of claims, and 22.8% stronger YoY. YTD performance shows also a substantial 31.1% higher premium income compared with the same period of 2009.

After 2 consecutive QoQ drops in operating costs, these were 3.4% up this Q reflecting new recruiting for future growth and investments in training & advisory services as we develop business opportunities. Nevertheless, the strong income generation led to a slight further improvement in the efficiency ratio to 39.4% from 39.6%, continuing the good trend since last year.

However, the stronger income could not fully offset the significantly higher provisions incurred this 3Q, and core operating income for Credicorp dropped 2.2% QoQ. Including the extraordinary non-recurrent gains from the sale of securities, total operating income was down 8.6% for the Q. YTD results however, reveals the real performance, with core operating income increasing 36.7% and total operating income, including non-recurrent income, increasing a solid 23.7% for the year.

BCP's 3Q operating results also reflect solid growth in average daily lending volumes of 5.5% and a minimal 0.9% increase in operating costs. Even though provisions for loan losses registered a significant increase, despite the improvement of portfolio quality indicators, operating result was 2.6% up QoQ, excluding non-recurrent gains in securities. The large difference in non-recurrent income QoQ resulted in total operating income dropping 6.3% QoQ, a drop that was compensated by translation gains given the careful A&L management that took advantage of the USD weakness, and lower tax provisions due to tax benefits generated by investments in CDs of BCR. Thus, net contribution to Credicorp was up 3.4% reaching US\$ 135.2 million for 3Q10, which reflects a strong ROAE of 31.3% and ROAA of 2.5%.

ASHC's contribution to Credicorp this 3Q was down to US\$ 10.6 million from US\$ 13.1 million in 2Q basically because of increased provisions as it took a very conservative stance.

The low casualty levels from which PPS's results were benefitting, increased across the board, leading to a reduction in technical results. PV had the lion's share of this effect, in addition to excellent sales in life policies which in the short run generate high reserves affecting negatively technical results. Thus, bottom line of the insurance business reflects this and its contribution to Credicorp dropped to a still very solid US\$ 10.4 million for the 3Q from US\$ 12.5 million in 2Q.

Prima AFP maintained the excellent results from previous Qs and reported 4.1% higher fee income, 3.8% higher operating income but lower bottom line results due to higher income taxes, leading to a stable contribution to Credicorp of US\$ 5.7 million

Overall, Credicorp had a very good 3Q which contributed to excellent income generation in all businesses reaching growth rates largely beyond 20% for the first 9 months, plus a 24.4% ROAE, a 1.6% PDL ratio and an improved efficiency ratio of 39.4% for the period.

## I. Credicorp Ltd.

### Overview

Credicorp reported solid 3Q10 earnings of US\$ 156.2 million, which despite being down 3.5% QoQ, reflect a significant improvement in its core bottom line results of around 5% QoQ when excluding extraordinary non-recurrent income. This good performance is also evidenced by an excellent 27.2% YoY earnings growth. Performance ratios reflect these good results reaching excellent levels: 2.5% ROAA and 24.4 % ROAE.

These good 3Q results confirm the recovered growth trend of the first half of the year leading to a strong total net income attributed to Credicorp for the first 9 months of US\$ 442 million, up a very strong 27.2% from 2009, and setting the base for Credicorp's net earnings for the year 2010 to reach a level closer to the high end of expectations.

The continuing and strong recovery of economic activity in the Peruvian market became even more evident in this second half of the year and is undoubtedly driving growth in the loan portfolio. Q-end loan balances grew 5.6% QoQ, revealing a 25.6% loan growth pace for the year. Once again, strong growth was reported both in the wholesale and in the retail segments, which expanded their average daily balances by 5.0% and 5.6% respectively QoQ. Overall average loan book growth was 5.5% within this Q, stronger than the average daily balances growth of 3.5% reported last Q. With respect to growth, star performers continued being the SME (PYME) sector and micro-lending in the Retail Banking segment, though the middle market segment of the wholesale business also performed strongly.

An improvement of our PDL ratio to 1.6% in 3Q10 was recorded as our loan portfolio grew at the above mentioned rates, and the absolute volumes of past due loans dropped. Nevertheless, our conservative internal policy on coverage and provisions, as well as regulatory changes that required more provisions resulted in stronger provisions than originally projected reaching US\$ 52 million, up 69.3% from last Q. Therefore, our coverage was up to 193.1% from 179.3% of last Q

Interest income was strong, growing 8.9% QoQ following the solid expansion of our loan portfolio and also strong growth of other interest earning assets through a 9.1% expansion in deposits. Interest expense increased however at a stronger pace. Notwithstanding, NIMs at Credicorp remained flat at 4.85% despite some pressure on NIMs at BCP given the strong growth of the wholesale portfolio and high levels of liquidity invested at the Central Bank with small margins.

Non-financial income, excluding the extraordinary non-recurrent gains on the sale of securities in this and last Q, was up 7.7% following a strong increase in fee income of 4.9%, and 11.0% growth in gains from FX transactions.

The insurance business also performed well with income from net insurance premiums (net of claims) this 3Q remaining strong at US\$ 44.2 million after claims, similar to last Q's performance. Net income generated however did experience some contraction as we will explain further down.

After two consecutive QoQ drops in operating costs, these were 3.4% up this Q reflecting new recruiting for future growth and investments in training & advisory services as we develop business opportunities. Nevertheless, the strong income generation led to a slight further improvement in the efficiency ratio to 39.4% from 39.6%.

Despite all the good income generation reported, the significantly higher provisions incurred this 3Q could not be fully offset and core operating income for Credicorp dropped by 2.2% QoQ. Furthermore, including the extraordinary gains from the sale of securities which were stronger in 2Q than in 3Q, total operating income dropped 8.6% for the

Q.

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Credicorp Ltd. US\$ 000	3Q10	Quarter 2Q10	3Q09	Change % QoQ YoY		Year to date Sep 10 Sep 09		Change % Sep 10 / Sep 09
Net Interest income	271,438	258,434	214,547	5.0%	26.5%	775,457	653,955	18.6%
Net provisions for loan losses	(52,303)	(30,895)	(38,216)	69.3%	36.9%	(126,379)	(119,348)	5.9%
Non financial income	193,987	196,554	162,596	-1.3%	19.3%	558,349	506,741	10.2%
Insurance premiums and claims	44,220	45,517	36,018	-2.9%	22.8%	122,224	93,195	31.1%
Operating expenses	(243,281)	(235,321)	(211,568)	3.4%	15.0%	(716,300)	(638,575)	12.2%
Operating Income	214,060	234,289	163,377	-8.6%	31.0%	613,350	495,968	23.7%
Core operating income	204,423	208,940	163,377	-2.2%	25.1%	578,364	423,241	36.7%
Non core operating income*	9,637	25,349	-	-62.0%	-	34,986	72,727	-51.9%
Translation results	14,467	4,675	12,046	209.4%	20.1%	31,202	11,296	176.2%
Worker's profit sharing and income taxes	(62,941)	(65,611)	(45,285)	-4.1%	39.0%	(173,454)	(135,801)	27.7%
Net income	165,586	173,353	130,139	-4.5%	27.2%	471,098	371,463	26.8%
Minority Interest	9,360	11,429	8,432	-18.1%	11.0%	29,078	23,976	21.3%
Net income attributed to Credicorp	156,226	161,924	121,707	-3.5%	28.4%	442,020	347,487	27.2%
Net income / share (US\$)	1.96	2.03	1.53	-3.5%	28.4%	5.54	4.36	27.2%
Total loans	13,409,258	12,697,597	10,675,462	5.6%	25.6%	13,409,258	10,675,462	25.6%
Deposits and obligations	16,652,009	15,257,042	13,672,287	9.1%	21.8%	16,652,009	13,672,287	21.8%
Net shareholders' equity	2,689,315	2,433,065	2,130,102	10.5%	26.3%	2,689,315	2,130,102	26.3%
Net interest margin	4.85%	4.99%	4.72%			5.05%	4.78%	
Efficiency ratio	39.4%	39.6%	39.8%			40.3%	41.4%	

Return on average shareholders' equity	24.4%	27.5%	24.0%	24.2%	24.8%
PDL / total loans	1.59%	1.70%	1.55%	1.59%	1.55%
Coverage ratio of PDLs	193.1%	179.3%	191.7%	193.1%	191.7%
Employees	19,012	19,174	19,269	19,012	19,269

\* It refers to a net gain on sales of securities (non financial income)

Offsetting to some extent the drop in total operating income, and following strict A&L management guidelines, some advantage was taken from the dollar weakness and a translation gain was reported. Thus net income reached US\$ 165.6 million, which resulted in net income attributable to Credicorp of US\$ 156.2 million.

The excellent performance of Credicorp is significantly more evident looking at year to date numbers, with operating income up by 23.7% and core operating income up by an even stronger 36.7%, leading to total net income generated by Credicorp of US\$ 471.1 million, of which US\$ 442.0 million are attributable to Credicorp and represent an impressive income growth of 27.2% for the YTD. This performance reflects a 24.2% ROAE, 2.5% ROAA, 5.1% NIM, 40.3% efficiency ratio and 1.59% PDL ratio with 193.1% coverage, by all means, more than satisfying results and all at the high end of expected targets.

#### Credicorp – The Sum of Its Parts

The good 3Q10 results of Credicorp are this time somewhat hidden by different elements, but looking through the numbers and especially at year to date results, the excellence of its performance becomes evident.

Furthermore, as we expressed last Q, the recovery in economic activity has not only reactivated loan growth, but further increased the good levels of income at the asset management subsidiaries and spurred growth in insurance activity, leading to consistently strong numbers.

BCP's 3Q operating results also reflect solid growth in average daily lending volumes of 5.5% and a minimal 0.9% increase in operating costs. Even though provisions for loan losses registered a significant increase, despite the improvement of portfolio quality indicators, operating result was 2.6% up QoQ, excluding non-recurrent gains in securities. The large difference in non-recurrent income QoQ resulted in total operating income dropping 6.3% QoQ, a drop that was compensated by translation gains given the careful A&L management that took advantage of the USD weakness, and lower tax provisions due to tax benefits generated by investments in CDs of BCR. Thus, net contribution to Credicorp was up 3.4% reaching US\$ 135.2 million for 3Q10, which reflects a strong ROAE of 31.3% and ROAA of 2.5%.

Furthermore, income generation has gone up 20.7% YTD, certainly beating all expectations. YTD numbers reveal also that interest income is up by 16.4% while provisions rise only 5.9% for the year, certainly smoothing down the perception of strong rise in provisions of last Q. Non financial income is up by 10.8% given that non-recurrent gains on the sale of securities in 2009 reached a all time high, which in turn disguised an impressive growth in banking services commissions of 32.2%. The efforts on the expense side are also reflected in expense growth of only 11.6% for the year, an achievement in the midst of strong portfolio and business expansion. This excellent performance, added to a sound A&L management that generated some translation gains resulted in the impressive net earnings growth mentioned of 29.2% for the year reaching US\$ 374.8 million. BCP's ratios reflect these improvements with ROAE at 29.3%, ROAA at 2.3%.

Therefore, BCP's contribution to Credicorp's bottom line reached US\$ 135.2 million this 3Q vs. US\$ 130.7 million in 2Q, while on a cumulative basis, net income contribution totaled US\$ 365.2 million for the YTD vs. US\$ 284.0 million for the same period in 2009, an increase of 28.6%.

Earnings contribution	Quarter			Change %		Year to date		Change %
US\$ 000	3Q10	2Q10	3Q09	QoQ	YoY	Sep 10	Sep 09	Sep 10 / Sep 09
<b>Banco de Crédito</b>								
BCP(1)	135,216	130,761	98,826	3.4%	36.8%	365,231	283,983	28.6%
BCB	3,442	3,318	7,086	3.7%	-51.4%	12,370	20,851	-40.7%
<b>Financiera</b>								
Edyficar	5,316	4,980	-	6.8%	-	17,113	-	-
Atlantic	10,603	13,076	8,444	-18.9%	25.6%	37,090	14,860	149.6%
PPS	10,439	12,518	10,088	-16.6%	3.5%	31,449	25,003	25.8%
Grupo Crédito (2)	6,069	6,119	6,878	-0.8%	-11.8%	20,136	21,008	-4.2%
Prima	5,696	5,857	5,661	-2.7%	0.6%	17,499	16,574	5.6%
Others	373	262	1,217	42.4%	-69.4%	2,637	4,434	-40.5%
<b>Credicorp and others (3)</b>								
Credicorp Ltd.	(6,101)	(550)	(2,529)	-1009.3%	-141.2%	(11,886)	2,633	-551.4%
Others	(257)	(276)	465	6.8%	-155.3%	(544)	1,428	-138.1%
<b>Net income attributable to</b>								
Credicorp	156,226	161,924	121,707	-3.5%	28.4%	442,020	347,487	27.2%

(1) Includes Banco de Crédito de Bolivia and Financiera Edyficar.

(2) Includes Grupo Crédito, Servicorp and Prima AFP

(3) Includes taxes on BCP's and PPS's dividends, and other expenses at the holding company level.

BCP Bolivia reported this 3Q a modest increase in earnings contribution of 3.7% mainly driven by lower provisions as the Bolivian financial market remains stable, but certainly subdued compared to the previous year. Loan growth however was strong reaching 8.6% QoQ, though this did not translate into higher NII revealing further compression of margins, which is to a large extent the result of the prevailing economic, political and regulatory environment. Overall, profitability continues dropping; as also reflected by a further drop in ROAE to 18.3% from 20.0% the previous Q. For the YTD, BCP Bolivia reports a 40.7% drop in income contribution to US\$ 12.4 million, whereby this will probably set the new level of income that can be achieved within the existent economic framework.

Edyficar, BCP's micro-lending vehicle has in turn reported a very good business evolution with lending activity growing at a very strong pace of 10.1% this Q. Reported contribution to Credicorp shows a 6.8% increase QoQ, which



reflects strong loan growth and the low level of provisions this year. Therefore, Edyficar continues being a strong performer and a fast growing business and has accumulated a contribution to Credicorp of US\$ 17.1 million for the first 9 months reflecting a ROAE of 24.6%.

ASHC's reported a slip in contribution this 3Q down from US\$ 13.0 million to US\$ 10.6 million as a result of conservative provisions made for some investments on its portfolio since income generation, both interest income and fee income, remained stable increasing slightly by 1.9% for the Q. For the YTD however, the substantial improvement in ASHC's performance is evident with a total contribution to Credicorp more than doubling from US\$ 14.9 million in 2009 to US\$ 37.1 million in 2010 as a consequence of the recovery in the asset management business internationally and the substantial changes in the business structure and professionalization of services at Credicorp.

The low casualty levels, from which PPS's results were benefitting, increased across the board leading to a reduction in technical results. PV had the lion's share of this effect, in addition to excellent sales in life policies which in the short run generate high reserves affecting negatively technical results. Thus, bottom line of the insurance business reflects this and its contribution to Credicorp dropped to a still very solid US\$ 10.4 million for the 3Q from US\$ 12.5 million in 2Q. Nevertheless, also this business shows the significant improvement of its earnings generation capacity when looking at the accumulated earnings and contribution to Credicorp for the YTD, which reached US\$ 31.5 million vs. US\$ 25.0 million in 2009, which in turn was already a very good year. Furthermore, having announced the acquisition of ALICO's shares in the insurance group, future contributions to Credicorp will include such additional share and reflect a more substantial role in Credicorp's income generation.

Finally, Prima AFP maintained the excellent results from previous Qs and reported 4.1% higher fee income, 3.8% higher operating income but lower bottom line results due to higher income taxes, leading to a stable contribution to Credicorp of US\$ 5.7 million for the Q, and a YTD contribution of US\$ 17.5 million up 5.6% from US\$ 16.6 million in 2009.

Credicorp Ltd.'s line includes the provisions for withholding taxes on dividends paid to Credicorp and eventually translation effects, though in 2Q it showed a strong reduction since such tax provisions were compensated by dividend & interest income from investments in some selected Peruvian stocks and bonds recorded during the period, which are today held at Credicorp Ltd. and previously booked at Grupo Crédito.

Though the 3Q results of all subsidiaries given the effects explained led to a drop in total net earnings of Credicorp for the Q of 3.5%, the good performance of all of Credicorp's subsidiaries throughout the year led to a substantial 27.2% QoQ increase in net income attributable to Credicorp for this first 9 months of the year, a remarkable performance that puts Credicorp's earnings at the high end of expectations.

## II. Banco de Crédito – BCP - Consolidated

## Summary 3Q10

During the third quarter of this year, BCP achieved its best quarterly result to date. This reflects the fact that the financial system continues to expand alongside solid growth in the Peruvian economy, which accumulated 8.4% growth from January to August this year.

BCP's net income totaled US\$ 138.6 million in 3Q10, which represented a 3.3% increase QoQ and 26.6% YoY. The year's accumulated results showed that net income grew 29.2% with regard to the level reported for January-September 2009.

It is important to point out that operating income, excluding extraordinary income, also expanded significantly to total US\$ 162.6 million, which was 2.6% higher than the US\$ 158.5 million generated in 2Q10.

Banco de Credito and Subsidiaries US\$ 000	3Q10	Quarter		Change %		Year to date		Change %
		2Q10	3Q09	QoQ	YoY	Sep 10	Sep 09	Sep 10 / Sep 09
Net financial income	242,274	228,652	197,262	6.0%	22.8%	690,101	592,883	16.4%
Total provisions for loan losses	(52,614)	(31,183)	(38,917)	68.7%	35.2%	(127,242)	(120,171)	5.9%
Non financial income	167,348	169,541	129,689	-1.3%	29.0%	474,730	428,524	10.8%
Operating expenses	(184,751)	(183,180)	(161,093)	0.9%	14.7%	(553,264)	(495,774)	11.6%
Operating Income	172,257	183,830	126,941	-6.3%	35.7%	484,325	405,462	19.5%
Core operating income	162,620	158,481	126,941	2.6%	28.1%	449,339	332,735	35.0%
Non core operating income*	9,637	25,349	-	-62.0%	-	34,986	72,727	-51.9%
Translation results	12,896	4,972	10,204	159.4%	26.4%	29,548	(4,955)	693.3%
Worker's profit sharing and income taxes	(46,382)	(54,454)	(35,400)	-14.8%	31.0%	(138,582)	(14,422)	860.9%
Net income	138,620	134,221	101,456	3.3%	36.6%	374,750	289,980	29.2%
Net income / share (US\$)	0.062	0.060	0.046	3.3%	36.7%			
Total loans	13,326,601	12,611,066	10,572,063	5.7%	26.1%			
Deposits and obligations	15,642,366	14,209,963	13,946,714	10.1%	12.2%			
Net shareholders'	1,864,471	1,679,754	1,556,224	11.0%	19.8%			

equity

Net financial margin	4.81%	4.91%	4.87%
Efficiency ratio	46.3%	48.0%	48.8%
Return on average equity	31.3%	33.0%	27.1%
PDL / Total loans	1.59%	1.71%	1.56%
Coverage ratio of PDLs	193.3%	179.5%	191.8%
BIS ratio	13.9%	13.6%	14.5%
Branches	324	325	330
Agentes BCP	3,354	3,086	2,435
ATMs	1,109	1,062	951
Employees	15,650	15,775	15,936

\* It refers to a net gain on sales of securities (non financial income)

Excellent quarterly performance in 3Q10 as compared to 2Q10 was primarily due to:

- i) 6.0% QoQ growth in net interest income (NII) due to higher interest income related to loan growth;
- ii) Higher translation results as a result of appropriate asset & liability management; and
- iii) Lower tax levels, which are primarily explained by the tax shelter obtained from investments in BCR CDs.

The aforementioned helped offset the 68.7% QoQ increase in provisions for loans and lower non-recurrent financial income. The latter was explained by a drop in earnings from sales of securities, which was significant in the 2nd and less is volume in this 3rd quarter following the Government's bond repurchase.

A comparison with 3Q09's results shows growth of 36.6% in net income and 35.7% in operating income. In terms of the latter, the 22.8% increase in NII was particularly noteworthy along with 29.0% growth in non-financial income (primarily due to the 29.5% increase in fees for banking services) and higher translation results.

Assets reported 12.5% growth QoQ due to an increase in net loans (+5.7% QoQ) and higher securities available for sale (+43.9% QoQ). The latter was associated with a successful treasury management strategy to invest in relatively low cost funding options such as Peruvian government instruments, which are attractive due to the rates offered and the tax shelter they generate.

Good results in the third quarter also include a declining past due ratio, which went from 1.71% at the end of 2Q10 to 1.59% at the end of 3Q10. As we will explain in greater detail later on, this contraction was due to loan growth and a reduction in the past due portfolio.

BCP achieved improvement in operating efficiency for the third consecutive quarter this year. This was evident in an improvement in the efficiency ratio, which dropped from 48.0% in 2Q10 to 46.3% in 3Q10. This quarter's level is even lower than the 48.8% registered in 3Q09.

Finally, ROAE and ROAA reached very satisfactory levels of 31.3% and 2.5%, respectively.

### Core Earnings

Core earnings US\$ 000	Quarter			Change %		Year to date		Change %
	3Q10	2Q10	3Q09	QoQ	YoY	Sep 10	Sep 09	Sep 10 / Sep 09
Net interest and dividend income	242,274	228,652	197,262	6.0%	22.8%	690,101	592,883	16.4%
Fee income, net	120,839	113,577	93,348	6.4%	29.5%	341,639	258,521	32.2%
Net gain on foreign exchange transactions	26,354	23,595	25,559	11.7%	3.1%	75,452	65,587	15.0%
Core earnings	389,467	365,824	316,169	6.5%	23.2%	1,107,192	916,991	20.7%

In 3Q10, BCP's core earnings totaled US\$ 389.5 million, which represented a 6.5% increase with regard to 2Q10's figure and topped 3Q09's level by 23.2%. Favorable performance this quarter was due primarily to:

- i) The 6.0% increase in NII, which was primarily attributable to higher income from interest on loans;
- ii) Growth of 6.4% in fee income, which stemmed primarily from higher income from savings accounts, credit cards and contingencies (foreign trade and guarantees); and
- iii) Higher earnings on FX transactions (+11.7%) due to an increase in the volume of transactions in a scenario of 1.4% appreciation in the Nuevo Sol.

Accumulated results evolved very favorably, which is reflected in an increase of 23.2% with regard to the income obtained in the first three quarters of 2009. This is attributable to growth in all areas: 22.8% in net interest income, 29.5% of fee income and 3.1% of net earnings for FX transactions.

### II.1 Interest Earning Assets

Interest earning assets reported a significant 14.8% increase QoQ due to growth in available for sale securities (+43.9%), primarily BCR CDs, which are attractive investment alternatives; a 5.8% QoQ increase in current loans and a 16.1% increase in available funds attributable to higher legal reserves.

Interest earning assets US\$ 000	Quarter			Change %	
	3Q10	2Q10	3Q09	QoQ	YoY
BCRP and other banks	3,012,573	2,594,416	2,749,996	16.1%	9.5%
Interbank funds	-	-	68,132	0.0%	-100.0%
Trading securities	73,986	60,037	89,718	23.2%	-17.5%

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Securities available for sale	5,336,436	3,707,331	2,793,015	43.9%	91.1%
Current loans	13,114,103	12,395,974	10,406,954	5.8%	26.0%
Total interest earning assets	21,537,098	18,757,758	16,107,815	14.8%	33.7%

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The evolution of interest earning assets was closely tied to excellent performance this quarter given that despite an increase in legal reserves, treasury management wisely sought to capture relatively low-cost funds to take advantage of good investment opportunities such as BCR CDs, which offer higher rates and provide a lower effective tax rate. Economic expansion was also reflected in the dynamism of loans, which increased 5.8% QoQ due to growth in the Wholesale and Retail portfolios.

#### Loan Portfolio

At the end of 3Q10, current loans totaled US\$ 13,114 million, which represents a 5.8% increase QoQ and 26.0% YoY. This is a clear indicator that the Peruvian economy is very dynamic right now. If we look at average daily balances, it is evident that the favorable impact is due to the results of both Wholesale Banking and Retail Banking, which reported significant QoQ increases of 5.0% and 5.6%, respectively.

The following graph shows the evolution of daily average balances and end-of-period balances during the third quarter of 2010 where two aspects stand out: (i) the upward trend of loan growth throughout the period, and (ii) the portfolio reported QoQ growth of 5.5% in average daily balances, which is higher than the 3.5% posted in 3Q10. This upward trend is visible at a global level and within each of the banking segments, which indicates that we are experiencing a period of growth in the banking system and throughout all sectors of the economy.

Further analysis of average daily balances indicates that overall expansion was 5.5% QoQ and 22.7% YoY. This expansion was due to total growth of both banking units and within them of all segments. First, Wholesale Banking achieved 5.0% growth QoQ, reaching more than US\$ 7,000 million in average daily loan balances mainly due to important Middle-Market Banking's short and long term transactions. Retail Banking increased 5.6% QoQ due to market dynamism and loans in SME and Mortgage Loans segments performed particularly well, growing 8.2% and 5.1% QoQ, respectively. It is also important to point out Edyficar's growth of more than US\$ 21 million, which represented 7.9% growth QoQ, topping last quarter's figure of 5.5%.

TOTAL LOANS (1)					
	(US\$ million)				
	3Q10	2Q10	3Q09	QoQ	YoY
Wholesale Banking	7,050.5	6,712.2	5,816.5	5.0%	21.2%
- Corporate	4,542.3	4,417.4	3,939.8	2.8%	15.3%
- Middle Market	2,508.2	2,294.8	1,876.6	9.3%	33.7%
Retail Banking	4,796.9	4,541.0	4,058.7	5.6%	18.2%
- SME + Business	1,624.6	1,501.9	1,322.9	8.2%	22.8%
- Mortgages	1,746.9	1,661.7	1,470.0	5.1%	18.8%
- Consumer	892.8	851.8	801.0	4.8%	11.5%
- Credit Cards	532.5	525.6	464.7	1.3%	14.6%
Edyficar	299.7	277.8	-	7.9%	-
Others (2)	739.4	688.6	626.6	7.4%	18.0%
Consolidated total loans	12,886.5	12,219.5	10,501.7	5.5%	22.7%

(1) Average daily balance

(2) Includes Work Out Unit, other banking and BCPBolivia.

If we analyze loan evolution by currency type, we see that both portfolios reported growth of 4.6% and 5.7% in the LC and FC portfolios, respectively.

#### Average Daily Balances

	Domestic Currency Loans (1)					Foreign Currency Loans (1)				
	(Nuevos Soles million)					(US\$ million)				
	3Q10	2Q10	3Q09	QoQ	YoY	3Q10	2Q10	3Q09	QoQ	YoY
Wholesale Banking	5,052.1	4,927.7	4,624.1	2.5%	9.3%	5,262.1	4,976.8	4,242.9	5.7%	24.0%
- Corporate	3,475.6	3,346.9	3,516.5	3.8%	-1.2%	3,312.0	3,236.1	2,743.1	2.3%	20.7%
- Middle Market	1,576.6	1,580.8	1,107.5	-0.3%	42.3%	1,950.1	1,740.6	1,499.7	12.0%	30.0%
Retail Banking	8,258.6	7,821.0	6,686.1	5.6%	23.5%	1,873.5	1,786.3	1,782.5	4.9%	5.1%
- SME + Business	2,876.7	2,678.8	2,269.4	7.4%	26.8%	606.3	558.3	550.6	8.6%	10.1%
- Mortgages	2,240.8	2,111.3	1,656.9	6.1%	35.2%	953.7	918.1	905.9	3.9%	5.3%
- Consumer	1,830.5	1,729.6	1,586.7	5.8%	15.4%	244.9	242.6	260.6	0.9%	-6.0%
- Credit Cards	1,310.6	1,301.2	1,173.0	0.7%	11.7%	68.6	67.3	65.5	2.0%	4.9%
Edyficar	810.8	751.1	-	8.0%	-	12.7	13.3	-	-4.0%	-
Others (2)	182.6	174.9	108.7	4.4%	68.0%	674.7	627.0	589.5	7.6%	14.5%
Consolidated total loans	14,304.1	13,674.7	11,418.9	4.6%	25.3%	7,823.1	7,403.3	6,614.9	5.7%	18.3%

(1) Average daily balance

(2) Includes Work Out Unit, other banking and BCP Bolivia.

It is evident that a significant portion of portfolio growth comes from expansion in the FC portfolio that is mainly attributable to an increase in Wholesale Banking loans, which in turn was driven by portfolio growth experimented in Middle-Market Banking. This segment captured important short-term transactions during the fishing season and to a lesser extent during the coffee campaign and obtained long-term loans thanks to real estate investment projects, which



continue to grow.

Growth in the FC portfolio is associated with a weak US dollar and the lower rates for the foreign currency portfolio. In this scenario, the wholesale sector is better prepared to manage FC exposure thanks to the natural cover provided by the nature of its business (in terms of assets and income in FC) and the fact that their technical expertise allows them to access to adequate market coverage.

Growth in the local currency portfolio is primarily attributable to Retail Banking's expansion, particularly in the SME-Business and Mortgage segments, which grew 7.4% and 6.1% QoQ, respectively, due to more extensive financial inclusion and current economic development. As such, it is evident that retail clients are aware of the fact that it is best to avoid the exchange risk that is implicit in borrowing in a currency different from that of their income base. This growth was strengthened by the Wholesale Portfolio, which experienced a reactivation of LC loans and a corresponding increase of 2.5% QoQ thanks to mid-term transactions. This evolution is noteworthy because of the growth it implies and the fact that it offset last quarter's negative result of -6.1%. In addition to the favorable results of both banking businesses, Edyficar reported significant growth of 8% QoQ in comparison to the QoQ 5.8% increase achieved in 2Q10.

## Market Share

At the end of September, BCP consolidated maintained its market leadership with a 30.6% share, which is 10 percentage points above the figure reported for its closest competitor. It is important to emphasize that we currently hold 34.3% of the market for mortgage loans.

As of the end of August, the market shares of Corporate Banking and Middle-Market Banking proved that BCP is solidly positioned, reaching 44% and 32.9% respectively. These figures mirror those reported at the end of June 2010. Within Retail Banking, per product shares, which include the mortgage, consumer and credit card lines, showed little variation QoQ. During the last quarter, a number of changes were made in the classification of PYME and Business products. As such, we currently lack up-dated data to conduct a comparison with the previous classification system.

## Dollarization

The foreign currency portfolio accounted for 60.7% of the total portfolio at the end of the third quarter. This represents a slight decline that was due to growth in the LC portfolio of Retail Banking and Wholesale Banking, the latter of which disbursed significant mid-term loans in LC during the third quarter.

## II.2 Deposits and Mutual Funds

At the end of 3Q10, deposits reported 10.1% growth QoQ that was driven primarily by an increase in time deposits (+24.2%) and demand deposits (+29.8%) and to a lesser degree by savings accounts (+6.8%). Mutual funds reported a slight increase of 2.1% QoQ.

Deposits and obligations US\$ 000	Quarter			Change %	
	3Q10	2Q10	3Q09	QoQ	YoY
Non-interest bearing deposits	3,918,653	4,027,803	3,415,360	-2.7%	14.7%
Demand deposits	1,338,403	1,031,248	883,553	29.8%	51.5%
Saving deposits	3,953,997	3,702,869	3,387,339	6.8%	16.7%
Time deposits	5,267,355	4,242,721	5,179,047	24.2%	1.7%
Severance indemnity deposits (CTS)	1,127,933	1,176,925	1,012,534	-4.2%	11.4%
Interest payable	36,026	28,397	68,881	26.9%	-47.7%
Total customer deposits	15,642,367	14,209,963	13,946,714	10.1%	12.2%
Mutual funds in Perú	2,164,067	2,117,306	1,779,085	2.2%	21.6%
Mutual funds in Bolivia	123,312	123,084	156,339	0.2%	-21.1%
Total customer funds	17,929,746	16,450,353	15,882,138	9.0%	12.9%

The increase reported in deposits was due mainly to growth in time deposits given that Wholesale Banking's clients maintained higher balances this quarter. The increase in time deposits is in line with the CDs investment strategy. Demand deposits and savings accounts reported growth of 29.8% QoQ and 6.8% QoQ due to an increase in deposits in Wholesale Banking and Retail Banking respectively.

This evolution in funding sources is proof of BCP's ability to capture the funds that will allow it to back future economic growth in the country. The aforementioned implied an increase in the cost of funding, which went from 1.82% in 2Q10 to 2.111% in 3Q10. This increase is mainly explained by two factors: i) the higher reference rate in Nuevos Soles (from 1.75% in June to 3% in September); and ii) the effect of reserve requirement measures that generated the reduction of US dollar liquidity, which increased the cost of fund for such currency.

BCP's mutual funds grew 2.1% QoQ due to favorable market value and the campaigns that this segment conducted in 3Q10.

## Market Share in Deposits

At the end of September, BCP led the deposits market with a 34.1% market share. This figure was higher than that obtained in 2Q10 (33.1%) and 14 percentage points above its closest competitor. If we analyze market share by deposit and currency type, BCP maintains a solid lead and has performed particularly well in terms of CTS deposits in FC and savings in LC where its market share tops 40%.

Market share by type of deposit and currency				
	Demand deposits	Saving deposits	Time deposits	Severance indemnity
LC	38.1%	36.6%	29.0%	37.9%
FC	43.4%	41.0%	28.5%	55.6%

LC: Local Currency

FC: Foreign Currency

It is important to mention that the increase in market participation in time deposits in LC, which rose from 21.1% in 2Q10 to 29% in 3Q10 due to successful efforts to capture excess liquidity, particularly from institutional clients.

## Dollarization

At the end of 3Q10, de-dollarization was evident in deposits (55.7% in 2Q10 and 51.7% in 3Q10) due to the significant 20.1% increase QoQ in LC deposits. This stemmed primarily from higher time deposits by institutional clients in Wholesale Banking. This evolution of deposits was attributable to increased confidence in the local currency, which reported a 1.4% appreciation against the US dollar during the third quarter of the year.

## II.3 Net Interest Income

NII grew 6.0% QoQ due primarily to a 5.3% increase in interest income, which was attributable to significant loan growth this quarter and helped offset higher interest expenses (+25.1%). In this scenario, NIM performed well at 4.8%.

Net interest income	Quarter			Change %		Year to date		Change %
US\$ 000	3Q10	2Q10	3Q09	QoQ	YoY	Sep 10	Sep 09	Sep 10 / Sep 09
Interest income	345,937	311,548	292,292	11.0%	18.4%	963,407	909,494	5.9%
Interest on loans	309,818	294,303	260,705	5.3%	18.8%	884,286	783,044	12.9%
Interest and dividends on investments	33	42	384	-21.4%	-91%	3,532	3,088	14.4%
Interest on deposits with banks	1,643	1,627	2,351	1.0%	-30.1%	5,058	16,163	-68.7%
Interest on trading securities	21,035	19,511	27,730	7.8%	-24.1%	60,384	83,000	-27.2%
	13,408	(3,935)	1,122					

Other interest  
income