

MANAGEMENT REPORT 2009



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MAIN FIGURES OF THE CONSOLIDATED BALANCE SHEET

MAIN FIGURES OF THE CONSOLIDATED BALANCE SHEET ACCORDING TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

Figures in millions US\$ (1)	2005	2006	2007	2008	2009
Total Premiums	359.0	372.6	467.2	587.6	608.8
Ceded Premiums	68.0	63.5	97.4	111.2	101.7
Increase in Reserve	68.5	50.0	62.6	70.6	67.6
Net earned premiums	222.5	259.1	307.3	405.7	439.5
Net claims	175.5	186.5	238.6	341.9	286.5
Net commissions	19.3	26.9	31.3	56.8	59.6
Net technical expenses	8.2	10.9	21.9	14.7	13.6
Technical result	19.6	34.8	15.5	(7.7)	79.9
Financial yield	42.7	89.4	76.8	70.4	75.7
General expenses and provisions	47.9	61.2	72.5	80.4	91.5
Net consolidated earnings	7.0	53.3	12.5	(15.0)	49.2
Contribution to Credicorp	4.6	13.6	9.4	(15.9)	37.4

Balance (US\$ millions, end of period)

Assets	996.2	1,197.9	1,298.9	1,498.3
Investments in securities and real estate	728.9	821.3	822.3	1,057.2
Technical reserves	629.4	817.5	968.5	1,019.6
Total liability	706.3	932.8	1,113.0	1,152.0
Net	236.7	206.1	146.3	265.2
Minority interest	53.2	59.1	39.7	81.0

Profitability

Earnings per share (US\$ per share)	2.10	0.46	n.a.	1.57
Average return on equity ²	25.4%	5.6%	-8.5%	23.9%
Average return on assets ²	5.8%	1.1%	-1.2%	3.5%

Operating Ratios

Equity / total assets	23.8%	17.2%	11.3%	17.7%
Increase in provisions	16.2%	16.9%	14.8%	13.3%
Net claims / Net earned premiums	72.0%	77.7%	84.3%	65.2%
Expenses and fees / Net earned premiums	14.6%	17.3%	17.6%	16.6%
Technical result/ Net earned Premiums	13.4%	5.0%	-1.9%	18.2%
General Expenses / Net earned premiums	23.6%	23.6%	19.8%	20.8%
General Expenses/ Average Assets ²	6.7%	6.6%	6.4%	6.5%
Combined Ratios ³	104.4%	115.4%	118.3%	101.3%

Other Data

Number of shares, net (in millions)	25.4	27.1	30.3	31.4
Number of employees	1,467	2,242	2,316	2,569

1 Figures are not audited according to International Financial Reporting Standards (IFRS).

2 Averages are calculated with the starting average daily balance and the final balance at the end of each period

3 Does not include Pacifico Vida

THE PERUVIAN INSURANCE MARKET

According to information published by SBS (Superintendencia of Banking, Insurance and Private Pension Funds), the industry's net premiums (general insurance and life insurance) are reported in Nuevos Soles and exclude income from assumed reinsurance. According to this nomenclature, turnover in Nuevos Soles at the end of December 2009 reached S/. 5,190.4 million, which represents 19.8% growth YoY.

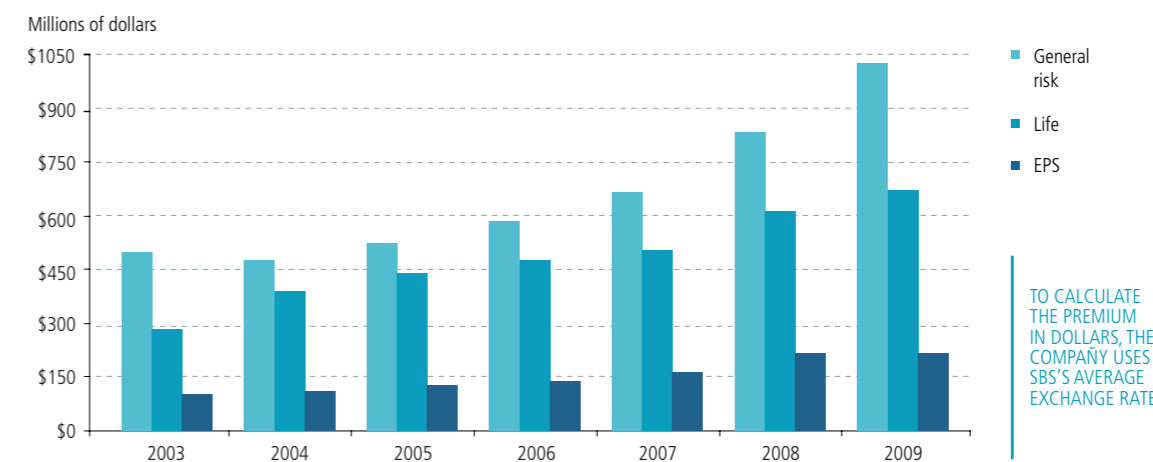
To calculate market figures, we use the information published by SBS in Nuevos Soles and convert it to dollars by using SBS's average exchange rate. It is important to emphasize that Pacifico Seguro uses premiums

for net insurance and accepted insurance for administrative purposes.

In terms of turnover, the insurance market's net insurance premiums to December 2009 reached US\$ 1,722.1 million, which represents a 17.4% increase YoY. General insurance premiums grew 23.0% to total US\$ 1,040.7 million while premiums for the Life and Annuity lines reached US\$ 681.4 million, demonstrating 9.9% growth YoY.

Health Insurance as at December 2009 grew by 13.2% to reach US\$ 249.2 million.

EVOLUTION OF PREMIUMS AND CONTRIBUTIONS TO THE PERUVIAN INSURANCE MARKET



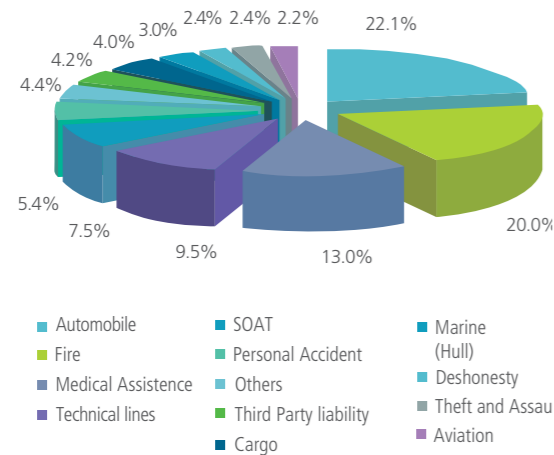
Source
Elaborated by company based on the SBS and SEPS advance bulletin of December 2009





DISTRIBUTION OF THE PORTFOLIO OF NET PREMIUMS FOR GENERAL BUSINESS LINES, ACCIDENTS AND ILLNESS

Peruvian Insurance Market to 2009



The total market for General Insurance, Personal Accident, Life and Health totaled US\$ 1,971.3 million at the end of December 2009, achieving 16.9% growth YoY.

Although economic growth in Peru decelerated in 2009, the insurance industry grew 14.1% YoY.

YoY growth in the general insurance segment was driven by premiums from Technical Lines, Automobile and Aviation, which grew 36.7, 33.3 and 27.0% respectively. Other lines also experienced significant growth, including: Fire with 25.9%, SOAT (Compulsory Auto) with 24.6%, Third Party Liability with 19.8%, Marine (Hull) with 18.6%, Medical Assistance with 18.6%, Theft and Assault with 14.2% and Dishonesty with 11.0%.

It is important to note that the only business line that experienced a market decline was Cargo, which fell 11.4%. This was due, in great part, to a drop in foreign trade transactions in 2009 with regard to 2008.

“... The insurance market’s net premiums to December 2009 totaled US\$ 1,722.1 million...”

The industry’s net earned premiums (general insurance and life insurance) grew 19.7%, primarily due to an increase in the demand for property insurance and the effects of a process to correct market rates. It is important to emphasize that this process began in 2008 and has had a progressive impact on market premiums that are line with portfolio renewal schedules.

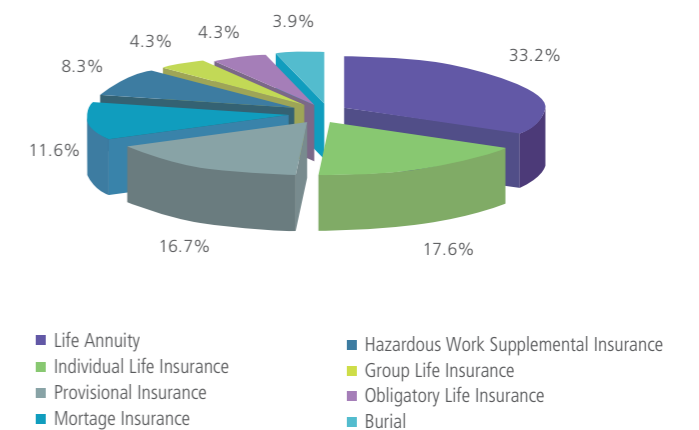
The market’s technical result ratio over net premiums earned was 14% at the end of 2009. This includes customer reimbursements and translates into a claims rate of 63.2%. It is important to point out that last year’s technical result reported a 2.3% loss with a claims ratio of 79.2%

The sector’s administrative expenses reached 23.3% over net earned premiums to December 2009, dropping from the 25.2% reported in 2009. The Peruvian insurance system’s financial income demonstrated 21.5% growth YoY, which is attributable to the fact that local and international investment portfolios have begun to recover.

General Insurance and Life grew 19.7% due to the demand for property insurance and the effects of a process to correct market rates.

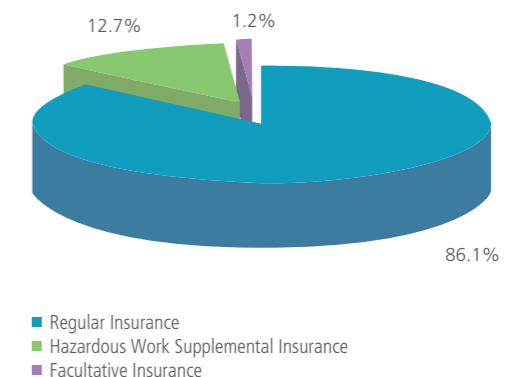
DISTRIBUTION OF THE PORTFOLIO OF NET PREMIUMS FOR LIFE LINES

Peruvian Insurance Market to 2009



DISTRIBUTION OF THE CONTRIBUTIONS PORTFOLIO

Peruvian EPS providers to December 2009



Source of the last three charts
Elaborated by company based on the SBS and SEPS advance bulletin of December 2009



THE INSURANCE BUSINESS

Results during 2009 have been positive in three segments: General Insurance, Life and Health. This year's points of interest include a considerable decline in claims in the General Insurance segment and significant improvements in Life insurance results.

In this context, the insurance business recorded net earnings of US\$ 49.2 million before minority interest, which contrasts significantly with the net loss of US\$15 million reported in 2008. If we look at consolidated adjustments, the best indicator of improved performance is Pacifico's contribution to Credicorp, which went from a negative contribution of US\$15.9 million in 2008 to US\$ 37.4 million in 2009.

Since 2006, the Pacifico Group has been applying a strategy to increase market penetration in Personal Lines or individual insurance segment. The focus is on increasing spread and diversifying the risk portfolio, transferring large corporate risk to the international reinsurance market to reduce volatility of results and increase predictability. This strategy has been implemented in various stages and has included efforts to reorganize and separate risk and commercial functions, in-depth specialization in underwriting, portfolio restructuring as well as the reduction and

"...Premium turnover grew 3.6%, reaching US\$ 608.8 million at the end of 2009..."

control of operating risks. In 2009, Pacifico met the majority of its objectives in these areas and its results are the fruit of efforts made over the past four years to consistently apply fundamental guidelines.

To ensure that premiums are in line with portfolio exposure, Pacifico raised its rates in 2009. Despite this increase, turnover increased 3.6%, reaching US\$ 608.8 million at the end of 2009. This result has once again confirmed Pacifico's position as one of the largest insurers in the region. In terms of segments, Pacifico General Insurance grew 0.7%; Pacifico Vida (Life) 5.9% and Pacifico Salud (Health) EPS 7.5%.



FINANCIAL RESULTS

"...The net incurred claims ratio was 53.3% in 2009, which represents a considerable decline with regard to the 87.2% obtained in 2008..."

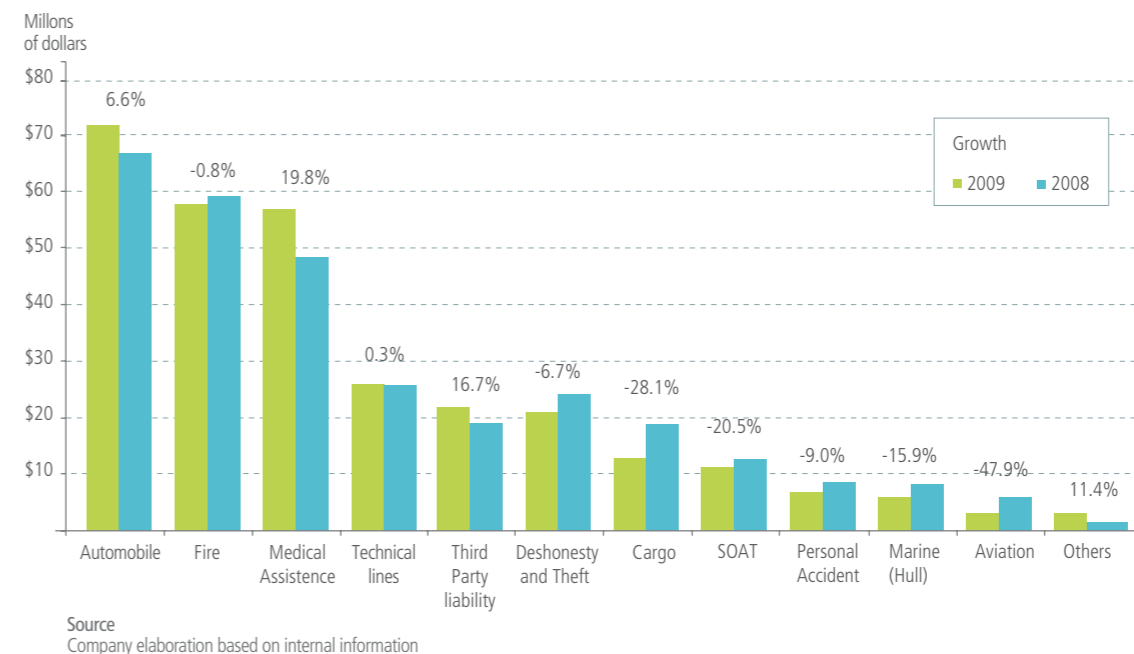
Pacífico Insurance

In 2009, total turnover for general insurance sales reached US\$ 299.0 million, which represents slightly less than 0.7% YoY growth.

Sales in each of the business lines varied, in keeping with the company's strategy to diversify and deconcentrate risk.

Aggravated risk is generally associated with risk coverage for business and industries in Marine, Cargo and Hull as well as in Fire and Technical Lines.

DISTRIBUTION OF THE PREMIUM PORTFOLIO - GROWTH IN PACIFICO SEGURO'S TOTAL PREMIUMS 2009 VS 2008

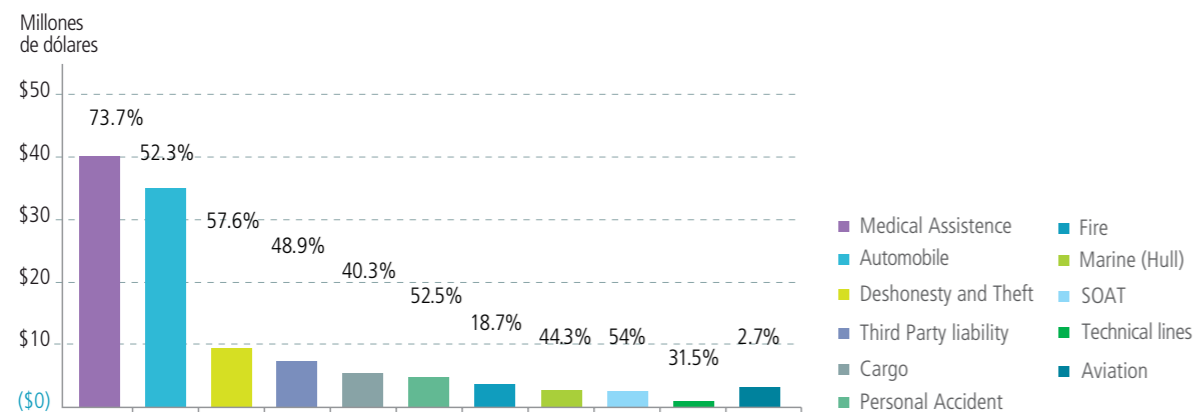


Expenses for reimbursements and net claims totaled US\$ 102.8 million in 2009. The net incurred claims ratio was 53.3%, falling considerably from the 87.2% level reported in 2008. This drop in claims is primarily the result of the company's adequate management of underwriting processes and reflects the operating controls that have been in place over the last few years. The objective of these efforts has been to achieve improvements in the timeliness of payments

and reimbursements while reducing the severity of claims and their operating costs.

The figure below shows the claims ratios obtained in each of the general insurance lines. It is important to note that the Fire, Technical and Medical Assistance Lines demonstrated the most significant improvement with regard to 2008, when the levels reported for each exceeded 100%.

DISTRIBUTION OF PACIFICO INSURANCE'S NET CLAIMS - NET INCURRED CLAIMS 2009



Source
Company elaboration based on internal information

Fire and Technical Lines reported a significant drop in claims: both obtained claims ratios above 100% in 2008. This improvement is attributable to the implementation of risk policies and mechanisms of control that aim to reduce the incidence of severe cases, which leads to higher levels of portfolio diversification and less volatile results.

It is also important to mention that the results for Medical Assistance and Automobile lines have also improved considerably following efforts to match conditions and rates to risk and market conditions and the implementation of internal controls to improve the efficiency and quality of the company's services. In 2008, the Automobile line was adversely affected by a high incidence of total theft. This caused industry-wide loss levels to soar above US\$ 35 million in 2008, which is seven times the yearly average reported in recent years. In 2009, these costs fell due to an increase in control and improvements the sector's ability to trace vehicles.

Net financial income in annual terms was US\$ 22.6 million. This represents an 18.3% increase with regard to 2008, when the reported total was US\$ 19.1 million.

During 2009, general expenses and remunerations totaled US\$ 52.0 million, which indicates a 31.9% increase in terms of the expenses reported in 2008, when net earned premiums grew 10.2%.

As such, in relative terms, general expenses as a percentage of net earned premiums increased from 22.5% to 26.9%. This increase in expenses in comparison to premium income is due primarily to a decline in the exchange rate, which has had a negative effect given that the company's expenses are billed in soles while premium income is generated in dollars. To accomplish this, Pacifico will continue implementing the strategies it put in place three years ago. It will strive to rationalize and control spending to bring levels below 20% of net earned premiums.

Along these lines, Pacifico will continue to implement strategies to control operating costs through more intensive use of information systems and efforts to integrate distribution channels.

The technical result of US\$ 61.8 million and financial income of US\$ 22.6 million, after deducting general expenses, payroll expenses and taxes, meant that the general insurance business generated US\$26.2 million in net earnings in 2009.

Pacifico held 28.2% of the general insurance market at year-end, down from 34.1% in 2008. It is important to mention that this reduction is the product of changes in the composition of the company's portfolio, which were necessary to align exposure with the company's current appetite for risk.

Investments

The investments available to cover technical obligations to December 31, 2009 are as follows:

Pacifico Insurance's Investments (thousands of nuevos soles end of period)	2009	%
Cash and Term Deposits	S/. 33.971	4.2%
Premiums Receivable	S/. 256.275	31.7%
Equity and Fixed Income Securities	S/. 470.023	58.2%
Real State Investments	S/. 47.859	5.9%
Total	S/. 808.128	100%

According to Classification, Valuation and Financial Investment Services Regulations for insurance companies, the value of Pacifico's investments in subsidiaries and permanent investments is calculated by utilizing the net worth valuation method.



Pacífico Vida

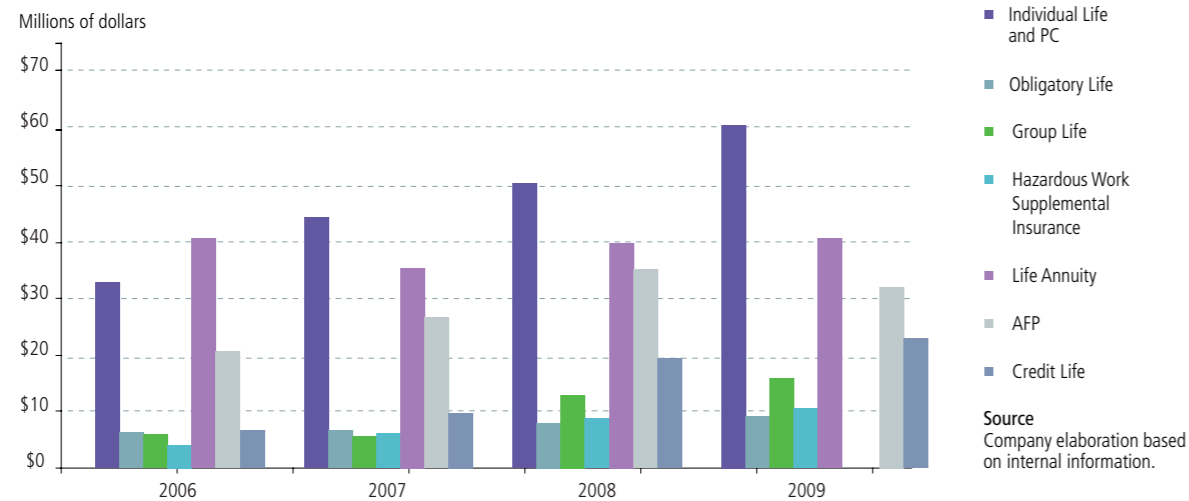
To December 2009, the total premium volume was US\$ 188 million, which is 5.9% higher than the figure obtained last year. Market share to November 2009 was 27.2%. The growth obtained this year goes hand-in-hand with average growth in the life insurance segment.

It is important to point out that almost all the business lines have experienced a significant increase in turnover. The lines that demonstrated the highest growth rates were: Individual Life (14.5%), Credit Life (14.7%), Personal Accidents (13.3%), and Group Life (12%).

The business lines that generated decreases in premiums with regard to last year were the AFP lines and Life Annuity which fell 9.9% and 0.3% respectively.

“...Premiums for Individual Life grew 14.5% YoY, which is considerably higher than the 7.% growth reported for market growth in 2009. ...”

EVOLUTION OF PREMIUM PORTFOLIO



Premiums in Individual Life grew 14.5% YoY, significantly exceeding market growth (7.0%). This growth was attributable to an increase in sales of products such as Pacífico Life Savings and Premium Life Max; an increase in our advisors' productivity; the quality of our sales service and the constant development of our distribution channels, particularly our exclusive channel of agencies. Bancaseguros (cross-selling of insurance products at banks), brokers, sponsors and part-time advisors also contributed to enhanced turnover this year. We expect this growth to continue throughout 2010 and have placed emphasis on recruiting more experienced advisors to ensure persistence and productivity. Efforts are currently underway to develop other channels for this product, including Part-Time advisors and Sponsors, to further improve turnover levels.

Premiums in the Individual Life line grew 14.5% YoY, which is significantly higher than the market average of 7%. This growth is primarily attributable to higher

sales of our new products, such as Pacífico Life Savings and Premium Life Max; the quality of our sales services; contributions from our current portfolio; and constant development in our channels of distribution. This development, although driven primarily by our exclusive network of agencies, was also the result of an increase in production in our banking-insurance, brokers, sponsors and part-time channels. We expect that growth will continue throughout 2010 and are hiring advisors with more experience to ensure persistence and productivity.

Cabe destacar el desarrollo de otros canales en este tipo de producto, como Brokers, Part Time y Sponsors que han contribuido en la generación de mayor producción.

The Individual Life business line accounts for 26% of the year's total income. At the end of November 2009, Pacífico Vida continued to lead the Individual Life market with a 35.7% market share.

During 2009, Group Life (Collective Life, Legal and Hazardous Work Supplemental Insurance) accounted for 18% of total income and increased its premium turnover by 12% with regard to last year. The Collective Life Line, which grew 15.2%, was the primary contributor to growth followed by Hazardous Work Supplemental Insurance. This significant increase is directly related to the country's growth, an increase in business formalization and development in sectors such as mining and construction. It is important to note that this year's growth largely exceeds market growth for this business line.

The company ranked second in terms of market share in the Group Life segment with 30.2%.

The Life Annuity line experienced a 0.3% YoY decline in income. This decrease in turnover is due to the fact that the company has no market share in the life annuities in soles market, which represented 12% of the total market for this segment. The decision not to actively participate in this market is attributable to the fact that assets issuances in VAC soles are limited, which makes it difficult to match liabilities with assets and creates a potential for significant risk in the future.

Life Annuity premiums account for 21% of the total premiums that Company accumulated. In this context, we are ranked fourth in terms of market share with 17.9%.

Another business line that generates significant income for the Company is Provisional Insurance (AFP), whose turnover this year represents 17% of Pacífico Vida's total income. At year-end, our accumulated income for this line decreased 9.9% with regard to 2008's figure. The fundamental reason behind this decrease is the fact that the company's insurance rates, unlike the competition's, did not vary in 2009. Another factor that caused a market-wide decrease in AFP collections was the government's decision to exempt the bonus payments in July and December 2009 from insurance deductions.

Pacífico Vida is currently ranked second in the AFP market, with a 28.1% share.

Credit Life has increased turnover by 14.7% YoY. Undoubtedly, the country's dynamic loan market (credit cards and mortgage loans) contributed to this line's good performance. This increase is attributable to the individualization of our insurance products, which are channeled primarily through the Banco de Crédito and to a lesser extent by means of Banco Ripley. It is important to point out that the company, with a 29% market share, ranks first in the market in terms of this business line.

Although the effects of the deceleration generated by the financial crisis were felt system-wide, Credit Life demonstrated the highest growth of any of our business lines.

Personal Accident was not a major contributor to income in 2009 (6% of total income); nevertheless, it

“...Fitch Ratings maintained Pacífico Vida's International Investment Grade because of the company's favorable results...”

achieved significant YoY growth (13.3%). It is important to emphasize that this business line, similar to our Individual Life product, is commercialized through our agency network, banks and other alternative channels (sponsors), all of which have contributed to significant growth.

Pacífico Vida continues to focus on developing traditional and alternative channels of distribution. The company's diversification efforts have been successfully expanded to include, in addition to companies in the financial system, department stores and public service companies.

We remain committed to leading efforts to develop the products that we distribute through our traditional and non-traditional channels by focusing on the consistent implementation of strategic actions, which are fundamental vehicles for market development.

In terms of portfolio investment, as of December 31, 2009, approximately 36% have been invested in foreign instruments; 39% in instruments issued or guaranteed by the Peruvian government; and approximately 25% in financial institutions or local private corporations. More than 75% of the portfolio's investments correspond to instruments with an international Investment Grade while all local investments have a local Investment Grade that has been assigned by local classifiers.

All of these investments, which are of the highest credit quality, correspond to financial instruments issued by top-notch international and local institutions. As such, the financial quality (credit) of our investments helps us guarantee our capacity to cover all future obligations with our clients.

Around 95% of the portfolio's investments correspond to fixed income instruments that are invested until they reach maturity. These assets back business lines



whose obligation flows are either known or inferred (probabilistic estimate) and are guaranteed by the company.

The company's investment policy for these types of products is focused on achieving and maintaining adequate cash flow matching between assets and liabilities to mitigate or eliminate rate reinvestment or liquidity risks.

The investment strategy for business lines that do not guarantee minimum returns focuses on achieving long-term profitability that matches each portfolio's risk and investment policies. Accordingly, Pacífico Vida maintains investments in fixed and variable rate instruments that will be held or negotiated in the short term and evaluates performance according to the reference benchmark set for each portfolio.

In terms of real estate investments, at the end of the first quarter of 2009, we took possession of Office Tower N° 1 of the Cronos Business Complex in the district of Surco. Construction at this tower is now finished and space is currently available for tenant use.

Finally, the international classifier Fitch Ratings maintained Pacífico Vida's International Investment Grade due to the company's favorable results particularly in 2008, when the company's net earnings represented 50% of the Peruvian insurance sector's consolidated earnings. Adequate risk management, strict underwriting policies, adept investment management and financial strength are the main business variables behind this qualification, which attests to the fact that Pacífico Vida has the financial capacity and equity backing to meet its commitments and obligations with clients and suppliers.

Our administrative expenses increased 0.7% YoY. During 2009, we decided against significantly increasing our expenses as a preventive measure in the context of a financial crisis. As such, we put off hiring new personnel and cancelled projects to open new agencies. Our administrative expense ratio in 2009 was 16.2% versus 17% in 2008. We will continue to implement our policy to reduce costs and expect to meet or goal to increase profitability even more.

Our claims ratio fell 3.9% YoY. This is attributable to a decrease in claims, particularly in the AFP and Group Life business lines. Additionally, the claims ratio fell to 43.1% of premiums versus 49.2% in 2008.

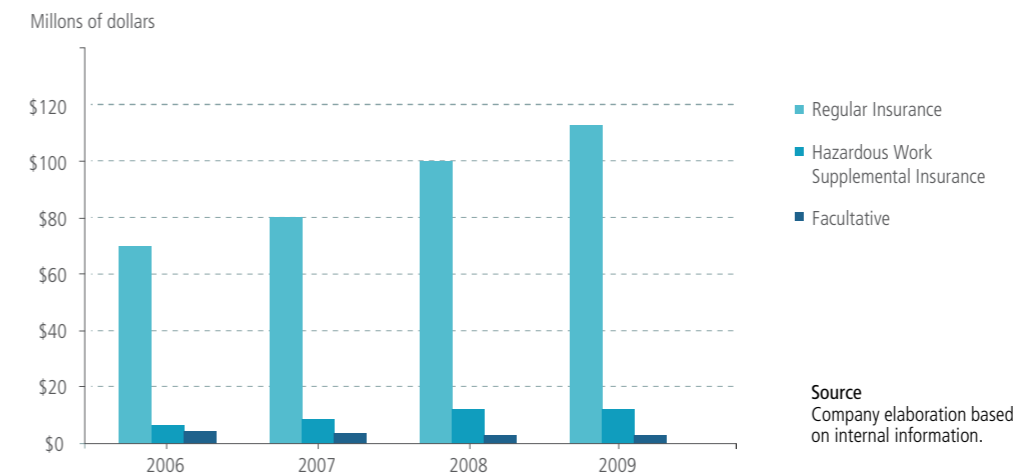
Technical expenses have increased 13.5% YoY. This is attributable primarily to costs relative to the individualization of the Credit Life products, which were offset by premium increases for this line.

Accumulated results to December 2009 were 53% higher than those obtained at the end of 2008. This was due primarily to lower amounts for claims and reserves –particularly AFP and Group Life– and earnings that exceeded market value. At the end of December 2009, Pacífico Vida obtained earnings before minority interests of US\$ 32.9 million.

Pacífico Health EPS

Total turnover in 2009 grew 7.5% YoY to reach US\$ 125.3 million. Regular insurance lines were the primary contributor to this result with a turnover of US\$ 111.3 million, followed by Hazardous Work Supplemental Insurance with US\$ 11.2 million and facultative insurance with US\$ 2.8 million. Total claims for 2009 reached US\$ 105.7 million, which translates into a net incurred claims ratio of 84.6% versus the 90.3% obtained in 2008.

EVOLUTION OF THE CONTRIBUTIONS PORTFOLIO - PACIFICO HEALTH EPS



In 2009, general expenses and remunerations totaled US\$ 10.8 million, which represents a 4% decline in terms of 2008's figures. If we express general expenses and remunerations as a percentage of net earned premiums, we obtain a figure of 8.7% for the year, which represents an improvement over the 8.9% reported in 2008. The levels reported in 2009 are within the international range.

At the end of 2009, the company reported net income of US\$ 2.7 million, which starkly contrasts with the US\$ 4.6 million loss registered in 2008.

"... At the end of December 2009, Pacífico Vida's earnings before minority interests totaled US\$ 32.9 million..."

**CONSOLIDATED BALANCE SHEET
(US\$ millions at the end of period)**

	2005	2006	2007	2008	2009
ASSET					
Cash and Banks	65.7	78.0	46.2	49.7	39.8
Net Investments	592.7	728.9	821.3	822.3	1,057.2
Real estate, furnishings and equipment, net	46.2	47.0	46.5	56.1	54.8
Cuentas por cobrar y otros activos	129.0	142.3	284.0	370.9	346.5
Total assets	833.6	996.2	1,197.9	1,298.9	1,498.3
LIABILITIES AND NET SHAREHOLDER'S EQUITY					
Provisions	546.1	629.4	817.5	968.5	1,019.6
Accounts Payable and Other Liabilities	67.9	76.9	115.3	144.5	132.4
Total liabilities	614.0	706.3	932.8	1,113.0	1,152.0
Net Shareholder's Equity	182.8	236.7	206.1	146.3	265.2
Minority Interest	36.7	53.2	59.1	39.7	81.0
Total liabilities and Net Shareholder's Equity	833.6	996.2	1,197.9	1,298.9	1,498.3

**PROFIT AND LOSS STATEMENT
(US\$ millions, end of period)**

	2005	2006	2006	2008	2009
Total Premiums	359.0	372.6	467.2	587.6	608.8
Ceded Premiums	68.0	63.5	97.4	111.2	101.7
Impairment adjustments	68.5	50.0	62.6	70.6	67.6
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Net Technical Expenses	8.2	10.9	21.9	14.7	13.6
Technical Result	19.6	34.8	15.5	(7.7)	79.9
Financial Income, net	42.7	89.4	76.8	70.4	75.7
General Expenses and Provisions	47.9	61.2	72.5	80.4	91.5
Various Income			2.6	2.3	1.8
Translation Result	0.3	1.6	3.9	(3.4)	4.5
Income Tax and employee profit sharing	1.5	5.4	4.3	(9.2)	8.6
Earnings before minority interest	13.1	59.1	22.0	(9.5)	61.7
Minority Interest	6.1	5.7	9.5	5.5	12.5
Consolidated Earnings	7.0	53.3	12.5	(15.0)	49.2
Contribution to Credicorp	4.6	13.6	9.4	(15.9)	37.4

BOARD

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Vicepresident

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