CREDICORP LTD. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF MARCH 31, 2023, AND DECEMBER 31, 2022 AND
FOR THE THREE - MONTH PERIODS ENDED MARCH 31, 2023 AND 2022

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CREDICORP LTD. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF MARCH 31, 2023, AND DECEMBER 31, 2022 AND FOR THE THREE – MONTH PERIODS ENDED MARCH 31, 2023 AND 2022.

CONTENT

S/	=	Sol
US$, U.S. Dollar	=	United States dollar
Bs	=	Boliviano
$	=	Colombian peso
¥	=	Yen

Tanaka, Valdivia & Asociados
Sociedad Civil de R. L.

Report on review of interim financial information

To the Shareholder of Credicorp Ltd. and subsidiaries

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Credicorp Ltd. and subsidiaries as of March 31, 2023 which comprise the interim condensed consolidated statement of financial position as at March 31, 2023 and the related interim condensed consolidated statements of income, comprehensive income, changes in net equity and cash flows for the three-month period then ended and explanatory notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34, "Interim financial reporting". Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, "Interim financial reporting".

Other matter

The consolidated financial statements as of and for the year ended December 31, 2022 were audited by another auditor whose report dated February 23, 2023, expressed unmodified opinion. The condensed consolidated financial statements as of March 31, 2022 and for the three-month period then ended were reviewed by another auditor whose report dated on May 27, 2022, expressed an unmodified conclusion. As described in Note 3(b) those statements were restated due to the initial application of IFRS 17, *Insurance Contracts*. We were not engaged to audit, review, or apply any procedures to the adjustments recognized on a retrospective basis on those financial statements and, accordingly, we do not express an opinion or any other form of assurance about whether such adjustments are appropriate and have been properly applied.

Lima, Peru
May 30, 2023

V. Tanaka

Tanaka, Valdivia & Asoc.

Countersigned by:
Victor Tanaka
C.P.C.C. Register No. 25613

CREDICORP LTD. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF MARCH 31, 2023 (UNAUDITED), DECEMBER 31, 2022 (RESTATED UNAUDITED, Note 3(b)) AND JANUARY 31, 2022 (RESTATED UNAUDITED, Note 3(b))

	Note	As of March 31, 2023	As of December 31, 2022	As of January 01, 2022
		S/(000)	S/(000)	S/(000)
Assets				
Cash and due from banks:				
Non-interest-bearing		6,946,112	7,286,624	6,925,332
Interest-bearing		28,158,941	26,897,216	32,395,408
	4	35,105,053	34,183,840	39,320,740
Cash collateral, reverse repurchase agreements and securities borrowing	5(a)	1,468,180	1,101,856	1,766,948
Investments:				
At fair value through profit or loss	6(a)	4,080,266	4,199,334	5,928,538
At fair value through other comprehensive		32,626,100	29,678,061	34,440,091
At fair value through other comprehensive pledged as collateral		769,887	1,108,100	318,352
	6(b)	33,395,987	30,786,161	34,758,443
Amortized cost		6,220,972	6,905,201	4,411,592
Amortized cost pledged as collateral		4,032,279	3,540,528	3,853,967
	6(c)	10,253,251	10,445,729	8,265,559
Loans, net:	7			
Loans, net of unearned income		145,165,713	148,626,374	147,597,412
Allowance for loan losses		(7,915,350)	(7,872,402)	(8,477,308)
		137,250,363	140,753,972	139,120,104
Financial assets designated at fair value through profit or loss		795,225	768,801	987,082
Insurance contract assets	8(a)	842,865	921,611	921,103
Reinsurance contract assets	8(b)	1,128,605	1,144,204	1,257,164
Property, furniture and equipment, net	9	1,259,389	1,281,098	1,308,779
Due from customers on banker's acceptances		496,170	699,678	532,404
Intangible assets and goodwill, net	10	2,942,367	2,899,429	2,710,080
Right-of-use assets, net	11(a)	527,603	543,833	586,417
Deferred tax assets, net		1,112,201	1,134,747	1,146,468
Other assets	12	7,680,708	5,885,845	6,215,663
Total assets		238,338,233	236,750,138	244,825,492

	Note	As of March 31, 2023	As of December 31, 2022	As of January 01, 2022
		S/(000)	S/(000)	S/(000)
Liabilities				
Deposits and obligations:				
Non-interest-bearing		41,596,964	43,346,151	51,851,206
Interest-bearing		107,026,336	103,674,636	98,489,656
	13(a)	148,623,300	147,020,787	150,340,862
Payables from repurchase agreements and securities lending	5(b)	11,686,495	12,966,725	22,013,866
Due to banks and correspondents	14(a)	10,199,650	8,937,411	7,212,946
Due from customers on banker's acceptances		496,170	699,678	532,404
Lease liabilities	11(b)	554,907	578,074	655,294
Financial liabilities at fair value through profit or loss		417,146	191,010	337,909
Reinsurance contract liability	8(c)	343,067	420,094	463,825
Insurance contract liability	8(d)	12,291,538	11,974,714	12,754,982
Bonds and notes issued	15	14,326,930	17,007,194	17,078,829
Deferred tax liabilities, net		79,299	75,005	74,167
Other liabilities	12	8,385,237	7,290,146	6,533,797
Total liabilities		207,403,739	207,160,838	217,998,881
Equity, net	16			
Equity attributable to Credicorp's equity holders:				
Capital stock		1,318,993	1,318,993	1,318,993
Treasury stock		(208,041)	(207,518)	(207,534)
Capital surplus		226,189	231,556	228,853
Reserves and others		23,358,276	23,383,454	21,768,421
Retained earnings		5,664,481	4,271,246	3,177,206
		30,359,898	28,997,731	26,285,939
Non-controlling interest		574,596	591,569	540,672
Total equity, net		30,934,494	29,589,300	26,826,611
Total liabilities and net equity		238,338,233	236,750,138	244,825,492

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

CREDICORP LTD. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2023 (UNAUDITED) AND 2022 (RESTATED AND UNAUDITED, Note 3(b))

		For the three-month period ended March 31,	
	Note	**2023**	**2022**
		S/(000)	**S/(000)**
Interest and similar income	20	4,456,106	3,172,346
Interest and similar expenses	20	(1,324,017)	(740,639)
Net interest, similar income and expenses		3,132,089	2,431,707
Provision for credit losses on loan portfolio	7(c)	(802,107)	(350,681)
Recoveries of written-off loans		75,109	93,091
Provision for credit losses on loan portfolio, net of recoveries		(726,998)	(257,590)
Net interest, similar income and expenses, after provision for credit losses on loan portfolio		2,405,091	2,174,117
Other income			
Commissions and fees	21	881,781	891,628
Net gain on foreign exchange transactions		248,515	259,710
Net gain (loss) gain on securities	22	97,248	(32,852)
Net result on derivatives held for trading		(6,570)	(5,982)
Net gain (loss) from exchange differences		22,963	(8,363)
Others	26	89,338	135,257
Total other income		1,333,275	1,239,398
Insurance underwriting result			
Insurance Service Result		406,877	309,258
Reinsurance Result		(110,536)	(102,591)
Total insurance underwriting result	23	296,341	206,667
Other expenses			
Salaries and employee benefits	24	(1,029,558)	(939,518)
Administrative expenses	25	(835,060)	(696,065)
Depreciation and amortization		(123,425)	(114,010)
Depreciation for right-of-use assets		(37,654)	(37,884)
Others	26	(101,211)	(87,042)
Total other expenses		(2,126,908)	(1,874,519)

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME (CONTINUED)

	Note	For the three-month period ended March 31, 2023	2022
		S/(000)	S/(000)
Net result before income tax		1,907,799	1,745,663
Income tax		(493,466)	(546,000)
Net result after income tax		1,414,333	1,199,663
Attributable to:			
Credicorp's equity holders		1,384,273	1,171,877
Non-controlling interest		30,060	27,786
		1,414,333	1,199,663
Net basic and dilutive earnings (losses) per share attributable to Credicorp's equity holders (in Soles):			
Basic	27	17.43	14.74
Diluted	27	17.41	14.72

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

CREDICORP LTD. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2023 (UNAUDITED) AND 2022 (RESTATED AND UNAUDITED, Note 3(b))

	For the three-month period ended March 31,	
	2023	**2022**
	S/(000)	**S/(000)**
Net profit for the period	1,414,333	1,199,663
Other comprehensive income:		
To be reclassified to profit or loss in subsequent periods:		
Net gain (loss) on investments at fair value through other comprehensive income	329,509	(943,067)
Income tax	(13,275)	42,975
	316,234	(900,092)
Net movement of cash flow hedge reserves	(6,036)	12,960
Income tax	(155)	(3,755)
	(6,191)	9,205
Insurance reserves	(312,119)	474,905
	(312,119)	474,905
Exchange differences on translation of foreign operations	10,439	(222,839)
Net movement in hedges of net investments in foreign businesses	11,899	66,131
	22,338	(156,708)
Total	20,262	(572,690)
Not to be reclassified to profit or loss in subsequent periods:		
Net gain in equity instruments designated at fair value through other comprehensive income	13,587	652
Income tax	(957)	290
Total	12,630	942
Total other comprehensive income	32,892	(571,748)
Total comprehensive income for the period, net of income tax	1,447,225	627,915
Attributable to:		
Credicorp's equity holders	1,415,720	607,766
Non-controlling interest	31,505	20,149
	1,447,225	627,915

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

CREDICORP LTD. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN NET EQUITY
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2023 (UNAUDITED) AND 2022 (RESTATED AND UNAUDITED, Note 3(b))

	Attributable to Credicorp's equity holders													
						Other reserves								
		Treasury stock				Instruments that will not be reclassified to income	Instruments that will be reclassified to the interim condensed consolidated statement of income							
	Capital stock	Shares of the Group	Share-based payment	Capital surplus	Reserves	Investments in equity instruments	Investments in debt instruments	Cash flow hedge reserve	Insurance reserves	Foreign currency translation reserve	Retained earnings	Total	Non-controlling interest	Total net equity
	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)
Balances as of December 31, 2021 (audit)	1,318,993	(204,326)	(3,208)	228,853	21,364,272	206,885	(143,400)	(273)	(158,666)	331,356	3,556,281	26,496,767	540,672	27,037,439
Impact of initial application of IFRS 17, Note 3(b)	–	–	–	–	–	–	–	–	158,666	–	(369,494)	(210,828)	–	(210,828)
Others	–	–	–	–	–	–	3,900	–	–	5,681	(9,581)	–	–	–
Balances as of January 1, 2022 (restated)	1,318,993	(204,326)	(3,208)	228,853	21,364,272	206,885	(139,500)	(273)	–	337,037	3,177,206	26,285,939	540,672	26,826,611
Changes in equity in 2022 -														
Net profit for the period	–	–	–	–	–	–	–	–	–	–	1,171,877	1,171,877	27,786	1,199,663
Other comprehensive income	–	–	–	–	–	935	(887,783)	9,002	470,908	(157,173)	–	(564,111)	(7,637)	(571,748)
Total comprehensive income	–	–	–	–	–	935	(887,783)	9,002	470,908	(157,173)	1,171,877	607,766	20,149	627,915
Dividends paid to interest non-controlling of subsidiaries	–	–	–	–	–	–	–	–	–	–	–	–	(31,450)	(31,450)
Purchase of treasury stock, Note 16(b)	–	–	(1,923)	(81,682)	–	–	–	–	–	–	–	(83,605)	–	(83,605)
Sale of treasury stocks	–	–	49	2,078	–	–	–	–	–	–	–	2,127	–	2,127
Share-based payment transactions	–	–	1,708	78,112	(71,658)	–	–	–	–	–	–	8,162	–	8,162
Others	–	–	–	–	–	–	–	–	–	–	(2,335)	(2,335)	(466)	(2,801)
Balances as of March 31, 2022 (restated)	1,318,993	(204,326)	(3,374)	227,361	21,292,614	207,820	(1,027,283)	8,729	470,908	179,864	4,346,748	26,818,054	528,905	27,346,959
Balances as of January 1, 2023	1,318,993	(204,326)	(3,192)	231,556	23,659,626	170,408	(1,655,559)	788	1,133,536	74,655	4,271,246	28,997,731	591,569	29,589,300
Changes in equity in 2023 -														
Net profit for the period	–	–	–	–	–	–	–	–	–	–	1,384,273	1,384,273	30,060	1,414,333
Other comprehensive income	–	–	–	–	–	12,607	311,689	(6,194)	(308,592)	21,937	–	31,447	1,445	32,892
Total comprehensive income	–	–	–	–	–	12,607	311,689	(6,194)	(308,592)	21,937	1,384,273	1,415,720	31,505	1,447,225
Dividends paid to interest non-controlling of subsidiaries	–	–	–	–	–	–	–	–	–	–	–	–	(62,051)	(62,051)
Minority purchase	–	–	–	–	–	–	–	–	–	–	–	–	12,249	12,249
Purchase of treasury stock, Note 16(b)	–	–	(2,279)	(83,296)	–	–	–	–	–	–	–	(85,575)	–	(85,575)
Share-based payment transactions	–	–	1,756	77,929	(56,625)	–	–	–	–	–	–	23,060	–	23,060
Others	–	–	–	–	–	–	–	–	–	–	8,962	8,962	1,324	10,286
Balances as of March 31, 2023	1,318,993	(204,326)	(3,715)	226,189	23,603,001	183,015	(1,343,870)	(5,406)	824,944	96,592	5,664,481	30,359,898	574,596	30,934,494

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

CREDICORP LTD. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2023 (UNAUDITED) AND 2022 (RESTATED AND UNAUDITED, Note 3(b))

	Note	For the three-month period ended March 31, 2023	2022
		S/000	S/000
CASH AND CASH EQUIVALENTS (USED IN) FROM OPERATING ACTIVITIES			
Net profit for the period		1,414,333	1,199,663
Adjustment to reconcile net profit to net cash arising from operating activities:			
Provision for credit losses on loan portfolio	7(c)	802,107	350,681
Depreciation and amortization	9 and 10(a)	123,426	114,010
Depreciation of right-of-use assets	11(a)	37,654	37,884
Depreciation of investment properties	12(h)	2,022	1,843
Provision for sundry risks	26	36,511	17,704
Deferred expense tax	17(b)	18,645	17,950
Net (gain) loss on sale of securities	22	(97,248)	32,852
Net gain of trading derivatives		6,570	5,982
Net loss from sale of property, furniture and equipment	26	1,525	(431)
Net gain from sale of seized and recovered assets	26	(3,591)	(3,836)
Expense for share-based payment transactions	24	18,264	23,860
Net gain from sale of written off portfolio	26	(25,824)	(9,323)
Intangible losses due to withdrawals and dismissed projects	26	1,427	2,561
Others		(8,304)	30,901
Net changes in assets and liabilities			
Net (increase) decrease in assets:			
Loans		2,120,877	(78,031)
Investments at fair value through profit or loss		34,203	966,653
Investments at fair value through other comprehensive income		(2,408,579)	(2,395,379)
Cash collateral, reverse repurchase agreements and securities borrowings		(378,708)	170,828
Sale of written off portfolio		103,979	12,980
Other assets		(349,921)	156,752
Net increase (decrease) in liabilities			
Deposits and obligations		2,388,071	1,951,882
Due to banks and correspondents		1,298,455	(790,261)
Payables from repurchase agreements and securities lending		(1,276,489)	(2,604,531)
Bonds and notes issued		(2,694,724)	(22,785)
Short-term and low-value lease payments		(25,116)	(15,476)
Other liabilities		402,411	515,561
Income tax paid		(280,033)	(267,912)
Net cash flow from operating activities		1,261,943	(577,418)

	Note	For the three-month period ended March 31, 2023	2022
		S/000	S/000
NET CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, furniture and equipment		14,186	(43)
Collections for maturities and coupons of investment at amortized cost		1,116,044	306,600
Purchase of property, furniture and equipment	9	(33,663)	(17,178)
Purchase of investment property	12(h)	(10,917)	(3,618)
Purchase of intangible assets	10(a)	(101,101)	(90,266)
Purchase of investment at amortized cost		(771,122)	(44,541)
Net cash flows used in investing activities		213,427	150,954
NET CASH FLOW FROM FINANCING ACTIVITIES			
Dividends paid to non-controlling interest of subsidiaries		(62,051)	(31,450)
Principal payments of leasing contracts		(37,539)	(38,613)
Interest payments of leasing contracts		(6,312)	(6,246)
Purchase of treasury stock	16(b)	(85,575)	(83,605)
Sale of treasury stock		–	2,127
Purchase of non-controlling interest of subsidiaries		12,249	–
Net cash flows used in financing activities		(179,228)	(157,787)
Net increase (decrease) of cash and cash equivalents before effect of changes in exchange rate		1,296,142	(584,251)
Effect of changes in exchange rate of cash and cash equivalents		(371,551)	(2,415,254)
Cash and cash equivalents at the beginning of the period		34,164,637	39,293,545
Cash and cash equivalents at the end of the period		35,089,228	36,294,040
Additional information from cash flows			
Interest received		4,662,153	3,379,866
Interest paid		(1,151,672)	(595,273)
Transactions that do not represent cash flow			
Recognition of lease operations		(16,230)	(3,566)

Reconciliation of liabilities arising from financing activities:

		Changes that generate cash flows		Changes that do not generate cash flows		
For the three-month period ended March 31, 2023	**As of January 1, 2023**	**Received**	**Paid**	**Exchange difference**	**Others**	**As of March 31 2023**
Subordinated bonds	5,741,808	–	–	(76,276)	6,623	5,672,155
Lease liabilities	578,074	–	(43,851)	(4,305)	24,989	554,907
	6,319,882	–	(43,851)	(80,581)	31,612	6,227,062

		Changes that generate cash flows		Changes that do not generate cash flows		
For the three-month period ended March 31, 2022	**As of January 1, 2022**	**Received**	**Paid**	**Exchange difference**	**Others**	**As of March 31 2022**
Subordinated bonds	6,061,301	–	–	(426,598)	7,408	5,642,111
Lease liabilities	655,294	–	(44,859)	(25,356)	38,577	623,656
	6,716,595	–	(44,859)	(451,954)	45,985	6,265,767

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF MARCH 31, 2023 AND DECEMBER 31, 2022 AND FOR THE THREE – MONTH PERIODS ENDED MARCH 31, 2023 AND 2022.

1 OPERATIONS

Credicorp Ltd. (hereinafter “Credicorp” or the “Group”) is a limited liability company incorporated in Bermuda in 1995 to act as a holding company and according to Bermuda's economic substance regulation, Credicorp Ltd. as an independent legal entity, is considered a “Pure Equity Holding Entity” (PEHE). Credicorp's activity is to maintain equity interests and receive passive income such as dividends, capital gains and other income from investments in securities.

In order to keep Credicorp's structure and organization fully aligned with the new legislation on economic substance approved by the Government of Bermuda on January 11, 2019, as of October 29, 2020, the decisions of the Credicorp Board of Directors will be limited to issues related to Credicorp's strategy, objectives and goals, main action plans and policies, risk control and management, annual budgets, business plans and control of their implementation, supervision of the main expenses, investments, acquisitions and disposals, among other “passive” decisions related to Credicorp. The authority to make decisions applicable to Credicorp's subsidiaries, such as the adoption of relevant strategic or management decisions, the assumption of expenses for the benefit of its affiliates, the coordination of group activities, and the granting of credit facilities in favor of its affiliates, it has been transferred to Grupo Crédito S.A., a subsidiary of Credicorp.

Credicorp, through its banking and non-banking subsidiaries and its associate Entidad Prestadora de Salud (EPS), offers a wide range of financial, insurance and health services and products, mainly throughout Peru and in other countries (see Note 3 (d)). Its main subsidiary is Banco de Crédito del Perú (hereinafter “BCP” or the “Bank”), a multiple bank incorporated in Peru.

Credicorp's legal address is Clarendon House 2 Church Street Hamilton, Bermuda; likewise, the main offices from where Credicorp's businesses are managed are located at Calle Centenario N° 156, La Molina, Lima, Peru.

The consolidated financial statements as of December 31, 2022, and for the year then ended were approved by the Board of Directors on February 23, 2023. The interim condensed consolidated financial statements as of March 31, 2023, and for the three-month periods ended March 31, 2023, were approved by the Management on May 30, 2023.

Credicorp is listed on the Lima and New York Stock Exchanges.

2 SIGNIFICANT TRANSACTIONS

a) Main acquisitions, incorporations and mergers –

During the three-month period ended March 31, 2023 and 2022, the Group has not carried out significant transaction of acquisitions, incorporations, or mergers of companies.

b) Current situation –

Between the months of December 2022 and March 2023, Peru was affected by political an social events, as well as by natural events that affected different regions, as indicated below:

a) In December 2022, in response to various political events that occurred in Peru, a series of riots and social protests took place in different regions of the country; which resulted in a decrease in commercial activity in said regions and, therefore, the temporary restriction of liquidity in certain people and companies.

b) During the first quarter of 2023, the Peruvian government declared certain areas in state of emergency due to the imminent danger of intense rainfall and other large-scale disasters. As a result of the rains and floods, there were economic losses and payment difficulties for debtors in these areas.

In Management's opinion, this situation has not affected the operations of the Group and its Subsidiaries nor has it generated any significant impact on the financial statements presented as of March 31, 2023 and for the three-month period ended March 31, 2023.

3 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of Credicorp's interim condensed consolidated financial statements are set out below:

a) Basis of presentation, use of estimates and changes in accounting policies -

The accompanying interim condensed consolidated financial statements as of March 31, 2023, and for the three-month periods ended March 31, 2023, have been prepared in accordance with IAS 34 "Interim Financial Reporting".

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the annual consolidated audited financial statements for the year ended December 31, 2022 (henceforth "2022 Annual consolidated financial statements") date February 23, 2023. The interim condensed consolidated financial statements as of March 31, 2022 and the consolidated financial statements as of December 31, 2022 have been restated as indicated in note 3(b)

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2022, except for the adoption of new standards effective as of 1 January 2023, as explained below. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The interim condensed consolidated financial statements have been prepared following the historical cost criteria, except for investments at fair value through profit or loss, investments at fair value through other comprehensive income, financial assets designated at fair value through profit or loss, derivative financial instruments, and financial liabilities at fair value through profit or loss, which have been measured at fair value.

The interim condensed consolidated financial statements are presented in Soles (S/), which is the functional currency of the Group, and all values are rounded to thousands of soles, except when otherwise indicated.

The preparation of the interim condensed consolidated financial statements in accordance with International Financial Reporting Standards (henceforth "IFRS") as issued by the International Accounting Standards Board (IASB), requires Management to make estimations and assumptions that affect the reported amounts of assets, liabilities, income and expenses and the disclosure of significant events in notes to the interim condensed consolidated financial statements.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the current circumstances. The final results could differ from said estimates; however, the Management expects that the variations, if any, will not have a material impact on the interim condensed consolidated financial statements.

The most significant estimates included in the accompanying interim condensed consolidated financial statements are related to the calculation of the allowance of the expected credit loss on loan portfolio, the valuation of investments, assets and liabilities for insurance and reinsurance contracts, the impairment of goodwill , the expected credit loss for investments at fair value through other comprehensive income and investments at amortized cost, the valuation of share-based payment plans and the valuation of derivative financial instruments.

Furthermore, other estimates exist, such as the estimated useful life of intangible assets, property, furniture and equipment and the deferred income tax assets and liabilities.

b) Change in accounting policies, adoption of new IFRS and disclosures-

IFRS 17 replaces IFRS 4 Insurance Contracts for annual periods beginning on or after January 1, 2023. The Group has restated comparative information for 2022 applying the transitional provisions in IFRS 17. The nature of the changes in accounting policies can be summarized, as follows:

Changes to classification, measurement

IFRS 17 establishes specific principles for the recognition and measurement of insurance contracts issued and reinsurance contracts held by the Group.

The key principles of IFRS 17 are that the Group:

- Identifies insurance contracts as those under which the Group accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder.

- Evaluates the products and separates embedded derivatives, distinct investment components and distinct goods or services other than insurance contract services, if applicable, from insurance contracts and accounts for them in accordance with other standards.

- Divides the insurance and reinsurance contracts into groups it will recognize and measure.

- Determines the Unit of Accounts (UoA) requested by the new regulation taking into consideration the product portfolio, currency, onerosity and issue year, for long term business.

- For general insurance contracts, the measurement principles of the premium allocation approach (PAA) does not differ from the considerations used by the Group under IFRS 4:

    - The liability for remaining coverage reflects premiums earned less insurance acquisition cash flows plus deferred premiums in any.

    - The company determines the onerosity level of each group of contracts calculating the combined ratio of each Unit of Account. If the contract is onerous, the liability for remaining coverage involves an explicit recognition of the loss component.

    - Measurement of the liability for incurred claims (previously claims outstanding and incurred-but-not-reported (IBNR) claims and claims payment expenses) is determined on a discounted value basis considering the expected payment flows and includes an explicit risk adjustment for non-financial risk.

- For life insurance contracts, recognises and measures groups of insurance contracts at:

- A risk-adjusted present value of the future cash flows (the fulfilment cash flows) that incorporates all available information about the fulfilment cash flows in a way that is consistent with observable market information.

- An amount representing the unearned profit in the group of contracts (the contractual service margin or CSM).

- Recognizes profit from a group of insurance contracts over each period the Group provides insurance contract services, as the Group is released from risk. If a group of contracts is expected to be onerous (i.e., loss-making) over the remaining coverage period, the Group recognizes the loss immediately.

- Recognizes an asset for insurance acquisition cash flows in respect of acquisition cash flows paid, or incurred, before the related group of insurance contracts is recognized. Such an asset is derecognized when the insurance acquisition cash flows are included in the measurement of the related group of insurance contracts.

Changes to presentation and disclosure –

For presentation in the consolidated statement of financial position, the Group aggregates portfolios of insurance and reinsurance contracts issued and reinsurance contracts held and presents separately:

- Portfolios of insurance and reinsurance contracts issued that are assets
- Portfolios of reinsurance contracts held that are assets
- Portfolios of insurance contracts and reinsurance contracts issued that are liabilities
- Portfolios of reinsurance contracts held that are liabilities

The portfolios referred to above are those established at initial recognition in accordance with the IFRS 17 requirements.

The line-item descriptions in the statement of profit or loss and other comprehensive income have been changed significantly compared with last year. Previously the Group reported the following line items:

- Net premiums earned
- Net claims incurred for life, general and health insurance contracts
- Acquisition cost

Instead, IFRS 17 requires separate presentation of:

- Insurance service result (which includes insurance revenue and insurance service expense)
- Reinsurance result (which includes income or expenses from reinsurance contracts held)
- Insurance finance income or expenses, which are presented in the captions interest and similar expenses, see note 20.

The Group provides disaggregated qualitative and quantitative information in the notes to the financial statements about:

- Amounts recognised in its financial statements from insurance contracts
- Significant judgements, and changes in those judgements, when applying the standard

Transitional provisions

On transition date, 1 January 2022, the Group:

- Has identified, recognised and measured each group of insurance contracts as if IFRS 17 had always applied.

- Has identified, recognised and measured assets for insurance acquisition cash flows as if IFRS 17 had always applied. However, no recoverability assessment was performed before the transition date. At transition date, a recoverability assessment was performed and no impairment loss was identified.

- Derecognised any existing balances that would not exist had IFRS 17 always applied.

- Recognised any resulting net difference in equity.

The Group decided to apply the transition methodology under Fair Value, obtaining reasonable and supportable information in order not to apply the full retrospective approach because it was impracticable without high cost or effort. It consists of obtaining the amount under which a liability portfolio could be transferred to a third party. This amount was compared with the balance of the estimate of technical provisions (Best Estimate Liability – “BEL”) and Risk Adjustment existing at the transition date, and the result was the CSM as of said date. Also, it was determined the future benefit provided by the insurance contracts (Contractual Service Margin – CSM) and will be decommitted to the statement of income to the extent that the Group renders its services to the insured. In determining fair value, the Group has applied the requirements of IFRS 13 Fair Value Measurement.

For the application of the fair value approach, the Group has used reasonable and supportable information available at the transition date in order to:

- Identify groups of insurance contracts

- Determine whether any contracts are direct participating insurance contracts

- Identify any discretionary cash flows for insurance contracts without direct participation features

The discount rate for the group of contracts applying the fair value approach was determined at the transition date. Therefore, for the measurement of fulfilment cash flows at the date of transition, the Group used the locked-in discount rate that was determined using the bottom-up approach at inception.

The calculation methodology that the Group has applied to determine the Fair Value amount of its portfolios in force as of the date of transition to IFRS 17 is based on IFRS 13.

As a result of the initial application of IFRS 17, the Group has restructured its Consolidated Financial Statements as of January 1, 2022, mainly recognizing an increase in the liability for insurance contracts of S/220.4 million and a decrease in net equity of S/220.4 million.

As a result of the initial application of IFRS 17, the Consolidated Financial Statements as of December 31, 2022, have been restated, mainly recognizing an increase in net equity of S/9.5 million and in net result of S/35.1 million.

c) The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended December 31, 2022, except for the adoption of new standards effective as of January 1, 2023, as described below:

(i) IFRS 17 Insurance contracts.

IFRS 17 replaces IFRS 4 Insurance Contracts for annual periods beginning on or after January 1, 2023.

Classification of insurance and reinsurance contracts

The Group issues insurance contracts in the normal course of its operations, by virtue of which it accepts significant insurance risk from its policyholders. As a general guideline, the Group determines whether it has significant insurance risk by comparing the benefits payable after an insured event with the benefits payable if the insured event had not occurred. Insurance contracts can also transfer financial risk. The Group issues immediate life annuity contracts and term life contracts with redemption value.
The Group also issues reinsurance contracts in the normal course of business to compensate other entities for claims arising from one or more insurance contracts issued by those entities. The Group provides reinsurance coverage for immediate annuity and term life contracts.

The Group does not issue any contract with direct participation characteristics.
Accounting treatment of insurance and reinsurance contracts:

Separation of components of insurance and reinsurance contracts

The Group evaluates its insurance and reinsurance products to determine whether they contain components that must be accounted for under another IFRS instead of IFRS 17 (distinct non-insurance). components).

After separating the distinct components, an entity must apply IFRS 17 to all remaining components of the (host) insurance contract. Currently, the Group's products do not include differentiated components that require separation. Some term contracts issued by the Group include a surrender option whereby the surrender value is paid to the policyholder at or before the expiration of the contract.

These call options have been evaluated to meet the definition of a non-distinct investment component in IFRS 17. IFRS 17 defines investment components as the amounts that an insurance contract requires an insurer to reimburse to a policyholder. in all circumstances, regardless of whether an insured event has occurred. Investment components that are highly interrelated with the insurance contract of which they are a part are considered non-distinct and are not accounted for separately.

However, receipts and payments of investment components are excluded from insurance income and expenses.

Surrender values are considered non-distinct investment components as the Group cannot measure the value of the call option component separately from the life insurance portion of the contract.

However, receipts and payments of these investment components are recognized outside the profit and loss account.

Aggregation level

Portfolios comprise groups of contracts with similar risks which are managed together including the consideration of the currency.

Portfolios are further divided based on expected profitability at inception into two categories onerous and non-onerous contracts. This means that, for determining the level of aggregation, the Group identifies a contract as the smallest ‘unit’, i.e., the lowest common denominator. However, the Group makes an evaluation of whether a series of contracts can be treated together in making the profitability assessment based on reasonable and supportable information, or whether a single contract contains components that need to be separated and treated as if they were stand-alone contracts. As such, what is treated as a contract for accounting purposes may differ from what is considered as a contract for other purposes (i.e., legal or management). IFRS 17 also notes that no group for level of aggregation purposes may contain contracts issued more than one year apart.

The Group has defined portfolios of insurance and reinsurance contracts issued based on its product lines, and term contracts because the products are subject to similar risks and are managed together. The expected return on these portfolios at inception is determined based on existing actuarial valuation models that take existing and new business into consideration. When determining groups of contracts, the Group has chosen to include in the same group contracts in which its ability to set prices or benefit levels for policyholders with different characteristics is restricted by regulation.

Recognition

The Group recognizes the groups of insurance contracts it issues from the first of the following:

- The beginning of the coverage period of the group of contracts

- The due date of the first payment from a group insured, or when the first payment is received if there is no due date

- For a group of onerous contracts, as soon as the facts and circumstances indicate that the group is onerous

  The group recognizes a group of reinsurance contracts that it has entered into as of the first of the following:

- The beginning of the coverage period of the set of reinsurance contracts that are maintained. However, the group delays the recognition of a group of reinsurance contracts held that provide proportional cover until the date any underlying insurance contract is initially recognized, if that date is after the start of the coverage period of the group of reinsurance contracts. reinsurance held.

- The date the Group recognizes an onerous group of underlying insurance contracts if the Group entered into the related reinsurance contract held in the group of reinsurance contracts held on or before that date.

  The reinsurance contracts held by the Group provide proportional coverage. Therefore, the Group does not recognize a proportional reinsurance contract held until at least one underlying direct insurance contract has been recognized.
  The Group adds new contracts to the group in the reporting period in which that contract meets one of the criteria set out above.

Onerous contracts

The Group determines the onerosity of the new contracts with the application of the onerosity test:

- For long term products estimating the difference between the actuarial present value of the expected outflows and inflows.

- For short term products estimating the combined ratio.

Contract limit

The Group includes in the measurement of a group of insurance contracts all future cash flows within the limit of each contract in the group. Cash flows are within the limits of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Group can oblige the policyholder to pay the premiums, or in which the Group has the substantive obligation to provide the policyholder with insurance contract services. The substantive obligation to provide the services of the insurance contract ends when:

- The Group has the practical ability to reassess the risks of the particular policyholder and, as a result, can establish a price or level of benefits that fully reflects those risks.

- The following two criteria are met:

- The Group has the practical ability to reassess the risks of the portfolio of insurance contracts that contain the contract and, as a result, can establish a price or level of benefits that fully reflects the risk of that portfolio.

- Premium pricing up to the date the risks are reassessed does not take into account risks that relate to periods after the reassessment date

A liability or asset related to expected premiums or claims outside the limit of the insurance contract is not recognized. Said amounts refer to future insurance contracts.
For life contracts with renewal periods, the Group assesses whether the premiums and related cash flows arising from the renewed contract are within the limits of the contract. The renewal prices are established by the Group considering all the risks covered for the insured that would be considered when signing equivalent contracts on the renewal dates for the remaining service.

The Group reassesses each group's contract limit at the end of each reporting period.

Measurement – general model

Life insurance contracts – initial measurement

The general model measures a group of insurance contracts as the total of:

- Fulfilment cash flows

- A CSM that represents the unearned profit that the Group will recognize as it provides the insurance contract in the group

Fulfillment cash flows comprise unbiased, probability-weighted estimates of future cash flows, discounted to present value to reflect time value of money and financial risks, plus a risk adjustment for non-financial risk. The Group's objective in estimating future cash flows is to determine the expected value, or probability-weighted average, of the full range of possible outcomes, considering all reasonable and supportable information available at the reporting date without undue cost or effort. The Group estimates future cash flows considering a variety of scenarios that have commercial substance and give a good representation of possible outcomes.

The cash flows for each scenario are probability-weighted and discounted using current assumptions.

When estimating future cash flows, the Group includes all cash flows that are within the contract boundary including:

- Premiums and related cash flows.

- Claims and benefits, including reported claims not yet paid, incurred claims not yet reported, and expected future claims:

- Payments to policyholders resulting from embedded surrender value options.

- An allocation of insurance acquisition cash flows attributable to the portfolio to which the contract belongs.

- Claims handling costs

- Policy administration and maintenance costs, including recurring commissions expected to be paid to intermediaries.

- An allocation of fixed and variable overheads directly attributable to compliance with insurance contracts.

- Taxes based on transactions.

Life reinsurance contracts – initial measurement

Where the Group recognizes a loss on initial recognition of an onerous group of underlying insurance contracts or when further onerous underlying insurance contracts are added to a group, it establishes a loss recovery component of the asset for remaining coverage for a group of reinsurance contracts held depicting the recovery of losses.

The Group calculates the loss-recovery component by multiplying the loss recognized on the underlying insurance contracts and the percentage of claims on the underlying insurance contracts the Group expects to recover from the group of reinsurance contracts held. Where only some contracts in the onerous underlying group are covered by the group of reinsurance contracts held, the Group uses a systematic and rational method to determine the portion of losses recognized on the underlying group of insurance contracts to insurance contracts covered by the group of reinsurance contracts held.

Life insurance contracts – subsequent measurement

The CSM at the end of the reporting period represents the gain on the group of insurance contracts that has not yet been recognized in income, because it relates to the future service to be provided.

For a group of insurance contracts, the book value of the CSM at the end of the reporting period is equal to the book value at the beginning of the reporting period adjusted as follows:

- The effect of any new contracts added to the group.

- Interest accreted on the carrying amount of the CSM during the reporting period, measured at the discount rates at initial recognition

- The changes in fulfilment cash flows relating to future service, except to the extent that:

- Such increases in the fulfilment cash flows exceed the carrying amount of the CSM, giving rise to a loss.

- Such decreases in the fulfilment cash flows are allocated to the loss component of the liability for remaining coverage.

- The effect of any currency exchange differences on the CSM.

- The amount recognized as insurance revenue because of the transfer of insurance contract services in the period, determined by the allocation of the CSM remaining at the end of the reporting period (before any allocation) over the current and remaining coverage period.

The locked-in discount rate is the weighted average of the rates applicable at the date of initial recognition of contracts that joined a group over a 12-month period. The discount rate used for accretion of interest on the CSM is determined using the bottom-up approach at inception.

The changes in fulfilment cash flows relating to future service that adjust the CSM comprise of:

- Experience adjustments that arise from the difference between the premium receipts (and any related cash flows such as insurance acquisition cash flows and insurance premium taxes) and the estimate, at the beginning of the period, of the amounts expected. Differences related to premiums received (or due) related to current or past services are recognized immediately in profit or loss while differences related to premiums received (or due) for future services are adjusted against the CSM.

- Changes in estimates of the present value of future cash flows in the liability for remaining coverage, except those relating to the time value of money and changes in financial risk (recognized in the statement of profit or loss and other comprehensive income rather than adjusting the CSM).

- Differences between any investment component expected to become payable in the period and the actual investment component that becomes payable in the period. Those differences are determined by comparing (i) the actual investment component that becomes payable in the period with (ii) the payment in the period that was expected at the start of the period plus any insurance finance income or expenses related to that expected payment before it becomes payable. The same applies to a policyholder loan that becomes repayable.

- Changes in the risk adjustment for non-financial risk that relate to future service.

  Except for changes in the risk adjustment, adjustments to the CSM noted above are measured at discount rates that reflect the characteristics of the cash flows of the group of insurance contracts at initial recognition.

  Where, during the coverage period, a group of insurance contracts becomes onerous, the Group recognizes a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows.

  A loss component is established by the Group for the liability for remaining coverage for such onerous group depicting the losses recognized.

Life reinsurance contracts held – subsequent measurement

Measurement of reinsurance contracts held follows the same principles as insurance contracts issued, with the exception of the following:

- Changes in the fulfilment cash flows are recognized in profit or loss if the related changes arising from the underlying ceded contracts have been recognized in profit or loss. Alternatively, changes in the fulfilment cash flows adjust the CSM.

- Changes in the fulfilment cash flows that result from changes in the risk of non-performance by the issuer of a reinsurance contract held do not adjust the contractual service margin as they do not relate to future service.

Any change in the fulfilment cash flows of a retroactive reinsurance contract held due to the changes of the liability for incurred claims of the underlying contracts is taken to profit and loss and not the contractual service margin of the reinsurance contract held.

Where a loss component has been set up subsequent to initial recognition of a group of underlying insurance contracts, the portion of income that has been recognized from related reinsurance contracts held is disclosed as a loss-recovery component.

Where the Group has established a loss-recovery component, the Group adjusts the loss-recovery component to reflect changes in the loss component of an onerous group of underlying insurance contracts.

A loss-recovery component reverses consistent with reversal of the loss component of underlying groups of contracts issued, even when a reversal of the loss-recovery component is not a change in the fulfilment cash flows of the group of reinsurance contracts held. Reversals of the loss- recovery component that are not changes in the fulfilment cashflows of the group of reinsurance contracts held adjust the CSM.

Non-life insurance contracts – subsequent measurement

The Group measures the carrying amount of the liability for remaining coverage at the end of each reporting period as the liability for remaining coverage at the beginning of the period:

- Plus premiums received in the period

- Minus insurance acquisition cash flows, with the exception of property insurance product line for which the Group chooses to expense insurance acquisition cash flows as they occur.

- Plus any amounts relating to the amortisation of the insurance acquisition cash flows recognised as an expense in the reporting period for the group

- Plus any adjustment to the financing component, where applicable

- Minus the amount recognised as insurance revenue for the services provided in the period

- Minus any investment component paid or transferred to the liability for incurred claims

The Group estimates the liability for incurred claims as the fulfilment cash flows related to incurred claims. The fulfilment cash flows incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows, they reflect current estimates from the perspective of the Group, and include an explicit adjustment for non-financial risk (the risk adjustment).

Where, during the coverage period, facts and circumstances indicate that a group of insurance contracts is onerous, the Group recognizes a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. A loss component is established by the Group for the liability for remaining coverage for such onerous group depicting the losses recognized. Insurance acquisition cash flows are allocated on a straight-line basis as a portion of premium to profit or loss (through insurance revenue).

Non-life reinsurance contracts held – subsequent measurement

The subsequent measurement of reinsurance contracts held follows the same principles as those for insurance contracts issued and has been adapted to reflect the specific features of reinsurance held. Where the Group has established a loss-recovery component, the Group subsequently reduces the loss recovery component to zero in line with reductions in the onerous group of underlying insurance contracts in order to reflect that the loss-recovery component shall not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the entity expects to recover from the group of reinsurance contracts held.

Insurance contracts – modification and derecognition

The Group derecognizes insurance contracts when:

- The rights and obligations relating to the contract are extinguished (i.e., discharged, cancelled or expired) or

- The contract is modified such that the modification results in a change in the measurement model, or the applicable standard for measuring a component of the contract. In such cases, the Group derecognizes the initial contract and recognizes the modified contract as a new contract

Presentation

The Group has presented separately in the statement of financial position the carrying amount of portfolios of insurance contracts issued that are assets, portfolios of insurance contracts issued that are liabilities, portfolios of reinsurance contracts held that are assets and portfolios of reinsurance contracts held that are liabilities.

Any assets for insurance acquisition cash flows recognized before the corresponding insurance contracts are recognized are included in the carrying amount of the related portfolios of insurance contracts issued.

The Group disaggregates the amounts recognized in the statement of profit or loss and other comprehensive income into an insurance service result, comprising insurance revenue and insurance service expenses, and insurance finance income or expenses.
The Group does not disaggregate the change in risk adjustment for non-financial risk between a financial and non-financial portion and includes the entire change as part of the insurance service result.
The Group separately presents income or expenses from reinsurance contracts held from the expenses or income from insurance contracts issued.

Insurance revenue

The Group's insurance revenue depicts the provision of services arising from a group of insurance contracts at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services. Insurance revenue from a group of insurance contracts is therefore the relevant portion for the period of the total consideration for the contracts, (i.e., the amount of premiums paid to the Group adjusted for financing effect (the time value of money) and excluding any investment components). The total consideration for a group of contracts covers amounts related to the provision of services and is comprised of:

Insurance service expenses, excluding any amounts relating to the risk adjustment for non-financial risk and any amounts allocated to the loss component of the liability for remaining coverage:

- Amounts related to income tax that are specifically chargeable to the policyholder

- The risk adjustment for non-financial risk, excluding any amounts allocated to the loss component of the liability for remaining coverage

- The CSM release.

Loss components

The Group has grouped contracts that are onerous at initial recognition separately from contracts in the same portfolio that are not onerous at initial recognition. Groups that were not onerous at initial recognition can also subsequently become onerous if assumptions and experience changes.

The Group has established a loss component of the liability for remaining coverage for any onerous group depicting the future losses recognized.

A loss component represents a notional record of the losses attributable to each group of onerous insurance contracts (or contracts profitable at inception that have become onerous). The loss component is released based on a systematic allocation of the subsequent changes relating to future service in the fulfilment cash flows to:

(i) the loss component; and

(ii) the liability for remaining coverage excluding the loss component. The loss component is also updated for subsequent changes relating to future service in estimates of the fulfilment cash flows and the risk adjustment for non-financial risk. The systematic allocation of subsequent changes to the loss component results in the total amounts allocated to the loss component being equal to zero by the end of the coverage period of a group of contracts (since the loss component will have been materialized in the form of incurred claims). The Group uses the proportion on initial recognition to determine the systematic allocation of subsequent changes in future cash flows between the loss component and the liability for remaining coverage excluding the loss component.

Loss Recovery Components

When the Group recognizes a loss on initial recognition of an onerous group of underlying insurance contracts or when further onerous underlying insurance contracts are added to a group, the Group establishes a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts held depicting the recovery of losses.

Where a loss component has been set up subsequent to initial recognition of a group of underlying insurance contracts, the portion of income that has been recognized from related reinsurance contracts held is disclosed as a loss-recovery component.

Where a loss-recovery component has been set up at initial recognition or subsequently, the Group adjusts the loss-recovery component to reflect changes in the loss component of an onerous group of underlying insurance contracts.

The carrying amount of the loss-recovery component must not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the Group expects to recover from the group of reinsurance contracts held. On this basis, the loss-recovery component recognized at initial recognition is reduced to zero in line with reductions in the onerous group of underlying insurance contracts and is nil when loss component of the onerous group of underlying insurance contracts is nil.

Insurance financing income or expense

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from:

- The effect of the time value of money and changes in the time value of money.
- The effect of financial risk and changes in financial risk.

The Group disaggregates insurance finance income or expenses on insurance contracts issued for its immediate annuity and term life portfolios between profit or loss and OCI. The impact of changes in market interest rates on the value of the life insurance and related reinsurance assets and liabilities are reflected in OCI in order to minimize accounting mismatches between the accounting for financial assets and insurance assets and liabilities. Finance income or expenses on the Group's issued reinsurance contracts is not disaggregated because the related financial assets are managed on a fair value basis and measured at fair value through profit or loss.

Net income or expense from reinsurance contracts held

The Group presents separately on the face of the statement of profit or loss and other comprehensive income the amounts expected to be recovered from reinsurers, and an allocation of the reinsurance premiums paid. The Group treats reinsurance cash flows that are contingent on claims on the underlying contracts as part of the claims that are expected to be reimbursed under the reinsurance contract held and excludes investment components and commissions from an allocation of reinsurance premiums presented on the face of the statement of profit or loss and other comprehensive income. Amounts relating to the recovery of losses relating to reinsurance of onerous direct contracts are included as amounts recoverable from the reinsurer.

Significant judgements and estimates (life and general)

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

The Group disaggregates information to disclose life insurance contracts issued and reinsurance contracts issued separately. This disaggregation has been determined based on how the Group is managed.

Significant judgements and estimates in life insurance contracts:

The methods used to measure insurance contracts

The Group primarily uses deterministic projections to estimate the present value of future cash flows and for some groups it uses stochastic modelling techniques. A stochastic model is a tool for estimating probability distributions of potential outcomes by allowing for random variation in one or more inputs over time. The random variation is usually based on fluctuations observed in historical data for a selected period using standard time-series techniques.

The following assumptions were used when estimating future cash flows:

- Mortality and morbidity rates (term life insurance and reinsurance business)

- Assumptions are based on standard industry and national tables, according to the type of contract written and the territory in which the insured person resides. They reflect recent historical experience and are adjusted when appropriate to reflect the Group's own experiences. An appropriate, but not excessive, allowance is made for expected future improvements. Assumptions are differentiated by policyholder gender, underwriting class and contract type.

- An increase in expected mortality and morbidity rates will increase the expected claim cost which will reduce future expected profits of the Group.

- Longevity (immediate annuity business)

  Assumptions are based on standard industry and national tables, adjusted when appropriate to reflect the Group's own risk experience. An appropriate, but not excessive, allowance is made for expected future improvements. Assumptions are differentiated by a number of factors including (but not limited to) policyholder gender, underwriting class and contract type. An increase in expected longevity rates will lead to an increase in expected cost of immediate annuity payments which will reduce future expected profits of the Group.

- Expenses Operating expenses assumptions reflect the projected costs of maintaining and servicing in–force policies and associated overhead expenses. The current level of expenses is taken as an appropriate expense base, adjusted for expected expense inflation if appropriate. An increase in the expected level of expenses will reduce future expected profits of the Group. The cash flows within the contract boundary include an allocation of fixed and variable overheads directly attributable to fulfilling insurance contracts. Such overheads are allocated to groups of contracts using methods that are systematic and rational and are consistently applied to all costs that have similar characteristics.

- Lapse and surrender rates Lapses relate to the termination of policies due to non–payment of premiums. Surrenders relate to the voluntary termination of policies by policyholders. Policy termination assumptions are determined using statistical measures based on the Group's experience and vary by product type, policy duration and sales trends. An increase in lapse rates early in the life of the policy would tend to reduce profits of the Group, but later increases are broadly neutral in effect.

Discount rates

Life insurance contract liabilities are calculated by discounting expected future cash flows at a risk-free rate, plus an illiquidity premium where applicable.

Risk adjustment for non – financial risk

The risk adjustment for non-financial risk represents the compensation that the Group requires for bearing the uncertainty about the amount and timing of the cash flows of groups of insurance contracts and covers insurance risk, lapse risk and expense risk. The risk adjustment reflects an amount that an insurer would rationally pay to remove the uncertainty that future cash flows will exceed the best estimate amount. The Group has estimated the risk adjustment using a cost of capital technique. The cost of capital technique requires the Group to estimate the probability distribution of the fulfilment cash flows, and the additional capital that it requires at each future date in the cash flow projection to comply with the Group's internal economic capital requirements. A cost of capital rate is applied to the additional capital requirement in future reporting periods. The cost of capital represents the return required by the Group to compensate for exposure to the non-financial risk.

Insurance acquisition cash flows

In the property insurance product line, the Group is eligible and chooses to recognize insurance acquisition cash flows as an expense immediately as incurred. This is because all insurance contracts issued within that product line have a coverage period of one year or less. For personal accident insurance, marine insurance, and liability reinsurance products, where groups are not eligible to recognize an expense immediately, insurance acquisition cash flows are allocated to related groups of insurance contracts recognized in the statement of financial position (including those groups that will include insurance contracts expected to arise from renewals). An asset for insurance acquisition cash flows is recognized for acquisition cash flows incurred before the related group of insurance contracts has been recognized. The effect of electing to recognized insurance acquisition cash flows as an expense when incurred for a group of insurance contracts is to increase the liability for remaining coverage and reduce the likelihood of any subsequent onerous contract loss. There would be an increased charge to profit or loss on incurring the expense, offset by an increase in profit released over the coverage period.

Onerous groups

For groups of contracts that are onerous, the liability for remaining coverage is determined by the fulfilment cash flows. Any loss-recovery component is determined with reference to the loss component recognized on underlying contracts and the recovery expected on such claims from reinsurance contracts held.

Time value of money

For the marine and personal insurance product lines, the Group adjusts the carrying amount of the liability for remaining coverage to reflect the time value of money and the effect of financial risk using discount rates that reflect the characteristics of the cash flows of the group of insurance contracts at initial recognition.

Liability for incurred claims

The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques, such as Chain Ladder and Bornheutter-Ferguson methods.

The main assumption underlying these techniques is that a Group's past claims development experience can be used to project future claims development and hence ultimate claims costs. These methods extrapolate the development of paid and incurred losses, average costs per claim (including claims handling costs), and claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analyzed by accident years, but can also be further analyzed by geographical area, as well as by significant business lines and claim types. Large claims are usually separately addressed, either by being reserved at the face value of loss adjuster estimates or separately projected in order to reflect their future development. In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historical claims development data on which the projections are based. Additional qualitative judgement is used to assess the extent to which past trends may not apply in future, (e.g., to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims that present the probability weighted expected value outcome from the range of possible outcomes, taking account of all the uncertainties involved. Some of the insurance contracts that have been written in the property line of business permit the Group to sell property acquired in settling a claim. The Group also has the right to pursue third parties for payment of some or all costs. Estimates of salvage recoveries and subrogation reimbursements are considered as an allowance in the measurement of ultimate claims costs. Other key circumstances affecting the reliability of assumptions include variation in interest rates, delays in settlement and changes in foreign currency exchange rates.

Discount rates

Insurance contract liabilities are calculated by discounting expected future cash flows at a risk-free rate, plus an illiquidity premium where applicable.

Risk adjustment for non – financial risk

- The risk adjustment for non-financial risk is the compensation that the Group requires for bearing the uncertainty about the amount and timing of the cash flows of groups of insurance contracts. The risk adjustment reflects an amount that an insurer would rationally pay to remove the uncertainty that future cash flows will exceed the expected value amount.

- The Group has estimated the risk adjustment using a confidence level (probability of sufficiency). That is, the Group has assessed its indifference to uncertainty for all product lines (as an indication of the compensation that it requires for bearing non-financial risk). The Group has estimated the probability distribution of the future cash flows, and the additional amount above the expected present value of future cash flows required to meet the target percentiles.

(ii) Disclosure of Accounting Policies - Amendments to IAS 1 and Practice Statement N° 2 –

IAS stipulated that “significant” accounting policies must be disclosed. With this amendment, there is a specification that disclosure must be for “material” accounting policies. This amendment incorporates the definition of what is considered “information on material accounting policies” and explains how to identify this type of information. Additionally, the amendment clarifies that it is not necessary to divulge information on immaterial accounting policies and if the same is divulged, it should not create confusion about what truly constitutes important accounting information. Consistently, Practice Statement N° 2 was also amended to express judgements on materiality to provide a guide to apply the concept of materiality in accounting policy disclosures. These amendments isd effective for the annual reporting periods beginning on or after January 1, 2023, with early adoption permitted. The adoption of the modification did not have significant effects on the interim condensed consolidated financial statements of the Group.

(iii) Amendments to IAS 8 - Definition of Accounting Estimates –

This amendment clarifies how to distinguish changes in accounting policies from changes in accounting estimates. The distinction is important when defining accounting treatment given that changes in accounting estimates recognize future transactions and events prospectively while changes in accounting policies generally apply to past transactions and events retroactively, as is the case with the current period. Amendments will be in effect for the annual periods reported beginning on or after January 1, 2023 and anticipated adoption is permitted. The adoption of the modification did not have significant effects on the interim condensed consolidated financial statements of the Group.

(iv) Amendments to IAS 12, Deferred Tax related to Assets and Liabilities Arising from a Single Transaction

These amendments specify that deferred taxes that arise from a single transaction should be recognized if, in their initial recognition, temporary taxable differences and deductibles for the same value arise. This will generally apply to transactions such as leasing (for lessees) and obligation to dismantle or remediate in those situations that will require recognition of deferred tax assets and liabilities. These amendments must apply to transactions that occur on or after the beginning of the comparative period presented. Additionally, it is necessary to recognize deferred tax assets (to the extent that it is probable that they will be utilized) and deferred tax liabilities at the beginning of the first comparative period for all deductible or taxable temporary differences associated with:

- Right of use assets and lease liabilities, and

- Liabilities for dismantling, restoration and similar and the corresponding contributions are recognized as part of the cost of related assets.

The accumulated effect of these adjustments is recognized in retained earnings or through another component of equity as applicable.

Previously, IAS 12 did not establish any particular accounting treatment for the tax effects of leases that are recognized in the balance sheet and for similar transactions; as such, different approaches are considered acceptable. The entities that are already recognizing deferred taxes on these transactions will not see impacts on their financial statements. Amendments will be effective for the annual reported periods beginning or after January 1, 2023, and anticipated adoption is permitted. The adoption of the modification did not have significant effects on the interim condensed consolidated financial statements of the Group.

d) Basis of consolidation –

The interim condensed consolidated financial statements of the Group comprise the condensed financial statements of Credicorp and subsidiaries for all the years presented.

As of March 31, 2023, and December 31, 2022, Credicorp maintains direct and indirect interest in the following entities comprise the Group (the individual or consolidated figures of their financial statements are presented in accordance with IFRS and before eliminations for consolidation purposes, except for the elimination of Credicorp's treasury shares and its related dividends):

Entity	Activity and country of incorporation	Percentage of interest (direct and indirect)		Assets		Liabilities		Equity		Net income (loss) for the three-month period ended March 31	
		As of March 31, 2023	As of December 31, 2022	As of March 31, 2023	As of December 31, 2022	As of March 31, 2023	As of December 31, 2022	As of March 31, 2023	As of December 31, 2022	2023	2022
		%	%	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)
Grupo Crédito S.A. and Subsidiaries (i)	Holding, Peru	100.00	100.00	212,489,931	211,585,283	181,381,989	181,786,223	31,107,942	29,799,060	1,285,094	1,186,704
Pacífico Compañía de Seguros y Reaseguros S.A and Subsidiaries (ii)	Insurance, Peru	98.86	98.86	16,330,628	15,922,417	13,869,079	13,491,173	2,461,549	2,431,244	222,990	108,818
Atlantic Security Holding Corporation and Subsidiaries (iii)	Capital Markets, Cayman Islands	100.00	100.00	9,706,026	9,536,197	7,798,951	7,643,879	1,907,075	1,892,318	16,842	16,877
Credicorp Capital Ltd. and Subsidiaries (iv)	Capital Markets and asset management, Bermuda	100.00	100.00	4,968,651	4,504,629	4,000,335	3,559,262	968,316	945,367	(5,930)	12,765
CCR Inc.(v)	Special purpose Entity, Bahamas	100.00	100.00	383	388	4	4	379	384	(5)	(302)

(i) The main activity of Grupo Crédito is to invest in shares listed in the Peruvian-Stock Exchange and in unlisted shares of Peruvian companies. Below, we present the individual or consolidated figures of their financial statements are presented in accordance with IFRS and before eliminations for consolidation purposes:

Entity	Activity and country of incorporation	Percentage of interest (direct and indirect)		Assets		Liabilities		Equity		Net income (loss) for the three-month period ended March 31	
		As of March 31, 2023	As of December 31, 2022	As of March 31, 2023	As of December 31, 2022	As of March 31, 2023	As of December 31, 2022	As of March 31, 2023	As of December 31, 2022	2023	2022
		%	%	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)
Banco de Crédito del Perú and Subsidiaries (a)	Banking, Peru	97.74	97.74	193,733,947	193,278,232	171,804,922	170,005,995	21,929,025	23,272,237	1,265,093	1,160,153
Inversiones Credicorp Bolivia S.A. and Subsidiaries (b)	Banking, Bolivia	99.92	99.92	13,005,326	12,740,036	12,243,610	11,826,789	761,716	913,247	22,414	22,669
Prima AFP (c)	Private pension fund administrator, Peru	100.00	100.00	790,586	734,966	400,483	238,177	390,103	496,789	39,758	24,435
Tenpo SpA and Subsidiaries (d)	Holding, Chile	100.00	100.00	295,000	242,754	107,655	90,186	187,345	152,568	(21,451)	(22,758)

a) BCP was established in 1889 and its activities are regulated by the Superintendency of Banks, Insurance and Pension Funds - Peru (the authority that regulates banking, insurance and pension funds activities in Peru, hereinafter "the SBS").

Its main subsidiary is MiBanco, Banco de la Microempresa S.A. (hereinafter “MiBanco”), a banking entity in Peru oriented towards the micro and small business sector. As of March 31, 2023, the assets, liabilities and equity of MiBanco amount to approximately S/16,997.2 million, S/14,196.0 million and S/2,801.2 million, respectively (S/17,225.4 million, S/14,444.8 million and S/2,780.6 million, respectively as of December 31, 2022). Likewise the net result of MiBanco as three-month period ended March 31, 2023 amount to S/23.1 million (S/103.0 million as three-month period ended March 31, 2022).

b) Inversiones Credicorp Bolivia S.A. (hereinafter “ICBSA”) was established in February 2013 and its objective is to make capital investments for its own account or for the account of third parties in companies and other entities providing financial services, exercising or determining the management, administration, control and representation thereof, both nationally and abroad, for which it can invest in capital markets, insurance, asset management, pension funds and other related financial and/or stock exchange products.

Its principal subsidiary is Banco de Crédito de Bolivia (hereinafter “BCB”), a commercial bank which operates in Bolivia. As of March 31, 2023, the assets, liabilities and equity of BCB amount to approximately S/12,972.1 million, S/12,122.0 million and S/850.1 million, respectively (S/12,697.8 million, S/11,838.0 million and S/859.8 million, respectively as of December 31, 2022). Likewise the net result of BCB as three-month period ended March 31, 2023 amount to S/20.7 million (S/20.5 million as three-month period ended March 31, 2022).

c) Prima AFP is a private pension fund and its activities are regulated by the SBS.

d) Tenpo SpA (hereinafter “Tenpo", formerly “Krealo SpA”) was established in January 2019; and is oriented to make capital investments outside the country. On July 1, 2019, Tenpo (Krealo SpA) acquired Tenpo Technologies SpA (formerly “Tenpo SpA”) and Tenpo Prepago S.A. (formerly “Multicaja Prepago S.A.”).

(ii) Pacífico Compañía de Seguros y Reaseguros S.A. is an entity regulated by the SBS and its activities comprise the contracting and management of all types of general risk and life insurance, reinsurance and property investment and financial operations. Its Subsidiaries are Crediseguro Seguros Personales, Crediseguro Seguros Generales and Pacifico Asiste and it has Pacífico Entidad Prestadora de Salud (EPS) as an associate, which are dynamic participants in the business of multiple and health insurance, respectively.

(iii) Its main subsidiary is ASB Bank Corp. (merged with Atlantic Security Bank in August 2021, which was incorporated on September 9, 2020 in the Republic of Panama; its main activities are private and institutional banking services and trustee administration, mainly for BCP’s Peruvian customers.

(iv) Credicorp Capital Ltd. was formed in 2012, and its main subsidiaries are Credicorp Capital Holding Peru (owner of Credicorp Capital Perú S.A.A.), Credicorp Holding Colombia (owner of Credicorp Capital Colombia and MiBanco – Banco de la Microempresa de Colombia S.A.), and Credicorp Capital Holding Chile (owner of Credicorp Capital Chile), which carry out their activities in Peru, Colombia and Chile, respectively. We present below the interim consolidated financial statements for each main subsidiary, in accordance with IFRS and before eliminations for consolidation purposes:

Entity	**Percentage of interest (direct and indirect)**		**Assets**		**Liabilities**		**Equity**		**Net income (loss) for the three-month period ended March 31**	
	As of March 31, 2023	**As of December 31, 2022**	**As of March 31, 2023**	**As of December 31, 2022**	**As of March 31, 2023**	**As of December 31, 2022**	**As of March 31, 2023**	**As of December 31, 2022**	**2023**	**2022**
	%	**%**	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**
Credicorp Holding Colombia S.A.S. and Subsidiaries (a)	100.00	100.00	3,513,194	2,889,479	2,928,238	2,322,263	584,956	567,216	(891)	12,307
Credicorp Capital Holding Chile and Subsidiaries (b)	100.00	100.00	1,114,939	1,194,663	911,472	1,000,676	203,467	193,987	(1,191)	(851)
Credicorp Capital Holding Perú S.A. and Subsidiaries (c)	100.00	100.00	301,470	374,768	155,447	230,261	146,023	144,507	(5,536)	3,027

a) Credicorp Holding Colombia was incorporated in Colombia on March 5, 2012, and its main purpose is the administration, management and increase of its equity through the promotion of industrial and commercial activity, through investment in other companies or legal persons.

Its main subsidiaries are Credicorp Capital Colombia S.A and Banco de la Microempresa de Colombia S.A (hereinafter MiBanco Colombia, formerly Banco Compartir S.A.). Credicorp Capital Colombia S.A. which was acquired in Colombia in the year 2012 and merged with Ultraserfinco S.A. in June 2020, this subsidiary is oriented to the activities of commission agents and securities brokers. Likewise, MiBanco Colombia was acquired in the year 2019 and merged with Edyficar S.A.S. in October 2020, this subsidiary is oriented to grant credits to the micro and small business sector. As of March 31, 2023 and December 31, 2022, the direct and indirect interest held by Credicorp and the assets, liabilities, equity and net income were:

Entity	Percentage of interest (direct and indirect)		Assets		Liabilities		Equity		Net income (loss) for the three-month period ended March 31	
	As of March 31, 2023	As of December 31, 2022	As of March 31, 2023	As of December 31, 2022	As of March 31, 2023	As of December 31, 2022	As of March 31, 2023	As of December 31, 2022	2023	2022
	%	%	S/000	S/000	S/000	S/000	S/000	S/000	S/000	S/000
Credicorp Capital Colombia S.A.	100.00	100.00	1,574,668	1,050,130	1,403,559	898,518	171,109	151,612	15,134	9,433
MiBanco – Banco de la Microempresa de Colombia S.A.	87.69	85.58	1,612,698	1,530,270	1,369,189	1,289,569	243,509	240,701	(4,190)	5,039

b) Credicorp Holding Chile was incorporated in Chile on July 18, 2012, and aims to invest for long-term profitable purposes, in tangible goods and intangible, located in Chile or abroad. Its main subsidiary is Credicorp Capital Chile S.A.

c) Credicorp Capital Holding Peru S.A. was incorporated in Peru on October 30, 2014, and aims to be the Peruvian holding of investment banking. Its main subsidiary Credicorp Capital Perú S.A.A.; which has as its main activity the function of holding shares, participations and transferable securities in general, providing advisory services in corporate and financial matters, and investment in real estate.

(v) CCR Inc. was incorporated in the year 2000. Its main activity is to manage loans granted to BCP by foreign financial entities. These loans matured in the course of 2022 and were guaranteed by transactions carried out by BCP.

d) International Financial Reporting Standards issued but not yet effective -

The Group decided not to early adopt the following standards and interpretations that were issued but are not effective as of March 31, 2023:

(i) Amendment to IFRS 16, Leases - Leases with put and leaseback options
These amendments include requirements for sale-leaseback transactions to explain how an entity accounts for a leaseback liability after the transaction date, where some or all of the lease payments are variable payments that do not depend on an index or rate have more chances of being affected. These amendments will go into effect for the annual period reported beginning on or before January 1, 2024, and anticipated adoption is permitted. The Group is currently assessing the impact that this amendment will have on its consolidated financial statements.

(ii) Amendment to IAS 1, Presentation of financial statements
These amendments clarify how the conditions that an entity must meet after the reporting date and in the subsequent twelve months affect the classification of a liability. Covenants that an entity must comply with on or before the reporting date would affect classification as a current or non-current, even if the covenant is only assessed after the entity's reporting date. These amendments will go into effect for the annual period reported beginning on or before January 1, 2024, and anticipated adoption is permitted. The Group is currently assessing the impact that this amendment will have on its consolidated financial statements.

Likewise, there are no other standards or amendments to standards which have not yet become effective and are expected to have a significant impact on the Group, either in the current or future periods, as well as on expected future transactions.

4 CASH AND DUE FROM BANKS

a) The composition of the item is presented below:

	As of March 31, 2023	As of December 31, 2022
	S/(000)	S/(000)
Cash and clearing (b)	5,168,856	5,410,519
Deposits with Central Reserve Bank of Peru (BCRP) (b)	26,488,117	24,176,551
Deposits with Central Bank of Bolivia and Colombia (b)	757,970	634,684
Deposits with foreign banks (c)	1,784,907	2,610,460
Deposits with local banks (c)	800,785	1,009,997
Interbank funds	33,332	269,314
Accrued interest	55,261	53,112
Total cash and cash equivalents	35,089,228	34,164,637
Restricted funds	15,825	19,203
Total cash	35,105,053	34,183,840

Cash and cash equivalents presented in the interim condensed consolidated statement of cash flows exclude restricted funds.

b) Cash and clearing and deposits with Central Reserve Banks -

These accounts mainly include the legal cash requirements that Credicorp's subsidiaries must maintain to honor their obligations with the public. The composition of these funds is as follows:

	As of March 31, 2023	As of December 31, 2022
	S/(000)	S/(000)
Legal cash requirements (i)		
Deposits with Central Reserve Bank of Peru	16,666,491	21,119,515
Deposits with Central Bank of Bolivia	753,283	628,399
Deposits with Republic Bank of Colombia	4,687	6,285
Cash in vaults of Bank	4,454,718	4,714,275
Total legal cash requirements	21,879,179	26,468,474
Additional funds		
Overnight deposits with Central Reserve Bank of Peru (ii)	9,297,031	2,013,703
Term deposits with Central Reserve Bank of Peru (iii)	120,000	545,000
Cash in vaults of Bank and others	714,138	696,244
Other Deposits BCRP	404,595	498,333
Total additional funds	10,535,764	3,753,280
Total	32,414,943	30,221,754

(i) As of March 31, 2023, cash and deposits that generate interest subject to legal cash requirements in local and foreign currency are subject to an implicit rate of 6.01 percent and 34.79 percent, respectively, on the total balance of obligations subject to legal cash requirements, as required by the BCRP (6.01 percent and 34.55 percent, respectively, as of December 31, 2022).

The reserve funds, which represent the minimum mandatory, do not earn interest; however, the mandatory reserve deposited in BCRP in excess of minimum mandatory, earns interests at a nominal rate established by BCRP.

In Management's opinion, the Group has complied with the requirements established by current regulations related to the calculation of the legal reserve.

(ii) As of March 31, 2023, the Group maintains two "overnight" deposits with the BCRP, of which are in U.S. Dollar for a total of US$2,471.3 million, equivalent to S/9,297.0 million. To that date, the deposit in U.S. Dollar accrue interest at annual rates of 4.88 percent, respectively, and have maturities at 3 days.

As of December 31, 2022, the Group maintains three “overnight” deposits with the BCRP, which one is denominated in soles for a total of S/35.0 million and two are denominated in U.S. Dollar for a total of US$518.8 million, equivalent to S/1,978.7 million. At said date, deposit in soles and deposits in U.S. Dollar accrue interest at annual rates of 5.25 percent and 4.39 percent, respectively, and have maturities at 4 days.

(iii) As of March 31, 2023, the Group maintain one term deposit with the BCRP which are denominated in soles, accrue interest at an annual rate of 7.60 percent and expires on April 4, 2023. As of December 31, 2022, the group held four term deposits denominated in soles, accruing interest at an annual rate between 7.30 percent and 7.49 and expired on January 3, 2023.

c) Deposits with local and foreign banks -

Deposits with local and foreign banks mainly consist of balances in soles and U.S. Dollar; these are cash in hand and earn interest at market rates. As of March 31, 2023 and December 31, 2022 Credicorp and its subsidiaries do not maintain significant deposits with any bank in particular.

5 CASH COLLATERAL, REVERSE REPURCHASE AGREEMENTS AND SECURITIES BORROWING AND PAYABLES FROM REPURCHASE AGREEMENTS AND SECURITIES LENDING

a) We present below the composition of cash collateral, reverse repurchase agreements and securities borrowing:

	As of March 31, 2023	**As of December 31, 2022**
	S/(000)	**S/(000)**
Cash collateral on repurchase agreements and security lendings (i)	687,083	649,769
Reverse repurchase agreement and security borrowings	624,893	452,087
Receivables for short sales	156,204	–
Total	1,468,180	1,101,856

(i) As of March 31, 2023, the balance mainly comprises cash guarantees in U.S. Dollar and Bolivianos. Cash guarantees were delivered to the Central Bank of Bolivia, received in Bolivians and U.S. Dollar for the equivalent of S/661.0 million (S/424.8 million, on December 31, 2022). As of December 31, 2022, cash collateral for approximately US$52.5 million, equivalent to S/200.4 million to secure a borrowing in Soles of approximately S/185.0 million.

Cash collateral granted bears interest at an average annual effective interest rate according to market rates. The related liability is presented in “Payables from repurchase agreements and securities lending” in the interim condensed consolidated statement of financial position, see paragraph (c) below.

b) Credicorp, through its subsidiaries, obtains financing through "Payables from repurchase agreements and securities lending" by selling financial instruments and committing to repurchase them at future dates, including interest at a fixed rate. The details of said transactions are as follows:

		As of March 31, 2023						As of December 31, 2022					
	Currency	Average interest rate	Up to 3 days	From 3 to 30 days	More than 30 days	Carrying amount	Fair value of underlying assets	Average interest rate	Up to 3 days	From 3 to 30 days	More than 30 days	Carrying amount	Fair value of underlying assets
		%	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	%	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)
Debt instruments (c)			−	7,468	10,979,646	10,987,114	11,423,107		−	64,273	12,268,416	12,332,689	12,449,218
Instruments issued by the Colombian Government	Colombian pesos	7.38	589,764	20,241	−	610,005	610,407	6.12	−	539,731	−	539,731	536,398
Instruments issued by the Chilean Government	Chilean pesos	0.98	−	30,055	−	30,055	30,055	0.96	38,192	−	−	38,192	38,192
Other instruments		1.93	59,043	278	−	59,321	64,384	3.77	15,840	40,273	−	56,113	56,193
			648,807	58,042	10,979,646	11,686,495	12,127,953		54,032	644,277	12,268,416	12,966,725	13,080,001

c) As of March 31, 2023, and December 31, 2022, the Group has repurchase agreements secured with: (i) cash, see Note 5(a), (ii) investments, see Note 6(b) and Credits from the Reactiva Peru program, see Note 7(a). This item consists of the following:

		As of March 31, 2023			As of December 31, 2022		
Counterparties	Currency	Maturity	Carrying amount	Collateral	Maturity	Carrying amount	Collateral
			S/(000)			S/(000)	
BCRP - Reactiva Perú (*)	Sol	May 2023 / December 2025	4,801,543	Loans guaranteed by National Government	May 2023 / December 2025	6,981,698	Loans guaranteed by National Government
BCRP	Sol	April 2023 / September 2025	4,209,985	Investments	January 2023 / September 2025	3,263,472	Investments
Banco Central de Bolivia	Boliviano	December 2023 / March 2025	660,960	Cash	January 2023 / December 2023	424,822	Cash
BCRP - Reactiva Perú Especial (*)	Sol	June 2023 / December 2025	692,102	Loans guaranteed by National Government	June 2023 / December 2025	793,734	Loans guaranteed by National Government
Natixis S.A.	Sol	August 2028	270,000	Investments	August 2028	270,000	Investments
BCRP, Note 5(a)(i)	Sol	-	−	Cash with BCRP	March 2023	185,000	Cash with BCRP
Citigroup Global Markets	U.S. Dollar	August 2026	169,290	Investments	August 2026	171,630	Investments
Natixis S.A.	U.S. Dollar	August 2026	94,050	Investments	August 2026	95,350	Investments
Banco de la República	Colombian peso	-	−	Investments	January 2023	58,955	Investments
Other minors		April 2023	7,429	Investments	January 2023	5,099	Investments
Accrued interest			81,755			82,929	
			10,987,114			12,332,689	

(*) Throug Repo Operations, BCP and MiBanco sell representing credit securities guaranteed by the BCRP, they receive soles and are obliged to buy them back at a later date. The credit representing securities with guarantee of the National Government may have the form of a portfolio of credit representing titles or of Certificates of Participation in trustee of the loan portfolio guaranteed by the National Government (Reactiva Especial). The BCRP will charge a fixed interest annual rate in soles of 0.50 percent for the operation and will include a grace period of twelve months without payment of interest or principal. As of March 31, 2023, the total credits granted through the Reactiva Peru program are S/6,473.1 million (S/8,877.2 million, at December 31, 2022), see Note 7(a).

As of March 31, 2023, said operations accrue interest at fixed and variable rates between 0.50 percent and 12.36 percent and between Libor 6M + 1.68 percent and Libor 6M + 1.90 percent, respectively, (between 0.50 percent and 12.84 percent and between Libor 6M + 1.68 percent and Libor 6M + 1.90 percent, respectively, as of December 31, 2022). Also, certain repurchase agreements were hedged using cross-currency swaps (CCS), see Note 12(d).

6 INVESTMENTS

a) Investment at fair value through profit or loss consist of the following:

	As of March 31, 2023 S/(000)	As of December 31, 2022 S/(000)
Mutual funds (i)	1,558,151	1,582,050
Investment funds (ii)	987,749	885,574
Government Bonds (iii)	665,638	651,219
Restricted mutual funds (iv)	311,021	351,317
Participation in RAL Funds (v)	241,815	167,781
Corporate bonds	189,528	103,330
Subordinated bonds	31,112	84,121
Shares	30,744	47,820
ETF (Exchange - Traded Fund)	21,927	25,042
Multilateral organization bonds	19,580	47,770
Central Bank of Chile bonds	14,149	202,986
Hedge funds	285	280
Others	5,584	48,269
Balance before accrued interest	4,077,283	4,197,559
Accrued interest	2,983	1,775
Total	4,080,266	4,199,334

(i) As of March 31, 2023, the balance corresponds to mutual funds from Luxembourg, Bolivia, Ireland, Peru, and other countries, which represent 64.6 percent, 24.2 percent, 3.5 percent, 2.4 percent and 5.3 percent of the total, respectively. As of December 31, 2022, the balance corresponds to mutual funds from Luxembourg, Bolivia, Peru, and other countries, which represent 64.2 percent, 23.5 percent, 4.8 percent, and 7.5 percent of the total, respectively.

(ii) As of March 31, 2023, the balance corresponds mainly to investment funds in Peru, the United States of America, and Colombia, which represent 44.0 percent, 31.3 percent, and 16.0 percent, respectively, among other countries. As of December 31, 2022, the balance corresponds mainly to investment funds in Peru, the United States of America, and Colombia, which represented 44.3 percent, 30.8 percent, and 15.5 percent, respectively, among other countries.

(iii) As of March 31, 2023 and December 31, 2022, the balance of these instruments includes the following government treasury bonds:

	As of March 31, 2023 S/(000)	As of December 31, 2022 S/(000)
Colombian treasury bonds	595,929	609,255
Chilean treasury bonds	31,459	38,153
Peruvian treasury bonds	30,578	–
Panama treasury bonds	3,916	–
United States of America Government Bonds	3,756	3,811
Total	665,638	651,219

(iv) The restricted mutual funds comprise the participation quotas in the private pension funds managed by Prima AFP and are maintained in compliance with the legal regulations in Peru. Their availability is restricted, and the yield received is the same as that received by the private pension funds managed.

(v) As of March 31, 2023, these funds are approximately Bs 90.9 million, equivalent to S/49.9 million, and US$51.0 million, equivalent to S/192.0 million. As of December 31, 2022, these funds were approximately Bs 218.7 million, equivalent to S/121.7 million, and US$12.1 million, equivalent to S/46.1 million; and comprise the investments made by the Group in the Central Bank of Bolivia as collateral for deposits received from the public. These funds have restrictions for their use and are required from all banks in Bolivia.

b) Investments at fair value through other comprehensive income consist of the following:

	As of March 31, 2023				As of December 31, 2022			
		Unrealized gross amount				Unrealized gross amount		
	Cost	Profits	Losses	Estimated fair value	Cost	Profits	Losses	Estimated fair value
	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)
Debts instruments:								
Corporate bonds (i)	13,546,939	1,987	(948,568)	12,600,358	13,914,118	61,336	(1,194,756)	12,780,698
Certificates of deposit BCRP (iii)	9,686,179	840	(1,266)	9,685,753	7,021,219	868	(2,608)	7,019,479
Government treasury bonds (ii)	9,255,110	82,042	(572,293)	8,764,859	9,139,100	59,788	(670,177)	8,528,711
Securitization instruments (iv)	802,373	4,592	(90,979)	715,986	772,737	1,564	(107,377)	666,924
Negotiable certificates of deposit (v)	499,188	8,029	(1,439)	505,778	577,286	9,988	(1,516)	585,758
Subordinated bonds	352,548	815	(13,439)	339,924	377,111	462	(17,467)	360,106
Others	140,029	859	(5,582)	135,306	117,123	958	(6,831)	111,250
	34,282,366	99,164	(1,633,566)	32,747,964	31,918,694	134,964	(2,000,732)	30,052,926
Equity instruments designated at the initial recognition								
Shares issued by:								
Alicorp S.A.A.	12,197	138,833	-	151,030	12,197	144,641	-	156,838
Inversiones Centenario	112,647	32,271	-	144,918	112,647	14,158	-	126,805
Bolsa de Valores de Lima	18,367	6,632	-	24,999	18,367	6,632	-	24,999
Sociedad de Infraestructuras de Mercado S.A.	3,382	3,392	-	6,774	-	-	-	-
Corporación Andina de Fomento	4,441	1,974	-	6,415	4,441	930	-	5,371
Compañía Universal Textil S.A.	9,597	-	(3,191)	6,406	9,597	-	(3,191)	6,406
Bolsa de Valores de Colombia	3,639	-	(75)	3,564	3,541	-	(1,152)	2,389
Bolsa de Comercio de Santiago	826	827	-	1,653	3,995	4,006	-	8,001
Pagos Digitales Peruanos S.A.	5,611	-	(5,611)	-	5,611	-	(5,611)	-
Others	2,901	3,506	(700)	5,707	2,844	3,392	(690)	5,546
	173,608	187,435	(9,577)	351,466	173,240	173,759	(10,644)	336,355
Balance before accrued interest	34,455,974	286,599	(1,643,143)	33,099,430	32,091,934	308,723	(2,011,376)	30,389,281
Accrued interest				296,557				396,880
Total				33,395,987				30,786,161

Credicorp's management has determined that the unrealized losses of investments at fair value with changes in other comprehensive income as of March 31, 2023 and December 31, 2022 are of a temporary nature; considering factors such as the planned strategy in relation to the security or portfolio identified, the related guarantee and the credit rating of the issuers. During 2023, as a result of the evaluation of the impairment loss of investments at fair value with changes in other comprehensive income, the Group has recorded a provision for credit loss amounting to S/13.7 million (provision of credit loss of S/27.9 million during the three-month periods ended March 31, 2022), which is presented in the caption "Net (loss) gain on securities", see Note 22, of the consolidated income statement. Likewise, Management has decided and has the capacity to maintain each of these investments for a sufficient period of time to allow an early recovery in the fair value, even before its recovery or expiration.

The maturities and annual market rates of investments at fair value through other comprehensive income as of March 31, 2023 and December 31, 2022, are as follows:

	Maturities		Annual effective interest rate											
	As of March 31, 2023	As of December 31, 2022	As of March 31, 2023						As of December 31,2022					
			S/		US$		Other currencies		S/		US$		Other currencies	
			Min %	Max %	Min %	Max %	Min %	Max %	Min %	Max %	Min %	Max %	Min %	Max %
Corporate bonds	Apr-2023 / Nov-2095	Jan-2023 / Nov-2095	3.63	14.74	1.03	166.64	2.60	15.90	4.10	13.45	0.29	157.05	2.60	14.89
Government treasury bonds	Apr-2023 / Feb-2055	Jan-2023 / Feb-2055	1.92	7.74	1.17	8.27	5.16	5.16	1.87	8.13	-	8.19	-	-
Certificates of deposit BCRP	Apr-2023 / Oct-2023	Jan-2023 / Sep-2023	7.59	8.04	-	-	-	-	7.13	7.48	-	-	-	-
Negotiable certificates of deposits	Apr-2023 / Jul-2033	Jan-2023 / Jul-2033	9.84	9.84	2.48	2.68	0.05	5.90	8.76	8.76	2.48	4.80	1.00	13.50
Securitization instruments	Aug-2023 / Sep-2045	Aug-2023 / Sep-2045	4.60	30.80	5.11	16.22	3.50	7.50	5.03	30.87	5.64	16.63	3.50	7.50
Subordinated bonds	May-2023 / Aug-2045	Jan-2023 / Aug-2045	2.28	9.51	3.12	25.22	-	-	2.15	10.01	3.36	23.73	-	-
Others	Apr-2023 / Feb-2035	Apr-2023 / Feb-2035	1.81	9.08	7.79	8.27	0.05	6.10	2.22	9.56	8.03	8.58	0.05	0.08

Likewise, as of March 31, 2023, the Group has entered into repurchase agreements (Repos) on public government treasury bonds and BCRP certificates of deposit classified as investments at fair value with changes in other comprehensive income for an estimated market value of S/769.9 million. As of December 31, 2022 the Group entered into these agreements on public government treasury bonds and BCRP certificates of deposit for an estimated market value of S/1,108.1 million; whose related liability is presented in the caption "Payables from repurchase agreements and securities lending" of the consolidated statement of financial position, see Note 5(c).

(i) As of March 31, 2023, the balance corresponds to corporate bonds issued by companies in the United States of America, Peru, Chile and other countries, which represent 40.3 percent, 35.7 percent, 4.0 percent and 20.0 percent of the total, respectively. As of December 31, 2022, the balance corresponds to corporate bonds issued by companies in the United States of America, Peru, Chile and other countries, which represent 39.2 percent, 37.4 percent, 4.4 percent and 19.0 percent of the total, respectively.

The most significant individual unrealized loss as of March 31, 2023 and December 31, 2022 amounts to approximately S/31.4 million and S/34.2 million, respectively, of Inversiones Nacionales de Turismo - Intursa S.A. The higher unrealized loss compared to the 2022 balance is due to market behavior.

(ii) As of March 31, 2023 and December 31, 2022, the balance includes the following Government Treasury Bonds:

	As of March 31, 2023	As of December 31, 2022
	S/(000)	S/(000)
Peruvian Govermment treasury bonds	6,521,800	6,126,564
United States of America treasury bonds	1,948,668	2,103,713
Colombian Govermment treasury bonds	132,090	130,883
Chilean Govermment treasury bonds	79,480	78,383
Bolivian Govermment treasury bonds	51,283	67,040
Others	31,538	22,128
Total	8,764,859	8,528,711

(iii) As of March 31, 2023, the Group maintains 97,530 certificates of deposits BCRP (70,253 as of December 31, 2022); which are instruments issued at discount through public auction, traded on the Peruvian secondary market and payable in soles. The decrease in the balance is mainly due to the maturity of these instruments.

(iv) As of March 31, 2023 and December 31, 2022, the balance of securitization instruments includes the following:

	As of March 31, 2023	As of December 31, 2022
	S/(000)	S/(000)
Inmuebles Panamericana S.A.	137,637	133,079
ATN S.A.	78,475	77,047
Colegios Peruanos S.A.	62,013	61,109
Multimercados Zonales S.A.C.	51,344	47,643
Costa de Sol S.A.	37,758	37,653
Nessus Hoteles Perú S.A.	33,084	32,519
Concesionaria La Chira S.A.	26,690	25,906
Asociación Civil San Juan Bautista	23,880	24,122
Compañía de Turismo La Paz S.A.C.	23,741	23,375
Centro Comercial Plaza Norte S.A.C.	22,966	21,996
Homecenters Peruanos S.A.	21,510	22,804
Telefónica Celular de Bolivia S.A	21,229	21,470
Fábrica Nacional de Cemento S.A.	18,698	22,529
Others (less than a S/18.7 million and S/22.5 million, respectively)	156,961	115,672
Total	715,986	666,924

The instruments have semiannual payments until 2045.The pool of underlying assets consists mainly of accounts receivable from income, revenues for services and from maintenance and marketing contributions (Inmuebles Panamericana S.A.), and accounts receivable for electrical transmission services from the Carhuamayo - Cajamarca line (ATN S.A.).

(v) As of March 31, 2023, the balance corresponds to certificates for US$0.3 million, equivalent to S/1.1 million, in soles for S/6.1 million; and in other currencies, equivalent to S/498.6 million issued mainly by the financial systems of Peru and Bolivia. As of December 31, 2022, the balance corresponds to certificates for US$1.8 million, equivalent to S/6.7 million, in soles for S/5.9 million; and in other currencies, equivalent to S/ 573.2 million issued mainly by the financial systems of Colombia and Bolivia.

c) Amortized cost investments consist of the following:

	As of March 31, 2023	
	Carrying amount	Fair value
	S/(000)	S/(000)
Peruvian Government Bonds (i)	9,549,128	8,371,544
Corporate bonds (i)	477,964	480,220
Other government bonds (i)	54,883	54,715
Certificates of payment on work progress	40,896	40,415
Subordinated bonds (i)	24,388	24,142
Negotiable certificates of deposits	18,716	18,810
Term deposits	7,292	7,333
	10,173,267	8,997,179
Accrued interest	79,984	79,984
Total investments at amortized cost, net	10,253,251	9,077,163

	As of December 31, 2022	
	Carrying amount	Fair value
	S/(000)	S/(000)
Peruvian Government Bonds (i)	9,573,026	8,055,873
Corporate bonds (i)	442,558	445,684
Other government bonds (i)	114,262	113,759
Subordinated bonds (i)	49,597	49,830
Certificates of payment on work progress	47,584	46,786
	10,227,027	8,711,932
Accrued interest	218,702	218,702
Total investments at amortized cost, net	10,445,729	8,930,634

(i) As of March 31, 2023, said bonds have maturities between April 2023 and February 2042; accruing interest at an effective annual rate between 6.61 percent and 7.65 percent per year for bonds issued in soles, between 3.56 percent and 15.50 percent for bonds issued in U.S. Dollar, and between 7.59 percent and 10.93 percent per year for bonds issued in other currencies. As of December 31, 2022, they have maturities between January 2023 and February 2042; accruing interest at an effective annual rate between 6.65 percent and 8.13 percent per year for bonds issued in soles, between 2.59 percent and 16.30 percent for bonds issued in U.S. Dollar, and between 5.66 percent and 11.24 percent per year for bonds issued in other currencies.

Likewise, Credicorp Management has determined that as of March 31, 2023, the difference between amortized cost and the fair value of these investments is temporary in nature and Credicorp has the intention and ability to hold each of these investments until its maturity.

As of March 31, 2023, the Group has repurchased agreement transactions for investments at amortized cost for an estimated fair value of S/4,032.3 million (S/3,540.5 million as of December 31, 2022), the related liability for which is presented in the caption “Payables from repurchase agreements and securities lending” in the interim condensed consolidated statement of financial position, see Note 5(c).

(ii) As of March 31, 2023, there are 49 certificates of Annual Recognition of Payment on Work Progress - CRPAO from Spanish initials (57 CRPAOs as of December 31, 2022), issued by the Peruvian Government to finance projects and concessions. Said issuance is a mechanism established in the concession agreement signed between the State and the concessionaire, which allows the latter to obtain financing to continue with the work undertaken. Said investment mature between April 2023 and April 2026, accruing interest at an annual effective rate between 6.89 percent and 7.17 percent (between January 2023 and April 2026, accruing interest at an annual effective rate between 6.20 percent and 7.59 percent as of December 31, 2022).

d) The table below shows the balance of investments classified by maturity, without consider accrued interest or provision for credit loss:

	As of March 31, 2023		
	At fair value through profit or loss	**At fair value through other comprehensive income**	**Amortized cost**
	S/(000)	**S/(000)**	**S/(000)**
Up to 3 months	108,340	7,649,928	123,950
From 3 months to 1 year	109,345	5,218,906	308,068
From 1 to 3 years	388,810	4,463,778	1,521,608
From 3 to 5 years	414,082	4,568,937	457,029
More than 5 years	603,933	10,846,415	7,762,612
Without maturity	2,452,773	351,466	–
Total	4,077,283	33,099,430	10,173,267

	As of December 31, 2022		
	At fair value through profit or loss	**At fair value through other comprehensive income**	**Amortized cost**
	S/(000)	**S/(000)**	**S/(000)**
Up to 3 months	296,347	8,246,819	191,098
From 3 months to 1 year	358,233	2,599,972	343,670
From 1 to 3 years	348,755	4,088,478	1,456,530
From 3 to 5 years	257,643	4,374,806	459,604
More than 5 years	694,778	10,742,851	7,776,125
Without maturity	2,241,803	336,355	–
Total	4,197,559	30,389,281	10,227,027

7 LOANS, NET

a) This item consists of the following:

	As of March 31, 2023	As of December 31, 2022
	S/(000)	S/(000)
Direct loans -		
Loans	117,457,397	119,602,591
Credit cards	6,257,888	6,187,910
Leasing receivables	6,061,493	6,174,850
Factoring receivables	3,390,909	3,976,898
Discounted notes	2,463,280	2,982,291
Advances and overdrafts in current account	162,334	219,932
Refinanced loans	2,122,217	2,100,018
Total direct loans	137,915,518	141,244,490
Internal overdue loans and under legal collection loans	5,782,304	5,945,779
	143,697,822	147,190,269
Add (less) -		
Accrued interest	1,548,686	1,516,962
Unearned interest	(80,795)	(80,857)
Total direct loans	145,165,713	148,626,374
Allowance for loan losses (c)	(7,915,350)	(7,872,402)
Total direct loans, net	137,250,363	140,753,972

The credits granted as part of the Reactiva Peru program are guaranteed by the Peruvian State. The total credits granted through this program as of March 31, 2023, and December 2022 amount to S/6,473.1 million and S/8,877.2 million, respectively. Likewise, as of March 31, 2023, and December 2022, loans from the Reactiva Peru program were rescheduled for an amount of S/4,761.8 million and S/5,669.2 million, respectively, these amounts include the rescheduled loans of the Reactiva. On the other hand, the Group maintains repurchase agreements with guarantees, which are detailed in note 5(c).

The government, in order to serve small companies that the Reactiva Peru program does not reach, has established the MYPE Business Support Fund (FAE-MYPE) which represents for Mibanco as of March 31, 2023, a total of S/3.6 million and S/52.3 million for FAE-MYPE 1 and FAE-MYPE 2, respectively. As of December 31, 2022, S/3.9 million and S/83.6 million for FAE-MYPE 1 and FAE-MYPE 2, respectively. These amounts include the rescheduled credits from the Reactiva Perú and FAE-MYPE 2 programs for S/5,669.2 and S/36.7million, respectively.

Due to the effects of the COVID-19 pandemic, the Bank and its Subsidiaries have offered their Retail Banking clients the opportunity to reschedule their loans for 30 or 90 days without incurring commissions due and principal interest. As of March 31, 2023, and December 2022, the rescheduled portfolio amounts to S/10,060.7 million and S/11,448.7 million, respectively.

b) As of March 31, 2023 and December 31, 2022, the composition of the gross credit balance is as follows:

	As of March 31, 2023	As of December 31, 2022
	S/(000)	S/(000)
Direct loans, Note7(a)	143,697,822	147,190,269
Indirect loans, Note 19(a)	18,731,790	20,928,055
Due from customers on banker's acceptances	496,170	699,678
Total	162,925,782	168,818,002

The composition of gross balance of direct and indirect loans and the allowance for loan losses by stages is as follows (including due from customers on banker's acceptances):

	Direct and indirect loans		Allowance for loan losses of direct and indirect loans	
Loans by class	**As of March 31, 2023**	**As of December 31, 2022**	**As of March 31, 2023**	**As of December 31, 2022**
	S/000	**S/000**	**S/000**	**S/000**
Stage 1				
Commercial loans	81,697,480	86,190,457	533,531	571,899
Residential mortgage loans	18,762,745	18,640,432	64,824	83,536
Micro-business loans	13,593,904	13,425,653	314,266	315,960
Consumer loans	15,835,035	15,386,935	299,047	300,322
Total	129,889,164	133,643,477	1,211,668	1,271,717
Stage 2				
Commercial loans	7,449,514	8,850,173	430,273	493,257
Residential mortgage loans	3,395,724	3,207,081	119,940	126,832
Micro-business loans	7,064,605	7,266,464	551,563	540,913
Consumer loans	3,431,677	3,471,604	471,315	439,574
Total	21,341,520	22,795,322	1,573,091	1,600,576
Stage 3				
Commercial loans	7,572,154	8,150,200	2,715,262	2,846,887
Residential mortgage loans	1,245,542	1,388,061	750,651	757,780
Micro-business loans	1,700,416	1,741,559	1,118,316	1,113,154
Consumer loans	1,176,986	1,099,383	1,019,370	940,872
Total	11,695,098	12,379,203	5,603,599	5,658,693
Consolidated 3 Stages				
Commercial loans	96,719,148	103,190,830	3,679,066	3,912,043
Residential mortgage loans	23,404,011	23,235,574	935,415	968,148
Micro-business loans	22,358,925	22,433,676	1,984,145	1,970,027
Consumer loans	20,443,698	19,957,922	1,789,732	1,680,768
Total	162,925,782	168,818,002	8,388,358	8,530,986

c) The allowance for loan loss for direct and indirect loans was determined under the expected credit loss model as established in IFRS 9. The movement of the allowance for loan loss for direct and indirect loans is shown below:

	For the three-month period ended March 31,	
	2023	2022
	S/(000)	S/(000)
Balance at beginning of period	8,530,986	9,071,011
Provision for credit losses on loan	802,107	350,681
Written-offs loans	(694,637)	(386,954)
Loan forgiveness	(25,428)	(28,219)
Exchange differences and others (*)	(224,670)	(154,684)
Balance ended of period (**)	8,388,358	8,851,835

(*) The variation is mainly due to the decrease in the provision because for the appreciation of the Sol against U.S Dollar of S/3.762 as of March 31, 2023 and S/3.814 as of December 31, 2022 (S/3.698 as of March 31, 2022 and S/3.987 as of December 31, 2021). Likewise, includes S/199.2 million of portfolio sale as three-month ended March 31, 2023 (S/8.2 million of portfolio sale for the first quarter of 2022).

(**) The movement in the allowance for loan losses for the three-month period ended March 31, 2023, includes the allowance for direct and indirect loans for approximately S/7,915.4 million and S/473.0 million, respectively (approximately S/7,872.4 million and S/658.6 million, respectively, as of December 31, 2022). The expected loan loss for indirect loan is included in “Other liabilities” of the interim condensed consolidated statement of financial position, Note 12(a). In Management’s opinion, the allowance for loan losses recorded as of March 31, 2023, and December 31, 2022, has been established in accordance with IFRS 9 and is enough to cover expected losses on the loan portfolio.

d) Interest rates on loans are set considering the rates prevailing in the markets where the Group’s subsidiaries operate.

e) A portion of the loan portfolio is collateralized with guarantees received from customers, which mainly consist of mortgages, trust assignments, securities and industrial and mercantile pledges.

f) The following table presents the gross direct loan portfolio as of March 31, 2023 and December 31, 2022 by maturity based on the remaining period to the payment due date:

	As of March 31, 2023	As of December 31, 2022
	S/(000)	S/(000)
Outstanding loans -		
Up to 1 year	32,612,748	34,192,006
From 3 months to 1 year	33,649,991	35,338,442
From 1 to 3 years	30,427,028	29,576,654
From 3 to 5 years	11,970,109	11,572,896
From 5 to 15 years	27,007,162	27,144,332
More than 15 years	2,248,480	3,420,160
	137,915,518	141,244,490
Internal overdue loans -		
Overdue up to 90 days	1,512,173	1,264,436
Over 90 days	4,270,131	4,681,343
	5,782,304	5,945,779
Total	143,697,822	147,190,269

See credit risk analysis in Note 31.1.

8 INSURANCE AND REINSURANCE CONTRACTS ASSETS AND LIABILITIES

a) As of March 31, 2023 and December 31, 2022, insurance contract assets are made up of "Premiums and other policies receivable". In the interim condensed consolidated statement of financial position includes balances for approximately S/842.9 million and S/921.6 million, respectively, which are primarily of current maturity, have no specific collateral and present no material past due balances.

b) The reinsurance contracts assets are made up as follows:

	As of March 31, 2023	**As of December 31, 2022**
	S/(000)	**S/(000)**
Accounts receivable from reinsurance contracts (i)	107,619	110,963
LRC and LIC movement of reinsurance contracts (ii)	1,020,986	1,033,241
Total	1,128,605	1,144,204

(i) The movement of accounts receivable from reinsurance contracts are as follows:

	As of March 31, 2023	**As of December 31, 2022**
	S/(000)	**S/(000)**
Balances as of January 1	110,963	194,366
Premiums assumed	–	2,460
Settled claims of premiums ceded by reinsurance contracts	84,823	292,835
Collections and others, net	(88,167)	(378,698)
Balances at the end of the period	107,619	110,963

(ii) LRC and LIC movement of reinsurance contracts

	As of March 31, 2023		
	Remaining coverage liabilities	Liabilities for incurred claims for contracts measured by PAA resent value of future cash flows	Total
	S/(000)	S/(000)	S/(000)
Balances as of January 1	303,233	730,008	1,033,241
Claims recovered and Past Service Changes - LIC Adjustments	–	98,531	98,531
Future Service Changes - Changes in the FCF that do not adjust the CSM for the underlying group of contracts	110	–	110
Reinsurance recoveries	110	98,531	98,641
Expenses for assigning the premiums paid to the reinsurer	(209,011)	–	(209,011)
Result of the insurance service	(208,901)	98,531	(110,370)
Net financial expenses for reinsurance contracts	–	10,530	10,530
Other changes	2,544	(6,121)	(3,577)
Net cash flow:			
Premiums net of commissions ceded, and other directly attributable expenses paid	178,567	-	178,567
reinsurance recovery	-	(87,405)	(87,405)
Balances at the end of the period	275,443	745,543	1,020,986

	As of December 31, 2022		
	Remaining coverage liabilities	Liabilities for incurred claims for contracts measured by PAA Present value of future cash flows	Total
	S/(000)	S/(000)	S/(000)
Balances as of January 1	316,452	746,346	1,062,798
Claims recovered and Past Service Changes - LIC Adjustments	–	317,358	317,358
Future Service Changes - Changes in the FCF that do not adjust the CSM for the underlying group of contracts	1,033	–	1,033
Reinsurance recoveries	1,033	317,358	318,391
Expenses for assigning the premiums paid to the reinsurer	(764,187)	–	(764,187)
Result of the insurance service	(763,154)	317,358	(445,796)
Net financial expenses for reinsurance contracts	–	(18,607)	(18,607)
Other changes	(12,449)	(19,588)	(32,037)
Net cash flow:			
Premiums net of commissions ceded, and other directly attributable expenses paid	762,385	(295,502)	466,883
reinsurance recovery	-	-	-
Balances at the end of the period	303,234	730,007	1,033,241

c) The reinsurance contract liabilities are made up below:

	As of March 31, 2023	As of December 31, 2022
	S/(000)	S/(000)
Balances as of January 1	420,094	463,886
Premiums ceded for automatic contracts (mainly excess of loss)	134,161	419,184
Premiums ceded to reinsurers in facultative contracts	119,335	399,482
Coinsurance granted	7,094	(16,845)
Payments and other, net	(337,617)	(845,613)
Balances at the end of the period	343,067	420,094

d) The insurance contract liability is made up as follows:

	As of March 31, 2023					
	Remaining coverage liabilities			Liabilities for incurred claims for		
	Excluding loss component	Loss component	Liabilities for incurred claims for contracts not measured by PAA	Present value of future cash flows	Risk adjustment	Total
	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)
Balances as of January 1	8,403,034	163,555	1,073,412	2,320,555	14,158	11,974,714
Insurance income	(824,514)	–	–	(83,223)	–	(907,737)
Claims incurred and other insurance service expenses	–	–	189,309	911,360	–	1,100,669
Adjustments relating to the past to liabilities for incurred claims	–	–	(153,531)	(426,911)	21,844	(558,598)
Losses and recoveries for losses in onerous contracts	–	(2,370)	–	–	–	(2,370)
Amortization of insurance acquisition cash flows	371	–	–	–	–	371
Insurance service expenses	371	(2,370)	35,778	484,449	21,844	540,072
Result of the insurance service	(824,143)	(2,370)	35,778	401,226	21,844	(367,665)
Net financial expenses for insurance contracts	399,530	(1,202)	26,036	37,233	214	461,811
Total changes in the income statement	(424,613)	(3,572)	61,814	438,459	22,058	94,146
Other changes	(100,703)	37,245	(1,072)	(9,210)	(170)	(73,910)
Net cash flow:						
Premiums received	987,852	-	-	88,366	-	1,076,218
Claims and other service expenses paid	-	-	(249,364)	(511,817)	-	(761,181)
Insurance acquisition cash flow	(18,449)	-	-	-	-	(18,449)
Balances at the end of the period	8,847,121	197,228	884,790	2,326,353	36,046	12,291,538

	As of December 31, 2022					
	Remaining coverage liabilities		Liabilities for incurred claims for contracts not measured by PAA	Liabilities for incurred claims for		
	Excluding loss component	Loss component		Present value of future cash flows	Risk adjustment	Total
	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)
Balances as of January 1	9,255,182	135,365	994,581	2,355,471	14,383	12,754,982
Insurance income	(2,992,544)	–	–	(307,170)	–	(3,299,714)
Claims incurred and other insurance service expenses	–	–	554,692	(14,828)	–	539,864
Adjustments relating to the past to liabilities for incurred claims	–	–	(262,588)	1,816,286	(425)	1,553,273
Losses and recoveries for losses in onerous contracts	–	92,530	–	–	–	92,530
Amortization of insurance acquisition cash flows	(1,575)	–	–	–	–	(1,575)
Insurance service expenses	(1,575)	92,530	292,104	1,801,458	(425)	2,184,092
Result of the insurance service	(2,994,119)	92,530	292,104	1,494,288	(425)	(1,115,622)
Net financial expenses for insurance contracts	(793,873)	(9,058)	(29,644)	(40,648)	338	(872,885)
Total changes in the income statement	(3,787,992)	83,472	262,460	1,453,640	(87)	(1,988,507)
Other changes	(176,849)	(55,282)	(3,216)	(31,429)	(138)	(266,914)
Net cash flow:						
Premiums received	3,846,063	-	-	324,688	*	4,170,751
Claims and other service expenses paid	-	-	(838,619)	(1,781,818)	-	(2,620,437)
Insurance acquisition cash flow	(75,161)	-	-	-	-	(75,161)
Balances at the end of the period	9,061,243	163,555	415,206	2,320,552	14,158	11,974,714

e) The components of the movement are presented below:

	As of March 31, 2023			
			CSM	
	Present value of future cash flows	Risk adjustment	Fair value contracts	Total
	S/(000)	S/(000)	S/(000)	S/(000)
Balances as of January 1	7,186,948	254,151	1,154,236	8,595,335
Changes in the statement of income:				
Changes in estimates that adjust the CSM	(1,156)	(52,556)	54,877	1,165
Changes in estimates that result in losses and recoveries for contract losses onerous	1,652	(8,348)	–	(6,696)
Initial recognition contracts	(24,804)	2,193	25,175	2,564
Changes Related to Future Services	(24,308)	(58,711)	80,052	(2,967)
CSM recognized for services provided	–	–	(29,058)	(29,058)
Changes in the risk adjustment recognized for the expired risk	–	(4,395)	–	(4,395)
Experience Adjustments	197,843	–	–	197,843
Changes Related to Current Services	197,843	(4,395)	(29,058)	164,390
Adjustments to liabilities for incurred claims	(184,177)	(3,047)	–	(187,224)
Changes related to past services	(184,177)	(3,047)	–	(187,224)
Result of the insurance service	(10,642)	(66,153)	50,994	(25,801)
Net financial expenses for reinsurance contracts	413,690	(160)	9,725	423,255
Total changes in the income statement	403,048	(66,313)	60,719	397,454
Other changes	(43,872)	(1,159)	(10,957)	(55,988)
Cash flow:				
Premiums collected	234,896	–	–	234,896
Benefits and expenses paid	(249,364)	–	–	(249,364)
Acquisition fees paid	(18,449)	–	–	(18,449)
Net cash flow:	(32,917)	–	–	(32,917)
Balances at the end of the period	7,513,207	186,679	1,203,998	8,903,884

	As of March 31, 2022			
			CSM	
	Present value of future cash flows	Risk adjustment	Fair value contracts	Total
	S/(000)	S/(000)	S/(000)	S/(000)
Balances as of January 1	7,789,688	284,348	1,292,358	9,366,394
Changes in the statement of income:				
Changes in estimates that adjust the CSM	167,426	10,241	(147,298)	30,369
Changes in estimates that result in losses and recoveries for contract losses onerous	65,410	279	–	65,689
Initial recognition contracts	(116,222)	10,178	120,623	14,579
Changes Related to Future Services	116,614	20,698	(26,675)	110,637
CSM recognized for services provided	–	–	(114,272)	(114,272)
Changes in the risk adjustment recognized for the expired risk	–	(15,379)	–	(15,379)
Experience Adjustments	667,764	–	–	667,764
Changes Related to Current Services	667,764	(15,379)	(114,272)	538,113
Adjustments to liabilities for incurred claims	(442,907)	1,316	–	(441,591)
Changes related to past services	(442,907)	1,316	–	(441,591)
Result of the insurance service	341,471	6,635	(140,947)	207,159
Net financial expenses for reinsurance contracts	(879,839)	(26,978)	42,268	(864,549)
Total changes in the income statement	(538,368)	(20,343)	(98,679)	(657,390)
Other changes	(162,140)	(9,854)	(39,443)	(211,437)
Cash flow:				
Premiums collected	1,011,547	–	–	1,011,547
Benefits and expenses paid	(838,619)	–	–	(838,619)
Acquisition fees paid	(75,160)	–	–	(75,160)
Net cash flow:	97,768	–	–	97,768
Balances at the end of the period	7,186,948	254,151	1,154,236	8,595,335

9 PROPERTY, FURNITURE AND EQUIPMENT, NET

a) The composition of property, furniture and equipment and accumulated depreciation as of March 31, 2023, and December 31, 2022 was as follows:

	Land	Buildings and other constructions	Installations	Furniture and fixtures	Computer hardware	Vehicles and equipment	Work in progress	As of March 31, 2023	As of December 31, 2022
	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)
Cost -									
Balance as of January 1	375,485	1,146,905	731,678	467,134	571,046	112,161	58,787	3,463,196	3,500,890
Additions	–	2,078	8,097	3,293	12,984	–	7,211	33,663	192,700
Acquisition of business	–	–	–	–	–	–	–	–	419
Transfers	–	–	6,322	2,711	–	–	(9,033)	–	–
Disposals and others	(13,207)	(6,930)	267	(3,459)	(10,605)	(1,733)	(3,302)	(38,969)	(230,813)
Balance as of March 31	362,278	1,142,053	746,364	469,679	573,425	110,428	53,663	3,457,890	3,463,196
Accumulated depreciation -									
Balance as of January 1	–	725,590	550,001	324,080	492,609	89,818	–	2,182,098	2,192,111
Depreciation of the period	–	6,014	8,330	7,148	9,021	1,370	–	31,883	128,443
Acquisition of business	–	–	–	–	–	–	–	–	102
Disposals and others	–	(840)	(521)	(4,063)	(8,356)	(1,700)	–	(15,480)	(138,558)
Balance as of March 31	–	730,764	557,810	327,165	493,274	89,488	–	2,198,501	2,182,098
Net carrying amount	362,278	411,289	188,554	142,514	80,151	20,940	53,663	1,259,389	1,281,098

Due to the implementation of IFRS 17, the depreciation expense of fixed assets is distributed in the condensed interim consolidated income statement under the depreciation and amortization item S/30.9 million and S/0.9 million corresponding to the attributable expense in the result item insurance technician.

10 INTANGIBLE ASSETS AND GOODWILL, NET

a) Intangible assets -

The composition of intangible assets with limited useful life and accumulated amortization as of March 31, 2023 and December 31, 2022 was as follows:

Description	Client relationships (i)	Brand name (ii)	Fund manager contract (iii)	Relationships with holders	Software and developments	Intangible in progress	Other	As of March 31, 2023	As of December 31, 2022
	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)
Cost -									
Balances at January 1	373,602	171,864	73,412	21,100	3,642,091	867,213	17,953	5,167,235	4,708,305
Additions	-	-	-	-	34,113	63,692	3,296	101,101	703,670
Acquisition of business, Note 2(a)	-	-	-	-	-	-	-	-	7,533
Transfers	-	-	-	-	42,660	(42,660)	-	-	-
Disposals and others	2,822	(0)	3,156	(0)	(11,704)	(2,957)	(1,308)	(9,991)	(252,273)
Balance as of March 31	376,424	171,864	76,568	21,100	3,707,160	885,288	19,941	5,258,345	5,167,235
Accumulated amortization -									
Balance at January 1	302,513	60,488	12,824	21,100	2,637,723	-	5,371	3,040,019	2,795,084
Amortization of the period	3,782	1,765	927	-	93,622	-	934	101,030	403,726
Disposals and others	878	-	653	-	(3,998)	-	162	(2,305)	(158,791)
Balance as of March 31	307,173	62,253	14,404	21,100	2,727,347	-	6,467	3,138,744	3,040,019
Net carrying amount	69,251	109,611	62,164	-	979,813	885,288	13,474	2,119,601	2,127,216

Due to the implementation of IFRS 17, the amortization expense of intangibles is distributed in the condensed interim consolidated statement of income under the depreciation and amortization item S/92,300.0 million and S/8,730.4 million corresponding to the attributable expense in the item insurance technical result.

(i) Client relationships -

This item consists of the following:

	As of March 31,2023 S/(000)	As of December 31, 2022 S/(000)
Prima AFP - AFP Unión Vida	42,930	45,262
Credicorp Capital Holding Chile - Inversiones IMT	16,087	15,564
Ultraserfinco	6,874	6,971
Tenpo	1,792	1,809
Culqi	1,568	1,483
Net carrying amount	69,251	71,089

(ii) Brand name -

	As of March 31,2023 S/(000)	As of December 31, 2022 S/(000)
MiBanco	109,248	111,009
Culqi	363	367
Net carrying amount	109,611	111,376

(iii) Fund management contract -

	As of March 31,2023 S/(000)	As of December 31, 2022 S/(000)
Credicorp Capital Holding Chile - Inversiones IMT	31,933	30,495
Credicorp Capital Colombia	26,954	27,620
Ultrasefinco S.A.	3,277	2,473
Net carrying amount	62,164	60,588

Management has assessed at each reporting date that there was no indication that customer relationships, brand name, fund management contract and software and developments may be impaired.

b) Goodwill -

Goodwill acquired through business combinations has been allocated to each subsidiary or groups of them, which are also identified as a CGU for the purposes of impairment testing.

	As of March 31, 2023	**As of December 31, 2022**
	S/(000)	**S/(000)**
MiBanco - Edyficar Perú	273,694	273,694
Prima AFP - AFP Unión Vida	124,641	124,641
MiBanco Colombia	102,874	99,979
Credicorp Capital Colombia	94,834	92,188
Banco de Crédito del Perú	52,359	52,359
Pacífico Seguros	36,354	36,354
Atlantic Security Holding Corporation	29,795	29,795
Wally POS S.A	24,214	24,214
Tenpo SpA	24,662	23,441
Monokera S.A.S	22,656	–
Joinnus S.A.C	20,400	–
Tenpo Prepago S.A. (antes "Multicaja Prepago S.A.")	13,890	13,155
Compañía Incubadora de Soluciones Móviles S.A-	2,297	2,297
Crediseguro Seguros Personales	96	96
Net carrying amount	822,766	772,213

The recoverable amount of all of the CGUs has been determined based on the present value of the discounted cash flows or dividends determined principally with assumptions of revenue and expenses projection (based on efficiency ratios).

Goodwill balance of Mibanco Colombia, Credicorp Capital Colombia S.A, Tenpo SPA and Tenpo Technologies SpA. is affected by the volatility effect of the local exchange rate currency of the country in which they operate against the exchange rate of functional currency of Credicorp Ltd. and subsidiaries.

As of March 31, 2023 the Group, concluded that there is no evidence of impairment of Goodwill.

11 RIGHT-OF-USE ASSETS AND LEASE LIABILITES

a) Right-of-use

The Group has leased agreements according to the following composition:

	Property: Agencies and offices	Servers and technology platforms	Transport units	Other leases	As of March 31, 2023	As of December 31, 2022
	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)
Cost -						
Balance as of January 1,	807,422	151,363	3,305	64,801	1,026,891	969,355
Additions	14,037	45	–	5,041	19,123	113,948
Disposal and others	(5,195)	82	–	–	(5,113)	(56,412)
Balance as of March 31	816,264	151,490	3,305	69,842	1,040,901	1,026,891
Accumulated depreciation -						
Balance as of January 1,	386,108	71,512	2,052	23,386	483,058	382,938
Depreciation of the period	27,329	6,908	117	3,300	37,654	151,335
Disposal and others	(7,496)	82	–	–	(7,414)	(51,215)
Balance as of March 31	405,941	78,502	2,169	26,686	513,298	483,058
Net carrying amount	410,323	72,988	1,136	43,156	527,603	543,833

b) Lease Liabilities

The Group maintains contracts, with certain renewal options and for which the Group has reasonable certainty that this option will be exercised. In these cases, the period of lease used to measure the liability and assets corresponds to an estimation of future renovations.

12 OTHER ASSETS AND OTHER LIABILITIES

a) This item consists of the following:

	As of March 31, 2023	As of December 31, 2022
	S/(000)	S/(000)
Other assets -		
Financial instruments:		
Receivables from sale of investments (b)	1,500,725	142,765
Receivables (c)	1,532,183	1,449,079
Derivatives receivable (d)	1,513,362	1,478,726
Operations in process (e)	49,176	155,568
	4,595,446	3,226,138
Non-financial instruments:		
Deferred fees (f)	1,379,840	922,384
Investment in associates (g)	660,741	726,993
Investment properties, net (h)	557,380	548,558
Income tax prepayments, net	207,642	186,372
Adjudicated assets, net	137,084	136,079
Improvements in leased premises	70,323	71,747
VAT (IGV) tax credit	63,014	58,329
Others	9,238	9,245
	3,085,262	2,659,707
Total	7,680,708	5,885,845

	As of March 31, 2023	As of December 31, 2022
	S/(000)	S/(000)
Other liabilities -		
Financial instruments:		
Accounts payable (i)	2,109,465	2,159,323
Derivatives payable (d)	1,403,374	1,345,665
Accounts payable for acquisitions of investments (b)	1,341,150	153,681
Salaries and other personnel expenses	630,155	930,622
Allowance for indirect loan losses, Note 7(c)	473,008	658,584
Dividends payable	130,454	73,607
Operations in process (e)	64,520	89,480
	6,152,126	5,410,962
Non-financial instruments:		
Taxes	1,388,745	1,062,691
Provision for sundry risks	645,176	624,149
Others	199,190	192,344
	2,233,111	1,879,184
Total	8,385,237	7,290,146

b) As of March 31, 2023, and December 31, 2022, corresponds to accounts receivable and payable for the sale and purchase of financial investments negotiated during the last days of the month, which were settled during the first days of the following month.

c) As of March, 2023, the balance corresponds mainly to comprises funds restricted by the Central Reserve Bank of Bolivia for S/139.5 million, margin call for derivatives for S/168.6 million, tax account receivable for S/12.2 million, account receivable for foreign currency sale for S/102.4 million, works for taxes for S/69.8 million, not related paid accounts for S/167.4 million, account receivable for services S/70.8 million, commissions receivable for S/41.0 million, advances to staff for S/19.4 million, dividends receivable for S/46.0 million, among others. As of December 31, 2022, the balance corresponds mainly to comprises funds restricted by the Central Reserve Bank of Bolivia for S/261.3 million, margin call of operations with derivatives for S/184.4 million, taxes receivable for S/184.9 million, receivables for the sale of deferred foreign currency for S/85.9 million, works for taxes for S/69.2 million, accounts paid by third parties for S/42.3 million, receivables for the sale of goods and services for S/53.0 million, commissions receivable for S/38.7 million, advances to personnel for S/15.7 million, dividends receivable for S/2.9 million, among others.

d) The risk in derivative contracts arises from the possibility of the counterparty failing to comply with the terms and conditions agreed and that the reference rates at which the transactions took place change.

The table below shows as of March 31,2023 and December 31,2022 the fair value of derivative financial instruments, recorded as an asset or a liability, together with their notional amounts and maturities. The nominal amount, recorded gross, is the amount of a derivative's underlying asset and is the basis upon which fair value of derivatives is measured.

	As of March 31, 2023				As of December 31, 2022				2023 and 2022
	Assets	Liabilities	Notional amount	Maturity	Assets	Liabilities	Notional amount	Maturity	Related instruments
	S/(000)	S/(000)	S/(000)		S/(000)	S/(000)	S/(000)		
Derivatives held for trading (i) -									
Foreign currency forwards	683,128	318,205	37,781,512	April 2023 / January 2025	500,348	288,857	34,224,865	January 2023 / August2024	-
Interest rate swaps	371,738	252,172	12,315,328	April 2023 / March 2033	415,034	277,988	10,834,324	January 2023 / December 2032	-
Currency swaps	330,360	793,088	14,545,099	April 2023 / January 2033	410,439	749,420	16,000,208	January 2023 / January 2033	-
Foreign exchange options	964	4,640	903,220	April 2023 / August 2024	1,349	3,168	362,324	January 2023 / June 2024	-
Futures	779	1,427	43,263	June 2023 / June 2022	794	1,450	48,819	March 2023	-
	1,386,969	1,369,532	65,588,422		1,327,964	1,320,883	61,470,540		
Derivatives held as hedges									
Cash flow hedges -									
Cross currency swaps (CCS)	19,106	8,453	827,640	January 2025	20,114	8,418	839,080	January 2025	Bonds issued
Cross currency swaps (CCS)	20,160	-	169,290	August 2026	21,935	-	171,630	August 2026	Repurchase agreements(*)
Cross currency swaps (CCS)	-	17,622	141,510	December 2023	-	13,688	145,715	December 2023	Bonds issued
Cross currency swaps (CCS)	13,556	-	94,050	August 2026	14,861	-	95,350	August 2026	Bonds issued
Cross currency swaps (CCS)	33,257	798	78,727	February 2024 / January 2025	41,746	2,123	131,382	January 2023 / January 2025	Investments
Cross currency swaps (CCS)	-	6,969	225,720	May 2025 / June 2025	-	156	38,140	June 2025	Repurchase agreements(*)
Fair value hedges -									
Interest rate swaps (IRS)	40,314	-	790,020	March 2025 / February 2028	52,106	397	926,497	January 2023 / February 2028	Investments
	126,393	33,842	2,326,957		150,762	24,782	2,347,794		
	1,513,362	1,403,374	67,915,379		1,478,726	1,345,665	63,818,334		

(*) As we mentioned in Note 5(c) certain repurchase agreements were hedged using cross-currency swaps (CCS).

(i) Held-for-trading derivatives are principally negotiated to satisfy customers' needs. On the other hand, the Group may also take positions with the expectation of profiting from favorable movements in prices or rates. Also, this caption includes any derivatives which do not comply with IFRS 9 hedge accounting requirements. Fair value of derivatives held for trading classified by contractual maturity is as follows:

	As of March 31, 2023						As of December 31, 2022					
	Up to 3 months	From 3 months to 1 year	From 1 to 3 years	From 3 to 5 years	Over 5 years	Total	Up to 3 months	From 3 months to 1 year	From 1 to 3 years	From 3 to 5 years	Over 5 years	Total
	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)
Foreign currency forwards	508,249	173,223	1,656	-	-	683,128	276,887	226,117	(2,656)	-	-	500,348
Interest rate swaps	32,295	22,363	78,626	117,451	121,003	371,738	12,395	43,395	58,726	122,943	177,575	415,034
Currency swaps	36,918	22,614	80,476	79,983	110,369	330,360	63,465	60,940	86,950	84,650	114,434	410,439
Foreign exchange options	473	232	259	-	-	964	153	1,163	33	-	-	1,349
Futures	779	-	-	-	-	779	794	-	-	-	-	794
Total assets	578,714	218,432	161,017	197,434	231,372	1,386,969	353,694	331,615	143,053	207,593	292,009	1,327,964

	As of March 31, 2023						As of December 31, 2022					
	Up to 3 months	From 3 months to 1 year	From 1 to 3 years	From 3 to 5 years	Over 5 years	Total	Up to 3 months	From 3 months to 1 year	From 1 to 3 years	From 3 to 5 years	Over 5 years	Total
	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)
Foreign currency forwards	223,879	92,513	1,813	-	-	318,205	203,269	85,222	366	-	-	288,857
Interest rate swaps	32,641	17,896	51,051	37,770	112,814	252,172	8,073	37,418	45,352	62,460	124,685	277,988
Currency swaps	350,519	123,167	87,910	131,334	100,158	793,088	140,363	258,962	100,267	127,404	122,424	749,420
Foreign exchange options	1,099	2,817	724	-	-	4,640	554	2,483	131	-	-	3,168
Futures	1,427	-	-	-	-	1,427	1,450	-	-	-	-	1,450
Total liabilities	609,565	236,393	141,498	169,104	212,972	1,369,532	353,709	384,085	146,116	189,864	247,109	1,320,883

e) Transactions in process include deposits received, granted and collected loans, funds transferred and other similar types of transactions, which are made in the final days of the month and not reclassified to their final accounts in the interim condensed consolidated statement of financial position until the first days of the following month. The regularization of these transactions does not affect the Group's net income.

f) As of March 31, 2023, the balance corresponds mainly to the payment in favor of Latam Airlines Group S.A. Sucursal Peru for US$222.5 million, equivalent to S/837.1 million (US$128.0 million, equivalent to S/488.4 million, as of December 31, 2022) on account of the Latam Pass Miles that the Bank has been crediting to its clients for the use of your credit and debit cards, and other financial products BCP Latam Pass. Customers can use these miles directly with Latam to exchange tickets, goods or services offered by them.

g) Credicorp's main associate is Entidad Prestadora de Salud (EPS), whose balance amounts to S/612.3 million and S/627.9 million as of March 31, 2023 and December 31, 2022, respectively.

h) Investment properties -

The movement of investment properties is as follows:

	As of March 31, 2023			As of December 31, 2022
	Land	**Buildings**	**Total**	**Total**
	S/(000)	**S/(000)**	**S/(000)**	**S/(000)**
Cost				
Balance at January 1	328,131	285,188	613,319	526,935
Additions (i)	–	10,917	10,917	87,132
Disposals and others	12,573	(12,646)	(73)	(748)
Ending Period	340,704	283,459	624,163	613,319
Accumulated depreciation				
Balance at January 1	–	63,351	63,351	56,412
Depreciation for the period	–	2,022	2,022	7,107
Disposals and others	–	–	–	(168)
Ending Period	–	65,373	65,373	63,351
Impairment losses (ii)	689	721	1,410	1,410
Net carrying amount	340,015	217,365	557,380	548,558

Land and buildings are mainly used for office rental, which are free of all encumbrances.

(i) As of March 31, 2023 the Group has made disbursements for the acquisition of buildings for S/10.9 million. As of December 31, 2022 the Group has made disbursements for the acquisition of land and real state for S/87.1 million.

(ii) The Group's Management has determined that the recoverable value of its investment properties is greater than their net carrying amount.

As of March 31, 2023 and December 31, 2022, the market value of the property amounts to approximately S/1,242.4 million and S/1,206.5 million, respectively; which was determined through a valuation made by an independent appraiser.

i) As of March 31, 2023, the balance corresponds mainly to accounts payable to suppliers for S/337.6 million, accounts payable to client investors in stock exchange for S/378.8, accounts payable to policyholders for S/91.7 million, account payable to intermediaries for S/102.6 million, accounts payable for premiums to the deposit insurance fund for S/57.9 million, accounts payable to minor shareholders for S/0.4 millions, accounts payable for foreign currency sale for S/147.4 million, interbank operations to be settled with the BCRP for S/6.7 million, among others. As of December 31, 2022, the balance corresponds mainly to accounts payable to suppliers for S/434.6. million, accounts payable to client investors in stock exchange for S/322.7, accounts payable to policyholders for S/114.6 million, account payable to intermediaries for S/101.1 million, accounts payable for premiums to the deposit insurance fund for S/57.7 million, accounts payable to minor shareholders for S/47.7 millions, accounts payable for foreign exchange sale for S/22.3 million, interbank operations to be settled with the BCRP for S/6.0 million, among others

13 DEPOSITS AND OBLIGATIONS

a) This item consists of the following:

	As of March 31, 2023	**As of December 31, 2022**
	S/(000)	**S/(000)**
Saving deposits	53,418,288	54,769,045
Demand deposits	47,483,662	48,467,248
Time deposits (c)	41,829,982	37,478,269
Severance indemnity deposits	3,322,691	3,824,629
Bank's negotiable certificates	1,364,591	1,418,740
Total	147,419,214	145,957,931
Interest payable	1,204,086	1,062,856
Total	148,623,300	147,020,787

The Group has established a policy to remunerate demand deposits and savings accounts according to a growing interest rate scale, based on the average balance maintained in those accounts; on the other hand, according to its policy, balances that are lower than a specified amount for each type of account do not bear interest. Also, time deposits earn interest at market rates.

Interest rates are determined by the Group considering the interest rates prevailing in the market in which each of the Group's subsidiaries operates.

The amounts of non-interest-bearing and interest-bearing deposits and obligations without consider accrued interest are presented below:

	As of March 31, 2023	As of December 31, 2022
	S/(000)	S/(000)
Non-interest-bearing -		
In Peru	37,983,283	39,370,497
In other countries	3,613,681	3,975,654
	41,596,964	43,346,151
Interest-bearing -		
In Peru	95,626,895	92,276,991
In other countries	10,195,355	10,334,789
	105,822,250	102,611,780
Total	147,419,214	145,957,931

b) The balance of time deposits classified by maturity is as follows:

	As of March 31, 2023	As of December 31, 2022
	S/(000)	S/(000)
Up to 3 months	20,216,301	17,201,364
From 3 months to 1 year	14,322,081	12,688,483
From 1 to 3 years	4,029,767	4,144,424
From 3 to 5 years	453,910	502,291
More than 5 years	2,807,923	2,941,707
Total	41,829,982	37,478,269

In Management's opinion the Group's deposits and obligations are diversified with no significant concentrations as of March 31, 2023 and December 31, 2022.

As of March 31, 2023 and December 31, 2022, the balance of deposits and obligations, guaranteed by the Peruvian "Fondo de Seguro de Depositos" (Deposit Insurance Fund) amounts to approximately S/51,558.3 million and S/52,745.2 million, respectively. As of such dates, the maximum amount secured for each individual amount to S/125,714.0 and S/125,603.0, respectively.

As of March 31, 2023 and December 31, 2022, the balance of deposits and obligations of Banco de Crédito Bolivia guaranteed by the “Saver Protection Fund” (FPAH, for its Spanish acronym) of Bolivia, amounts to 1,305.4 million Bolivianos (equivalent to S/716.1 million) and 1,369.4 million Bolivianos (equivalent to S/762.1 million), respectively. At said dates, maximum amount of coverage per depositor recognized by “FPAH” totaled 97,076.0 Bolivianos and 96,359.0 Bolivianos (equivalent to S/53,252.0 and S/53,627.0, respectively).

As of March 31, 2023 and December 31, 2022, the balance of deposits and obligations of MiBanco Colombia guaranteed by the “Financial Institutions Guarantee Fund” (FOGAFIN, for its Spanish acronym) of Colombia, amounts to 58,610.1 million Colombian pesos (equivalent to S/47.4 million) and 61,349.2 million Colombian pesos (equivalent to S/48.2 million), respectively. At said dates, maximum amount of coverage per depositor recognized by “Fogafín” totaled 50,000,000.0 Colombian pesos (equivalent to S/40,450.0 and S/39,300.0, respectively).

14 DUE TO BANKS AND CORRESPONDENTS

a) This item consists of the following:

	As of March 31, 2023	**As of December 31, 2022**
	S/(000)	**S/(000)**
International funds and others (b)	5,625,179	4,694,617
Promotional credit lines (c)	4,205,097	4,107,294
Inter-bank funds	215,000	–
	10,045,276	8,801,911
Interest payable	154,374	135,500
Total	10,199,650	8,937,411

b) This item consists of the following:

	As of March 31, 2023	As of December 31, 2022
	S/(000)	S/(000)
Bank of America N.A. (i)	732,402	189,470
Wells Fargo Bank N.A. (i)	654,572	380,020
International Finance Corporation (IFC)	570,420	382,840
Bank of New York Mellon	565,624	572,100
Corporación Financiera de Desarrollo (COFIDE)	463,004	503,538
Standard Chartered Bank (i)	450,250	456,244
Citibank N.A.	376,200	381,400
JP Morgan Chase Bank N.A. (i)	202,119	189,321
Caixabank	188,100	190,700
Commerzbank AG	188,100	–
Sumitomo Mitsui Banking Corporation	188,100	–
HSBC Bank USA (i)	186,912	189,321
Banco BBVA Perú	114,000	114,000
Scotiabank Perú S.A.A.	100,000	120,000
Zurcher Kantonalbank	94,050	95,350
Bradesco Bac Florida Bank	75,240	76,280
Bancolombia S.A.	65,560	59,604
Caja Municipal de Ahorro y Crédito de Arequipa S.A.	65,000	–
Bancoldex	58,805	126,957
Banco Nacional de Bolivia S.A.	52,468	–
Banco Bisa S.A.	52,113	–
Banco de Occidente	29,864	84,096
ICBC Perú Bank S.A.	–	100,000
The Toronto Dominion Bank	–	247,910
Banco Internacional del Perú S.A.A. (Interbank)	–	150,000
Others	152,276	85,466
Total	5,625,179	4,694,617

As of March 31, 2023 the loans have maturities between April 2023 and April 2035 (between January 2023 and December 2031, as of December 31, 2022), accrue interest in soles at rates that fluctuate between 2.23 percent and 9.45 percent (annual interest in soles at 2.23 percent and 9.45 percent, respectively as of December 31, 2022), and accrue interest in foreign currency as follows:

	As of March 31, 2023		As of December 31, 2022	
	Min	Max	Min	Max
	%	%	%	%
Boliviano	4.90	6.90	6.00	6.00
Colombian Peso	0.40	23.57	0.40	17.04
U.S. Dollar	1.80	7.50	1.50	6.32

(i) In November 2022, the Bank agreed on a loan under the Club Deal Loan Format at 25 months for US$250.0 million equivalent to S/953.5 million, having as borrowers to five foreign banks: Wells Fargo – Administrative Agent, Standard Chartered, JP Morgan Chase, HSBC Bank and Bank of America. The loan accrues interest at a variable interest rate of 3 months SOFR plus a 1.5 percent spread. Likewise, the expenses related to said transaction were deferred and accrued proportionally during the months of November and December 2022 and will continue accruing during the term of the loan.

c) Promotional credit lines represent loans granted by Corporación Financiera de Desarrollo and Fondo de Cooperación para el Desarrollo Social (COFIDE and FONCODES for their Spanish acronyms, respectively) to promote the development of Peru, they mature between April 2023 and January 2032 and bear annual interest in soles at rates that fluctuate between 3.50 percent and 7.60 percent and interest in foreign currency at 7.75 percent as of March 31, 2023 (between January 2023 and January 2032 and with annual interest in soles at rates that fluctuate between 3.50 percent and 7.60 percent and interest in foreign currency at 7.75 percent as of December 31, 2022). These lines of credit are guaranteed with a portfolio of Fondo Mi Vivienda mortgage loans amounting S/4,205.1 million and S/4,107.3 million, as of March 31, 2023 and December 31, 2022, respectively.

d) The following table presents the maturities of due to banks and correspondents as of March 31, 2023 and December 31, 2022 based on the period remaining to maturity:

	As of March 31, 2023	**As of December 31, 2022**
	S/(000)	**S/(000)**
Up to 3 months	1,024,658	1,420,872
From 3 months to 1 year	3,001,796	1,562,224
From 1 to 3 years	2,664,581	2,660,926
From 3 to 5 years	762,828	694,308
More than 5 years	2,591,413	2,463,581
Total	10,045,276	8,801,911

e) Certain debts to banks and correspondents include standard covenants addressing observance of financial ratios, the use of the funds and other administrative matters; which, in Management's opinion, do not limit the Group's operations and have been complied with at the date of the interim condensed consolidated financial statements.

15 BONDS AND NOTES ISSUED

a) This item consists of the following:

	Annual interest rate	Interest payment	Hedge Accounting Type	Hedge Accounting Notional	Hedge Accounting Notional Equivalent	As of March 31, 2023 Maturity	As of March 31, 2023 Issued amount	As of March 31, 2023 Carrying amount	As of December 31, 2022 Maturity	As of December 31, 2022 Issued amount	As of December 31, 2022 Carrying amount
	%			(000)	S/(000)		(000)	S/(000)		(000)	S/(000)
Senior notes - BCP (i)	4.25	Semi-annual	-	-	-	-	-	-	April 2023	US$716,301	2,713,911
Senior notes - BCP	2.70	Semi-annual	CCS	US$220,000	827,640	January 2025	US$700,000	2,592,701	January 2025	US$700,000	2,623,445
Senior notes - BCP	4.65	Semi-annual	-	-	-	September 2024	S/2,500,000	2,492,737	September 2024	S/2,900,000	2,490,872
Senior notes - Credicorp Ltd.	2.75	Semi-annual	Net investment of a foreign operation	US$228,828	860,851	June 2025	US$500,000	1,786,646	June 2025	US$500,000	1,827,682
Senior notes - BCP	0.45	Semi-annual	CCS	¥5,000,000	141,510	December 2023	¥5,000,000	141,369	December 2023	¥5,000,000	145,522
Senior notes - BCP	5.05	Semi-annual	-	-	-	June 2027	US$30,000	112,705	June 2027	US$30,000	114,246
Corporate bonds -											
First program											
First issuance (Series A) - Mibanco Colombia	9.00	Quarterly	-	-	-	January 2025	$112,500	74,060	January 2025	$112,500	72,118
								7,200,218			9,987,796

	Annual rate	Interest payment	Hedge Accounting			As of March 31, 2023			As of December 31, 2022		
			Type	Notional	Notional Equivalent	Maturity	Issued amount	Carrying amount	Maturity	Issued amount	Carrying amount
	%			(000)	S/(000)		(000)	S/(000)		(000)	S/(000)
Subordinated bonds -											
Subordinated bonds - BCP	From 3.13 to 3.25	Semi-annual	-	-	-	July 2030 / September 2031	US$1,350,000	5,005,610	July 2030 / September 2031	US$1,350,000	5,064,963
First program											
First issuance (Series A) - Pacífico Seguros	6.97	Quarterly	-	-	-	November 2026	US$60,000	225,720	November 2026	US$60,000	228,840
Second program											
Second issuance (Series A) - Pacífico Seguros	4.41	Semi-annual	-	-	-	December 2030	US$50,000	171,083	December 2030	US$50,000	173,635
First issuance (Series B) - MiBanco	7.22	Semi-annual	-	-	-	June 2027	S/30,000	30,000	June 2027	S/30,000	30,000
Third program											
Issuance III - Banco de Crédito de Bolivia	6.00	Semi-annual	-	-	-	August 2030	Bs100,000	54,941	August 2030	Bs100,000	55,653
Issuance I - Banco de Crédito de Bolivia	6.25	Semi-annual	-	-	-	August 2028	Bs70,000	38,399	August 2028	Bs70,000	39,047
Fourth program											
First issuance (Series A) - MiBanco	5.84	Semi-annual	-	-	-	March 2031	S/155,000	146,402	March 2031	155,000	146,276
								5,672,155			5,738,414
Negotiable certificate of deposit - MiBanco	From 3.30 to 8.41	Annual	-	-	-	April 2023 / June 2025	S/378,556	378,556	January 2023 / June 2024	S/356,547	356,547
Negotiable certificate of deposit - MiBanco Colombia	From 1.00 to 17.90	To maturity	-	-	-	April 2023 / January 2027	$1,194,227	965,927	January 2023 / January 2027	$978,455	769,132
								14,216,856			16,851,889
Interest payable								110,074			155,305
Total								14,326,930			17,007,194

International issues maintain certain operating covenants, which, in Management's opinion, the Group has complied with at the dates of the statement of financial position.

As of March 31, 2023, the conditions of the bonds and notes issued remain the same as those disclosed at the annual consolidated audited financial statements, except for the following:

(i) On March 30, 2023, the Bank prepaid the entire amount of the Senior Notes, totaling US$736.5 million, equivalent to S/2,748.3 million. The Bank has the option to redeem all or a portion of the notes on any date, applying a discount rate equal to the U.S. Treasury rate plus 50 basis points to the remaining cash flows. The principal amount will be paid either on the maturity date of the notes or upon redemption by the Bank.

b) The table below shows the bonds and notes issued, classified by maturity, without accrued interests:

	As of March 31, 2023	**As of December 31, 2022**
	S/(000)	**S/(000)**
Up to 3 months	140,723	128,442
From 3 months to 1 year	1,151,007	3,671,142
From 1 to 3 years	7,124,564	7,184,334
From 3 to 5 years	384,130	388,396
More than 5 years	5,416,432	5,479,575
Total	14,216,856	16,851,889

16 EQUITY

a) Capital stock -

As of March 31, 2023 and December 31, 2022, a total of 94,382,317 shares have been issued at US$5 per share.

b) Treasury stock -

We present below the stocks of Credicorp Ltd., that the entities of the Group maintain as of March 31, 2023 and 2022:

	Number of shares		
As of March 31, 2023	**Shares of the Group**	**Shared-based payment (*)**	**Total**
Atlantic Security Holding Corporation	14,620,846	–	14,620,846
BCP	–	109,185	109,185
Grupo Crédito	–	36,698	36,698
Pacífico Seguros	–	19,912	19,912
Credicorp Capital Servicios Financieros	–	13,267	13,267
MiBanco	–	14,128	14,128
ASB Bank Corp	–	12,041	12,041
Prima AFP	–	3,920	3,920
Otras Subsidiarias	39,860	16,790	56,650
	14,660,706	225,941	14,886,647

As of March 31, 2022	Number of shares Shares of the Group	 Shared-based payment (*)	 Total
Atlantic Security Holding Corporation	14,620,846	–	14,620,846
BCP	–	120,505	120,505
Pacífico Seguros	–	20,606	20,606
Credicorp Capital Servicios Financieros	–	15,007	15,007
MiBanco	–	14,260	14,260
ASB Bank Corp (Atlantic Security Bank)	–	11,791	11,791
Grupo Crédito	13,037	23,214	36,251
Prima AFP	–	5,406	5,406
Otras Subsidiarias	–	17,588	17,588
	14,633,883	228,377	14,862,260

(*) Corresponds to treasury stock that were granted to employees and senior management, for which they have the right to vote; also, these stocks are not vested at said dates. See more detail in Note 18.

During the three-month period ended March 31, 2023 and 2022, the group purchased 163,067 and 137,604 shares of Credicorp Ltd., respectively, for a total of US$22.5 million (equivalent to S/85.6 million) and US$22.5 million (equivalent to S/83.6 million).

c) Reserves -

Certain Group’s subsidiaries are required to keep a reserve that equals a percentage of paid-in capital (20, 35 or 50 percent, depending on its activities and the country in which production takes place); this reserve must be constituted with annual transfers of not less than 10 percent of net profits. As of March 31, 2023, and December 31, 2022, the balance of this reserves amounts approximately to S/8,157.4 million and S/7,783.3 million, respectively.

At the Board meeting held on April 28, 2022, the decision was made to transfer from “Retained earnings” to “Reserves” the amounts of S/2,354.9 million.

At the Board meeting held on April 28, 2022, the decision was made to transfer from “Dividends payable” to “Reserves” in the amount of S /1,196.4 million.

d) Dividend distribution -

As of March 31, 2023 there has been no distribution of dividends

e) Regulatory capital -

As of March 31, 2023 and December 31, 2022, the regulatory capital requirement (“patrimonio efectivo” in Peru) applicable to Credicorp subsidiaries engaged in financial services and insurance activities in Peru, determined under the provisions of the Peruvian banking and insurance regulator, SBS, totals approximately S/30,818.1 million and S/31,754.6 million, respectively. At those dates, the Group’s regulatory requirement exceeds by approximately S/8,915.6 million and S/8,157 million, respectively, the minimum regulatory capital required by the SBS.

17 TAX SITUATION

a) Credicorp is not subject to income tax or any taxes on capital gains, equity or property in Bermuda. Credicorp's Peruvian Subsidiaries are subject to the Peruvian tax regime.

The income tax rate in Peru as of March 31, 2023 and December 31, 2022 was 29.5 percent of the taxable income after calculating the worker's participation, which is determined using a rate of 5.0 percent.

The income tax rate in Bolivia is 25.0 percent as of March 31, 2023 and December 31, 2022. Financial entities have an additional rate if the ROE exceeds 6.0 percent; in that case, they must consider an additional 25.0 percent, with which the rate would be 50.0 percent. Situation that from the 2021 management, was also established for the brokerage agencies, the investment fund management companies and the insurance entities.

In the case of Chile, tax legislation changed in 2020, two new regimes currently in force are established: the general regime and the Pro SME regime, for smaller companies. Credicorp Capital Holding Chile, like all its subsidiaries, is taxed under the general tax regime, whose first category income tax rate for domiciled legal entities remains at 27.0 percent as of March 31, 2023.

On the other hand, natural or legal persons not domiciled in Chile will be subject to a tax called "Additional income tax" whose rates range between 4.0 percent and 35.0 percent, depending on the nature of the rent. Additionally, Chile has signed agreements to avoid double taxation with different countries, so that certain income could be released from withholding taxes or for the use of reduced rates.

In the case of Colombia, according to Law No.2277 of 2022 issued on December 13, 2022, the general income tax rate for the year 2023 is 35.0 percent. An additional 5.0 percent has been added to the general tax rate for financial institutions for the taxable years of 2023 to 2027, totaling an income tax rate of 40.0 percent (for the taxable year 2022, 3.0 percent points was added to the general tax rate, totaling 38.0 percent). The additional rate will be applicable only to financial institutions that in the corresponding tax year have a taxable income equal to or greater than
120,000 Tax Value Unit ("UVT"), which as of March 31, 2023 is equivalent to a total of S/4.4 million.

In this sense, Credicorp Capital Colombia, Credicorp Capital Fiduciaria and MiBanco Colombia must pay income tax taking into consideration the above. In the event, that the company receives occasional profits, quoted and established by the National Government in the Tax Statute and that are not subject to income tax, the company must apply a differential rate of 10.0 percent on net profit and expenses associated respectively.

The Colombian Tax Reform Law No.2155 of 2021 repeals paragraph 1 of article 115 of the Tax Statute, which is allowed from the year 2022 to take 100.0 percent of the industry and commerce tax as a tax discount for income tax, notices and boards. Therefore, only 50.0 percent of the industry and commerce tax, notices and boards can be taken as a tax discount.

In addition to the Tax Reform Law No.2155 of 2021, the possibility of reducing the term of finality of the income tax return and complementary for the taxable periods 2022 and 2023 is established as follows:

Increase in net income tax compared to the previous year	Deadline to be inspected
35 percent	6 months
25 percent	12 months

b) Income tax expense comprises:

	For the three-month period ended March 31,	
	2023	2022
	S/(000)	S/(000)
Current -		
In Peru	408,932	476,920
In other countries	65,889	51,131
	474,821	528,051
Deferred -		
In Peru	35,111	100
In other countries	(16,466)	17,849
	18,645	17,949
Total	493,466	546,000

c) The Peruvian Tax Authority has the power to review and, if applicable, make a new determination of the Income Tax calculated by the Peruvian subsidiaries up to four years after the filing date of the statement that contains it. The Income Tax returns of the main subsidiaries open to review by the Tax Authority are as follows:

Banco de Crédito del Perú S.A.	2016 to 2022
MiBanco, Banco de la Microempresa S.A.	2018 to 2022
Prima AFP S.A.	2018 to 2022
Pacífico Compañía de Seguros y Reaseguros S.A.	2018 to 2022
Credicorp Capital Holding Peru S.A.A.	2018 to 2022
Credicorp Capital Perú S.A.A.	2018 to 2022

The Bolivian, Colombian and Chilean Tax Authorities have the power to review and, if applicable, make a new determination for the income tax the subsidiaries to Credicorp located in said countries, upon presentation of their Income Tax declarations. The annual income tax declarations pending examination and not prescribed by the overseas tax authorities are the following:

Banco de Credito de Bolivia	2015 to 2022
Mibanco Colombia	2019 to 2022
Credicorp Capital Colombia	2018 to 2022
Credicorp Capital Holding Chile	2021 to 2022

Given that tax regulations are subject to interpretation by the different Tax Authorities in whose jurisdictions Credicorp's subsidiaries are located, it is not possible to determine as of the current date whether significant additional liabilities may arise from eventual tax inspections in said subsidiaries. Any resulting unpaid taxes, tax penalties or interest that may arise will be recognized as expenses in the year in which they are determined. However, Credicorp's Management, its subsidiaries and legal advisors consider that any increase in the determination of taxes would not have a significant impact on the interim condensed consolidated financial statements as of March 31, 2023.

18 SHARE-BASED COMPENSATION PLANS

In March of each year, the Group grants its own shares to certain key employees. The awarded shares are liberated in the three following years for up to 33.3 percent of the shares granted in each of the three previous years. The Group assumes the payment of the related income tax on behalf of its employees, which depend on the country of residence and the annual compensation of the employee.

As of March 31, 2023 and December 31, 2022, the Group has granted 118,804 and 116,626 Credicorp shares, of which 225,941 and 228,377 shares not vested as of March 31, 2023 and December 31, 2022, respectively. During the three-month period ended March 31, 2023 and 2022, the recorded expense amounted to approximately S/18.3 million and S/23.9 million, respectively, see Note 24.

19 CONTINGENT RISKS AND COMMITMENTS

a) This item consists of the following:

	As of March 31, 2023	**As of December 31, 2022**
	S/(000)	**S/(000)**
Contingent credits – indirect loans (b)		
Guarantees and standby letters	16,717,016	18,244,865
Import and export letters of credit	2,014,774	2,683,190
Sub-total, Note 7(b)	18,731,790	20,928,055
Responsibilities under credit line agreements (c)	87,232,214	86,597,041
Total	105,964,004	107,525,096

Reference values of operations with derivatives are recorded in off-balance sheet accounts in the committed currency, as shown in Note 12(d).

b) In the normal course of their business, the Group's banking Subsidiaries are party to transactions with off-balance sheet risk. These transactions expose them to credit risk in addition to the amounts recognized in the interim condensed consolidated statement of financial position.

Credit risk for contingent credits is defined as the possibility of sustaining a loss because one of the parties to a financial instrument fails to comply with the terms of the contract. The risk of credit losses is represented by the contractual amounts specified in the related contracts. The Group applies the same credit policies in making contingent commitments and other obligations as it does for on-balance sheet instruments (Note 7(a)), including the requirement to obtain collateral when it is deemed necessary.

Collateral held varies, but may include deposits in financial institutions, securities or other assets. Many of the contingent transactions reach maturity without any performance being required; therefore, the total committed amounts do not necessarily represent future cash requirements.

c) Lines of credit include consumer loans and other consumer loan facilities (credit card receivables) granted to customers and are cancelable upon related notice to the customer.

20 INTEREST, SIMILAR INCOME AND SIMILAR EXPENSES

This item consists of the following:

	For the three-month period ended March 31,	
	2023	2022
	S/(000)	S/(000)
Interest and similar income		
Interest on loans	3,570,952	2,685,552
Interest on investments at fair value through other comprehensive income	464,482	340,615
Interest on due from banks	277,371	36,834
Interest on investments at amortized cost	113,192	89,086
Interest on investments at fair value through profit or loss	7,594	8,322
Dividends received	6,477	4,320
Other interest and similar income	16,038	7,617
Total	4,456,106	3,172,346
Interest and similar expense		
Interest on deposits and obligations	(677,088)	(258,939)
Interest on due to banks and correspondents	(238,933)	(116,231)
Interest on bonds and notes issued	(182,898)	(167,973)
Financial expenses of insurance activities	(115,750)	(101,759)
Deposit Insurance Fund	(58,646)	(55,533)
Interest on lease liabilities	(6,312)	(6,246)
Other interest and similar expense	(44,390)	(33,958)
Total	(1,324,017)	(740,639)

21 COMMISSIONS AND FEES

This item consists of the following:

	For the three-month period ended March 31,	
	2023	2022
	S/(000)	S/(000)
Maintenance of accounts, transfers and credit and debit card services	349,916	383,203
Funds and equity management	153,770	162,869
Contingent loans and foreign trade fees	132,571	111,068
Commissions for banking services	101,133	81,893
Collection services	29,420	27,495
Brokerage, securities and custody services	26,236	27,897
Commissions for salary advance and payment of services	16,563	16,721
Commissions for consulting and technical studies	14,975	16,928
Commissions for intermediation in virtual platforms	13,263	7,688
Penalty commissions	616	503
Others	43,318	55,363
Total	881,781	891,628

22 GAIN (LOSS) ON SECURITIES

This item consists of the following:

	For the three-month period ended March 31,	
	2023	2022
	S/(000)	S/(000)
Net gain (loss) on financial assets at fair value through profit or loss	86,670	(42,555)
Net gain in associates	27,212	24,014
(Loss) due to impairment of investments at fair value through other comprehensive income, Note 6(b)	(13,726)	(27,858)
Net (loss) gain on investments at fair value through other comprehensive income	(3,017)	14,211
Otros	109	(664)
Total	97,248	(32,852)

23 INSURANCE AND UNDERWRITING RESULT

a) This item consists of the following:

	As of March 31, 2023	As of March 31, 2022
	S/(000)	S/(000)
Contracts measured under BBA and VFA (b)	62,900	51,875
Contracts measured under PAA	894,436	791,987
Income from the Insurance Service	957,336	843,862
Expenses for incurred claims and other expenses	(1,109,098)	(901,156)
Change of past services derived from compliance with the country due to an incurred claim	556,640	374,357
Losses in onerous contracts and reversal of losses	2,370	(4,680)
Amortization of insurance acquisition cash flows	(371)	(3,125)
Insurance Service Expenses	(550,459)	(534,604)
Insurance Service Result	406,877	309,258

	As of March 31, 2023	As of March 31, 2022
	S/(000)	S/(000)
Variation in incurred claim provision - pending Claims - Reinsurance	98,650	85,103
Adjustment changes of incurred claim provision - RA - Reinsurance	(9)	–
Income from reinsurance recoveries	98,641	85,103
Premiums assigned to the reinsurance period	(209,177)	(187,694)
Expenses for assigning the premiums paid to the reinsurer	(209,177)	(187,694)
Reinsurance result	(110,536)	(102,591)

b) The result of contracts measured under BBA and VFA is detailed below:

	As of March 31, 2023 S/(000)	As of March 31, 2022 S/(000)
Amounts related to changes in liabilities for the remaining coverage:		
CSM recognized for services provided	32,952	35,389
Change in risk adjustment for non-financial risk	3,528	4,015
Expenses for insurance services and expected claims occurred	26,049	13,741
Cash recovery for the purchase of insurance	371	(1,270)
Contracts measured under BBA and VFA	62,900	51,875

c) The new business impact is detailed below:

	As of March 31, 2023		
	Onerous contracts S/(000)	Non-onerous contracts S/(000)	Total S/(000)
Estimates of the present value of future outflows:			
Insurance Acquisition Cash Flows	3,483	16,434	19,917
Claims and other directly attributable expenses	15,929	126,701	142,630
Estimates of the present value of future inflows	(16,363)	(169,829)	(186,192)
Risk adjustment for non-financial risk	626	1,681	2,307
CSM	–	25,013	25,013
Increase in provisions for contracts recognized in the period	3,675	–	3,675

	As of March 31, 2022		
	Onerous contracts S/(000)	Non-onerous contracts S/(000)	Total S/(000)
Estimates of the present value of future outflows:			
Insurance Acquisition Cash Flows	1,278	16,852	18,130
Claims and other directly attributable expenses	25,233	139,611	164,844
Estimates of the present value of future inflows	(25,277)	(189,736)	(215,013)
Risk adjustment for non-financial risk	556	1,724	2,280
CSM	–	31,549	31,549
Increase in provisions for contracts recognized in the period	1,790	–	1,790

d) Below we present the estimate of the release of CSM over the years considering reversals of the loss component:

	As of March 31, 2023	As of March 31, 2022
	S/(000)	S/(000)
One year	294,629	294,019
Two years	369,203	380,053
Three years	186,068	209,785
Four years	80,018	94,584
Five years	46,658	52,558
from 6 to 10 years	140,811	146,378
Older than 10 years	558,827	535,129
Total	1,676,214	1,712,506

e) The composition of underlying assets related to contracts with direct participation features is detailed below:

	As of March 31, 2023	As of March 31, 2022
	S/(000)	S/(000)
IL Controlled	86,276	77,446
IL Controlled Soles	384	–
IL Balanced	186,251	209,159
IL Balanced II	73,109	73,523
Global Balanced IL	969	–
IL Capitalized	373,235	443,108
IL Capitalized II	76,765	78,739
IL Global Growth	631	–
IL Sustainable Capitalization	204	–

f) The impact on the current period of the transition approaches adopted to establishing CSMs for insurance contracts portfolios is disclosed in the table below:

	As of March 31, 2023	As of March 31, 2022
	S/(000)	S/(000)
CSM at the beginning of the period	982,857	1,224,059
Changes related to future service	21,298	6,001
Changes related to the current service	(18,866)	(21,748)
CSM at the end of the period	985,289	1,208,312

24 SALARIES AND EMPLOYEE BENEFITS

This item consists of the following:

	For the three-month period ended March 31,	
	2023	2022
	S/(000)	S/(000)
Salaries	567,259	516,046
Vacations, medical assistance and others	98,910	76,880
Bonuses	78,115	71,559
Workers profit sharing	70,774	79,394
Additional participation	73,763	64,403
Social security	74,320	65,318
Severance indemnities	48,153	42,058
Share-based payment plans, Note 18	18,264	23,860
Total	1,029,558	939,518

25 ADMINISTRATIVE EXPENSES

This item consists of the following:

	For the three-month period ended March 31,	
	2023	2022
	S/(000)	S/(000)
Systems expenses	240,932	196,985
Publicity	135,767	110,314
Taxes and contributions	85,073	67,657
Consulting and professional fees	51,878	51,692
Transport and communications	51,036	39,117
Sundry supplies	32,993	19,077
Outsourcing	27,511	22,925
Comissions by agents	26,152	27,018
Repair and maintenance	25,790	29,913
Lease	25,116	20,931
Security and protection	15,789	15,476
Subscriptions and quotes	13,086	13,012
Electricity and water	11,497	10,550
Insurance	8,750	8,291
Electronic processing	8,730	7,693
Cleaning	5,162	4,506
Others	69,798	50,908
Total	835,060	696,065

26 OTHER INCOME AND EXPENSES

This item consists of the following:

	For the three-month period ended March 31,	
	2023	2022
	S/(000)	S/(000)
Other income		
Gain from sale of loan portfolio	25,824	9,323
Rental income	11,218	10,440
Net income from the sale of seized assets	3,591	3,836
Contract resolution impact	997	888
Reversal of provisions	430	585
Net income from the sale of property, furniture and equipment	–	431
Others (i)	47,278	109,754
Total other income	89,338	135,257

	For the three-month period ended March 31,	
	2023	2022
	S/(000)	S/(000)
Other expenses		
Provision for sundry risks	36,511	17,704
Losses due to operational risk	14,341	14,349
Association in participation	12,612	7,691
Expenses on improvements in building for rent	3,870	5,088
Provision for other accounts receivable	2,242	5,101
Net loss from the sale of property, furniture and equipment	1,525	–
Reduction of intangibles due to withdrawals and dismissed projects	1,427	2,561
Donations	967	635
Provision for uncollectible insurance and reinsurance premiums	788	1,120
Operating expenses due to COVID-19	2,345	8,140
Others	24,583	24,653
Total other expenses	101,211	87,042

(i) The decrease is mainly due to the fact that, as of March 2022, there was a refund for excess payment of Income Tax for the years 2014 (S/17.8 million) and 2015 (S/38.6 million) to BCP. As of March 2023, this fact does not happen again, which generates this effect on the variation.

27 EARNING PER SHARE

The net earnings per ordinary share were determined based on the net income attributable to equity holders of the Group as follows:

	For the three-month periods ended March 31,	
	2023	**2022**
Net income attributable to equity holders of Credicorp (in thousands of Soles)	1,384,273	1,171,877
Number of stock		
Ordinary stock, Note 16(a)	94,382,317	94,382,317
Less – opening balance of treasury stock	(14,849,223)	(14,850,369)
Acquisition of treasury stock, net	(111,278)	(18,050)
Weighted average number of ordinary shares for basic earnings	79,421,816	79,513,898
Plus - dilution effect - stock awards	86,239	80,894
Weighted average number of ordinary shares adjusted for the effect of dilution	79,508,055	79,594,792
Basic earnings per share (in Soles)	17.43	14.74
Diluted earnings per share (in Soles)	17.41	14.72

28 OPERATING SEGMENTS

In the Credicorp Board of Directors organized the Group’s subsidiaries according to the types of financial services provided and the sectors on which they are focused; with the objective of optimizing the management thereof. Next, we present the Group´s business lines:

a) Universal Banking –

Includes the operations related to the granting of various credits and financial instruments to individuals and legal entities, from the segments of wholesale and retail banking, such as the obtaining of funds from the public through deposits and current accounts, obtaining of funding by means of initial public offerings and direct indebtedness with other financial institutions. This business line incorporates the results and balances of the Banco de Crédito del Perú (BCP) and Banco de Crédito de Bolivia (BCB).

b) Insurance and Pensions –

- Insurance: includes, mainly, the issue of insurance policies to cover losses in commercial property, transport, marine vessels, automobiles, life, health and pensions, operations carried out through Pacífico Compañía de Seguros y Reaseguros S.A.

- Pensions: provides Management Service of private pension funds to the affiliates, operation carried out from Prima AFP.

c) Microfinance –

Includes the management of loans, credits, deposits and checking accounts of the small and microenterprises, which are carried out through MiBanco, Banco de la Microempresa S.A. and MiBanco – Banco de la Microempresa de Colombia S.A.

d) Investment Banking and Wealth Management –

Comprising brokerage service and investment management services offered to a broad and diverse clients, which includes corporations, institutional investors, governments and foundations; also, comprising the structuring and placement of issues in the primary market, as well as the execution and negotiation of transactions in the secondary market. Additionally, it structures securitization processes for corporate customers and manages mutual funds.

All these services are provided through Credicorp Capital Ltd. and subsidiaries; ASB Bank Corp. and the Wealth Management team of BCP.

(i) The following table presents information recorded in the results and for certain items of the assets corresponding to the Group's reportable segments (in millions of soles):

	For the three -month period ended March 31, 2023									As of March 31, 2023	
	Income (*)										
Operating segments	External	From other segments (**)	Net interest, similar income and expenses	Other income, net (***)	Provision for credit losses on loan portfolio	Depreciation and amortization	Income tax	Net profit (loss)	Additions of fixed asset, intangibles and goodwill	Total assets	Total liabilities
Universal Banking											
Banco de Crédito del Perú	4,247	140	2,387	988	(532)	(114)	(421)	1,263	306	178,425	159,367
Banco de Crédito de Bolivia	220	5	83	45	(6)	(6)	(11)	21	11	12,946	12,122
Insurance and Pension funds											
Pacífico Seguros y subsidiarias	395	6	88	184	–	(1)	(3)	223	51	15,703	13,869
Prima AFP	102	–	2	99	–	(6)	(18)	40	24	791	400
Microfinance											
MiBanco	760	35	467	36	(250)	(23)	(2)	23	58	16,997	14,196
MiBanco Colombia	108	–	57	9	(14)	(4)	3	(4)	4	1,613	1,369
Investment Banking and Wealth Management	233	103	28	64	–	(4)	(8)	4	1	12,739	11,170
Other segments	21	6	20	205	–	(3)	(33)	(156)	43	6,426	2,875
Eliminations	–	–	–	–	–	–	–	–	–	(7,302)	(7,964)
Total consolidated	6,086	295	3,132	1,630	(802)	(161)	(493)	1,414	498	238,338	207,404

	For the three-month period ended March 31, 2022									As of December 31, 2022	
	Income (*)										
Operating segments	External	From other segments (**)	Net interest, similar income and expenses	Other income, net (***)	Provision for credit losses on loan portfolio	Depreciation and amortization	Income tax	Net profit (loss)	Additions of fixed asset, intangibles and goodwill	Total assets	Total liabilities
Universal Banking											
Banco de Crédito del Perú	3,000	118	1,705	898	(203)	(82)	(420)	1,059	231	177,907	157,485
Banco de Crédito de Bolivia	211	2	81	37	(2)	(6)	(31)	20	14	12,698	11,838
Insurance and Pension funds											
Pacífico Seguros y subsidiarias	400	8	62	160	–	(26)	(3)	107	50	15,901	13,491
Prima AFP	87	1	–	87	–	(6)	(12)	24	7	735	238
Microfinance											
MiBanco	618	–	512	12	(136)	(19)	(47)	103	31	17,226	14,444
MiBanco Colombia	85	–	61	11	(10)	(3)	(2)	5	5	1,530	1,290
Investment Banking and Wealth Management	203	27	24	159	–	(9)	2	5	6	14,051	10,670
Other segments	14	7	(13)	13	–	(1)	(33)	(123)	2	3,476	2,606
Eliminations	–	–	–	69	–	–	–	–	–	(6,774)	(4,901)
Total consolidated	4,618	163	2,432	1,446	(351)	(152)	(546)	1,200	346	236,750	207,161

(*) Corresponds to total interest and similar income, other income and the result of the insurance and reinsurance service.
(**) Corresponds to income derived from transactions with other segments, which were eliminated in the interim condensed consolidated statement of income.
(***) Corresponds to other income (include income and expenses for commissions and the result of the insurance and reinsurance service.

(ii) he following table presents (in millions of soles) the distribution of the total revenue, operating revenue and non-current assets of the Group; all assigned based on the location of the clients and assets, respectively:

	For the three -month period ended March 31, 2023		**As of March 31, 2023**		**For the three-month period ended March 31, 2022**		**As of December 31, 2022**	
	Total income (*)	**Operating income (**)**	**Total non current assets (***)**	**Total liabilities**	**Total income (*)**	**Operating income (**)**	**Total non current assets (***)**	**Total liabilities**
Peru	3,960	2,978	3,980	180,176	4,284	2,393	4,325	181,197
Bermuda	1,434	(13)	66	2,154	(27)	8	134	2,123
Panama (****)	71	43	41	8,521	63	26	3	8,384
Cayman Islands	140	(1)	–	234	(138)	(146)	–	139
Bolivia	258	82	121	12,323	232	92	113	11,885
Colombia	224	42	387	2,888	163	58	22	2,283
United States of America	5	–	13	16	7	–	5	15
Chile	(6)	1	120	1,088	34	1	119	1,132
Others	–	–	1	4	–	–	3	3
Total consolidated	6,086	3,132	4,729	207,404	4,618	2,432	4,724	207,161

(*) Including total interest and similar income, other income and the result of the insurance and reinsurance service.
(**) Operating income includes the income from interest and similar expenses from banking activities and the result of the insurance and reinsurance service.
(***) Non-current assets consist of property, furniture and equipment (fixed assets), intangible assets and goodwill and right-for-use assets, net.

29 TRANSACTIONS WITH RELATED PARTIES

a) The Group's interim condensed consolidated financial statements as of March 31, 2023 and December 31, 2022 include transactions with related parties, the Board of Directors, the Group's key executives (defined as the Management of Credicorp) and the companies which are controlled by these individuals through their majority shareholding or their role as Chairman or CEO.

b) The following table presents the main transactions with related parties:

	As of March 31, 2023	As of December 31, 2022
	S/(000)	S/(000)
Statement of financial position -		
Direct loans	2,040,894	1,804,837
Investments (*)	769,441	800,021
Deposits (**)	(2,029,193)	(1,138,115)
Derivatives at fair value	130,357	336,867

(*) The balance includes mainly S/151.1 million of shares and S/150.3 million of corporate bonds of Alicorp S.A.A., S/126.8 million of shares of Inversiones Centenario, and S/155.3 million of corporate bonds issued by Cementos Pacasmayo S.A.The decreasse in the balance corresponds mainly to the fluctuation that negatively affected the investments in corporate bonds of Cementos Pacasmayo, and shares of Inversiones Centenario.

During the year 2022, the balance mainly includes S/158.1 million of corporate bonds, S/157.0 million of shares of Alicorp S.A.A.; S/155.3 million of corporate bonds issued by Cementos Pacasmayo S.A., and S/126.8 million of shares of Inversiones Centenario.

(**) Corresponds to deposits from legal entities and individuals.

	For the three-month period ended March 31,	
	2023	2022
	S/(000)	S/(000)
Statement of income		
Interest income related to loans	8,720	7,994
Interest expenses related to deposits	(6,592)	(4,522)
Other income	2,547	3,093
Contingent risks and commitments		
Indirect loans	623,220	433,639

c) All transactions with related parties are made in accordance with normal market conditions available to other customers. As of March 31, 2023, direct loans to related companies are secured by collateral, had maturities between June 2023 and July 2028, accrue interest at an annual soles average interest rate of 7.46 percent and at an annual foreign currency average interest rate of 6.51 percent (as of December 31, 2022, maturities where between January 2023 and June 2029, and the annual soles average interest rate was 6.86 percent and the annual foreign currency average interest rate was 4.59). Also, as of March 31, 2023 and December 31, 2022, the Group maintains an allowance for loan losses for related parties amounting to S/6.8 million and S/8.5 million, respectively.

d) As of March 31, 2023 and December 31, 2022, directors, officers and employees of the Group have been involved, directly and indirectly, in credit transactions with certain subsidiaries of the Group, as permitted by Peruvian Banking and Insurance Law Nº26702, which regulates and limits certain transactions with employees, directors and officers of a bank or an insurance company. As of March 31, 2023 and December 31, 2022, direct loans to employees, directors, key management and family members amounted to S/1,268.4 million and S/1,179.2 million, respectively; they are repaid monthly and earn interest at market rates.

e) The Group's key executives' compensation (including the related income taxes assumed by the Group) as of as of March 31, 2023 and March 31, 2022 was as follows:

	For the three-month period ended March 31,	
	2023	**2022**
	S/(000)	**S/(000)**
Director's compensation	2,018	1,689
Senior Management Compensation:		
Remuneration	30,148	23,907
Stock awards vested	5,361	7,113
Total	37,527	32,709

f) As of March 31, 2023, and December 31, 2022 the Group holds interests in various funds managed by certain of the Group's subsidiaries. The details of the funds are presented below:

	As of March 31, 2023	**As of December 31, 2022**
	S/(000)	**S/(000)**
At fair value through profit or loss:		
Mutual funds, investment funds and hedge funds		
U.S. Dollar (*)	580,034	626,404
Boliviano	162,243	163,701
Colombian peso	84,582	76,535
Sol (**)	94,113	70,987
Chilean peso	6,299	5,735
Total	927,271	943,362
Restricted mutual funds, Note 6(a)(iv)	311,021	351,317

30 FINANCIAL INSTRUMENTS CLASSIFICATION

The table below shows the carrying amounts of the financial assets and liabilities captions in the interim condensed consolidated statement of financial position, by categories as defined under IFRS 9 as of March 31, 2023, and December 31, 2022:

	As of March 31, 2023						As of December 31, 2022					
	Financial assets and liabilities at fair value through profit or loss		Financial assets at fair value through other comprehensive income				Financial assets and liabilities at fair value through profit or loss		Financial assets at fair value through other comprehensive income			
	Investments and derivates	Investments designated at inception	Investments	Investments designated at inception	Financial assets and liabilities measured at amortized cost	Total	Investments and derivates	Investments designated at inception	Investments	Investments designated at inception	Financial assets and liabilities measured at amortized cost	Total
	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)
Assets												
Cash and due from banks	–	–	–	–	35,105,053	35,105,053	–	–	–	–	34,183,840	34,183,840
Cash collateral, reverse repurchase agreements and securities borrowings	–	–	–	–	1,468,180	1,468,180	–	–	–	–	1,101,856	1,101,856
At fair value through profit or loss	4,080,266	–	–	–	–	4,080,266	4,199,334	–	–	–	–	4,199,334
Investments at fair value through other comprehensive income, Note 6(b)	–	–	33,044,521	351,466	–	33,395,987	–	–	30,449,803	336,358	–	30,786,161
Amortized cost investments	–	–	–	–	10,253,251	10,253,251	–	–	–	–	10,445,729	10,445,729
Loans, net	–	–	–	–	137,250,363	137,250,363	–	–	–	–	140,753,972	140,753,972
Financial assets designated at fair value through profit or loss	–	795,225	–	–	–	795,225	–	768,801	–	–	–	768,801
Insurance contract assets	–	–	–	–	842,865	842,865	–	–	–	–	921,611	921,611
Reinsurance contract assets	–	–	–	–	1,128,605	1,128,605	–	–	–	–	1,144,204	1,144,204
Due from customers on banker's acceptances	–	–	–	–	496,170	496,170	–	–	–	–	699,678	699,678
Other assets, Note 12(a)	1,513,362	–	–	–	3,082,084	4,595,446	1,478,726	–	–	–	1,747,412	3,226,138
	5,593,628	795,225	33,044,521	351,466	189,626,571	229,411,411	5,678,060	768,801	30,449,803	336,358	190,998,302	228,231,324
Liabilities												
Deposits and obligations	–	–	–	–	148,623,300	148,623,300	–	–	–	–	147,020,787	147,020,787
Payables from repurchase agreements and securities lending	–	–	–	–	11,686,495	11,686,495	–	–	–	–	12,966,725	12,966,725
Due to banks and correspondents	–	–	–	–	10,199,650	10,199,650	–	–	–	–	8,937,411	8,937,411
Due from customers on banker's acceptances	–	–	–	–	496,170	496,170	–	–	–	–	699,678	699,678
Reinsurance contract liability	–	–	–	–	343,067	343,067	–	–	–	–	420,094	420,094
Lease liabilities	–	–	–	–	554,907	554,907	–	–	–	–	578,074	578,074
Financial liabilities at fair value through profit or loss	417,146	–	–	–	–	417,146	191,010	–	–	–	191,010	382,020
Bonds and notes issued	–	–	–	–	14,326,930	14,326,930	–	–	–	–	17,007,194	17,007,194
Other liabilities, Note 12(a)	1,403,374	–	–	–	4,748,752	6,152,126	1,345,665	–	–	–	4,065,297	5,410,962
	1,820,520	–	–	–	190,979,271	192,799,791	1,536,675	–	–	–	191,886,270	193,422,945

31 FINANCIAL RISK MANAGEMENT

The Group’s activities involve principally the use of financial instruments, including derivatives. It also accepts deposits from customers at both fixed and floating rates, for various periods, and invests these funds in high-quality assets. Additionally, it places these deposits at fixed and variable rates with legal entities and individuals, considering the finance costs and expected profitability.

The Group also trades in financial instruments where it takes positions in traded and over-the-counter instruments, derivatives included, to take advantage of short term market movements on securities, bonds, currencies and interest rates.

Given the Group’s activities, it has a framework for risk appetite, a corner stone of the management. The risk management processes involve continuous identification, measurement, treatment and monitoring. The Group is exposed, principally, to operating risk, credit risk, liquidity risk, market risk, strategic risk and insurance technical risk. Finally, it reports on a consolidated basis the risks to which the Group is exposed.

a) Risk management structure -

The Board of Directors of the Group and of each subsidiary are ultimately responsible for identifying and controlling risks; however, there are separate independent instances in the major subsidiaries responsible for managing and monitoring risks, as further explained below:

(i) Group’s Board of Directors -

Credicorp Board of Directors –

The Credicorp Board of Directors is responsible for the overall approach to risk management of Credicorp Ltd., including the approval of its appetite for risk.

It also takes knowledge of the level of compliance of the appetite and the level of risk exposure, as well as the relevant improvements in the integral risk management of Grupo Crédito and Subsidiaries of Credicorp (Group).

Grupo Crédito’s Board of Directors –

Grupo Crédito's Board of Directors is responsible for the general approach to risk management of the Group's subsidiaries and the approval of the risk appetite levels that it is willing to assume. Furthermore, it approves the guidelines and policies for Integral Risk Management, promotes an organizational culture that emphasizes the importance of risk management, oversees the internal control system and ensures the adequate performance of the Group's regulatory compliance function.

Group Company Boards -

The Board of each company of the Group is responsible for aligning the risk management established by the Board of Grupo Crédito with the context of each one of them. For that, it establishes a framework for risk appetite, policies and guidelines.

(ii) Credicorp Risk Committee -

Represents the Credicorp Board of Directors, proposes the levels of risk appetite for Credicorp Ltd. Also, it is aware of the level of compliance of the risk appetite and the level of exposure assumed by Grupo Crédito and Credicorp subsidiaries and the relevant improvements in integral management of risks of said entities.

The Committee will be made up of no less than three directors of Credicorp, at least one of which must be independent. Additionally, the Board of Directors may incorporate as a member one or more directors of Credicorp subsidiaries. Likewise, the coordinator of the Committee will be the Credicorp Risk Manager, with the Internal Audit Manager as an observer member (without voice or vote). Finally, the following officials will attend the sessions as guests, according to the agenda of topics to be discussed and at the invitation of the Coordinator: General Manager, Finance Manager, Manager of the Risk Management Division of BCP, and all those people who criteria assist with the development of the session.

(iii) Grupo Crédito Risk Committee -

Represents the Board of Grupo Crédito in risk management decision-making. Furthermore, proposes to Grupo Crédito’s Board of Directors the levels of risk appetite. This Committee defines the strategies used for the adequate management of the different types of risks and the supervision of risk appetite. In addition to it, they establishe principles, policies and general limits.

The Risk Committee is presided by no less than three Board member of Grupo Crédito, at least one of which must be independent. Additionally, the Board of Directors may incorporate as a member one or more directors of the Group. Likewise, the coordinator of the Committee will be the Grupo Crédito Risk Manager, with the Internal Audit Manager as an observer member (without voice or vote). Finally, the following officials will attend the sessions as guests, according to the agenda of topics to be discussed and at the invitation of the Coordinator: General Manager, Finance Manager, Manager of the Risk Management Division of BCP, and all those people who criteria assist with the development of the session.

In addition to effectively managing all the risks, the Grupo Crédito Risk Committee is supported by the following committees which report periodically on all relevant changes or issues relating to the risks being managed:

Corporate credit Risk Committees (retail and non-retail)-

The Corporate credit Risk Committees (retail and non-retail) are responsible for reviewing the tolerance level of the credit risk appetite, the limits of exposure and the actions for the implementation of corrective measures, in case there are deviations. In addition, they propose credit risk management norms and policies within the framework of governance and the organization for the integral management of credit risk. Furthermore, they propose the approval of any changes to the functions described above and important findings to the Grupo Crédito Risk Committee.

Corporate Market, Structural, Trading and Liquidity Risk Committee

The Corporate Market, Structural, Trading and Liquidity Risk Committee is in charge of analyzing and proposing the objectives, guidelines and corporate policies for the Market and Liquidity Risk Management of the Group and the companies of the Group. As well as, monitor the indicators and limits of the appetite for market risk and liquidity of the Group and of each of the Group companies. Likewise, it is responsible for escalating management decisions above its authority to the Credit Group's Risk Committee.

Corporate Model Risk Committee –

The Corporate Model Risk Committee is responsible for analyzing and proposing the actions corrections in case there are deviations with respect to the degrees of exposure assumed in the Appetite for Model Risk. Likewise, it proposes the creation and/or modification of the government for model risk management, monitoring compliance with the same. The Model Risk Committee monitors the Group's data and analytical strategy and the health status of the model portfolio. They are also responsible to inform the Committee of Grupo Crédito Risks on exposures, related to model risk, which involve variations in the risk profile.

Corporate Operational Risk Methodology Committee -

The Corporate Methodological Committee of Operational Risk has as main responsibilities to review the main indicators of Operational Risk of the companies of the Group, as well as the progress of the methodologies deployed for Operational Risk and Business Continuity. Likewise, share best practices regarding the main challenges faced by Group companies.

(iv) Central Risk Management of Credicorp -

The Central Risk Management of Credicorp informs the Credicorp Risk Committee of the level of compliance of the risk appetite and the level of exposure assumed by Grupo Crédito and Credicorp subsidiaries. Likewise, it reports the relevant improvements in the integral risk management of Grupo Crédito and Credicorp subsidiaries. In addition, it proposes to the Credicorp Risk Committee the risk appetite levels for Credicorp Ltd.

(v) Central Risk Management of Grupo Crédito -

The Central Risk Management is responsible for the implementation of policies, procedures, methodologies and the actions to be taken to identify, measure, monitor, mitigate, report and control the different types of risks to which the Group is exposed. In addition, it is responsible for participating in the design and definition of the strategic plans of the business units to ensure that they are aligned within the risk parameters approved by the Grupo Crédito Board of Directors. Likewise, it disseminates the importance of adequate risk management, specifying in each of the units, the role that corresponds to them in the timely identification and definition of the corresponding actions.

The units of the Central Risk Management that manage risk at the corporate level are the following:

Credit Division -

The Credit Division proposes credit policies and evaluation criteria and credit risk management that the Group assumes with segment customers wholesaler. Evaluate and authorize loan proposals until their autonomy and propose their approval to the higher instances for those that exceed it. These guidelines are established on the basis of the policies set by the Grupo Crédito Board, respecting the laws and regulations in force. In addition, it assesses the evolution of the risk of wholesale clients and identifies problematic situations, taking actions to mitigate or resolve them.

Risk Management Division -

The Risk Management Division is responsible for ensuring that risk management directives and policies comply with the established by the Board of Directors. In addition, it is responsible for supervising the process of risk management and for coordinating with the companies of Credicorp involved in the whole process, promoting homogeneous risk management and aligned with the best practices. It also has the task of informing Board of Directors regarding: global exposure and by type of risk, as well as the specific exposure of each Group company.

Retail Banking Risk Division -

The Retail Banking Risk Division is responsible for managing the risk profile of the retail portfolio and developing credit policies that are in accordance with the guidelines and risk levels established by Grupo Crédito's Board of Directors. Likewise, it participates in the definition of products and campaigns aligned to these policies, as well as in the design, optimization and integration of credit evaluation tools and income estimation for credit management.

Likewise, there is an active and recurring participation of the BCP Retail Banking Risk Division in the Credit Risk and Collections Committee of Mibanco and in the BCB Retail Banking Risk Committee to ensure alignment of best practices in terms of policies and guidelines. credit ratings, risk segmentation and credit risk models.

Non-financial Risks Division -

The Non-financial Risks Division is responsible for defining a non-financial risks strategy aligned with the objectives and risk appetite set by the Board of Grupo Crédito. This strategy seeks to strengthen the management process, generate synergies, optimize resources and achieve better results among the units responsible for managing non-financial risks in the Group. Additionally, in order to achieve the objectives defined in the non-financial risk strategy, the Division is responsible for promoting risk culture, developing talent, defining indicators and generating and following-up strategic projects and initiatives.

(vi) Internal Audit Division and Compliance Division -

The Audit Division is in charge of monitoring on an ongoing basis the effectiveness and efficiency of the risk management function in the Group, verifying compliance with regulations, policies, objectives and guidelines set by the Board of Directors. On the other hand, it evaluates sufficiency and integration level of Group's information and database systems. Finally, it ensures that independence is maintained between the functions of the risk management and business units, for each of the Group's companies.

The Corporate Compliance and Ethics Division reports to the Board of Directors and is responsible of providing corporate policies for ensure that Group companies specifically comply with regulations that specified them, and the guidelines established in the Code of Ethics.

b) Risk measurement and reporting systems -

The risk is measured according to models and methodologies developed for the management of each type of risk. Risk reports that allow to monitor at the level added and detailed the different types of risks of each company which is exposed. The system provides the facility to meet the appetite review needs by risk requested by the committees and areas described above; as well as comply with regulatory requirements.

c) Risk mitigation -

Depending on the type of risk, mitigating instruments are used to reduce its exposure, such as guarantees, derivatives, controls and insurance, among others. Furthermore, it has policies linked to risk appetite and established procedures for each type of risk.

The Group actively uses guarantees to reduce its credit risks.

d) Risk appetite -

Based on corporate risk management, Grupo Crédito's Board of Directors approves the risk appetite framework to define the maximum level of risk that the organization is willing to take as seeks its strategic and financial objectives, maintaining a corporate vision in individual decisions of each entity. This Risk Appetite framework is based on "core" and specific metrics:

Core metrics are intended to preserve the organization’s strategic pillars, defined as solvency, liquidity, profit and growth, income stability and balance sheet structure and cybersecurity risks.

Specific metrics objectives are intended to monitor on a qualitative and quantitative basis the various risks, to which the Group is exposed, as well as defining a tolerance threshold of each of those risks, so the risk profile set by the Board is preserved and any risk focus is anticipated on a more granular basis.

Risk appetite is instrumented through the following elements:

- Risk appetite statement: Establishes explicit general principles and the qualitative declarations which complement the risk strategy.

- Metrics scorecards: These are used to define the levels of risk exposure in the different strategic pillars.

- Limits: Allows control over the risk-taking process within the tolerance threshold established by the Board. They also provide accountability for the risk-taking process and define guidelines regarding the target risk profile.

- Government scheme: Seeks to guarantee compliance of the framework through different roles and responsibilities assigned to the units involved.

The appetite is integrated into the processes of strategic and capital guidelines, as well as in the definition of the annual budget, facilitating the strategic decision making of the organization.

e) Risk concentration -

Concentrations arise when a reduced and representative number of all of the counterparties of the Group are engaged in similar business activities, or activities in the same geographic region, or have similar economic and political conditions among others.

In order to avoid excessive concentrations of risk, the policies and procedures include specific guidelines and limits to guarantee a diversified portfolio

31.1 Credit risk –

a) The Group takes on exposure to credit risk, which is the probability of suffering losses caused by debtors or counterparties failing to comply with payment obligations in on or off the balance sheet exposures.

Credit risk is the most important risk for the Group’s business; therefore, Management carefully manages its exposure to credit risk. Credit exposures arise principally from lending activities that lead to direct loans; they also result from investment activities. There is also credit risk in off-balance sheet financial instruments, such as contingent credits (indirect loans), which expose Credicorp to risks similar to direct loans. Likewise, credit risk arises from derivative financial instruments that present showing positive fair values. Finally, all exposure to credit risk (direct or indirect) is mitigated by the control processes and policies.

As part of managing this type of risk, provisions for impairment of its portfolio are assigned as of the date of the statement of financial position.

Credit risk levels are defined based on risk exposure limits, which are frequently monitored. Said limits are established in relation to one borrower or group of borrowers, geographical and industry segments. Furthermore, the risk limits by product, industry sector and by geographical segment are approved by the Risk Committee of Credicorp.

Exposure to credit risk is managed through regular analysis of the ability of debtors and potential debtors to meet interest and principal repayment obligations and by changing the credit limits when it is appropriate. Other specific control measures are outlined below:

(i) Collateral -

The Group employs a range of policies and practices to mitigate credit risk. The most traditional of these is collateralization which is common practice. The Group implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation. The main types of collateral obtained are as follows:

- For loans and advances, collateral includes, among others, mortgages on residential properties; liens on business assets such as plants, inventory and accounts receivable; and liens on financial instruments such as debt securities and equity securities.

- Long term loans and financing to corporate entities are generally guaranteed. Loans to micro business generally have no collateral. In order to minimize credit loss, the Group will seek additional collateral from the counterparty as soon as impairment indicators arise.

- For repurchase agreements and securities lending, collateral consists of fixed income instruments, cash and loans.

Collateral held as security for financial assets other than loans is determined by the nature of the instrument. Debt securities, treasury and other eligible bills are generally unsecured, with the exception of assets backed securities and similar instruments, which are secured by portfolios of financial instruments.

Management monitors the market value of collateral, requests additional collateral in accordance with the underlying agreement, and monitors the market value of collateral obtained during its review of the adequacy of the allowance for impairment losses. As part of the Group's policies, the recovered assets are sold in seniority order. The proceeds of the sale are used to reduce or amortize the outstanding debt. In general, the Group doesn't use recovered assets for its operational purposes.

(ii) Derivatives -

The amount subject to credit risk is limited to the current and potential fair value of instruments that are favorable to the Group (fair value is positive). In the case of derivatives this is only a small fraction of the contract, or notional values used to express the volume of instruments outstanding. This credit risk exposure is managed as a portion of the total credit limits with customers, together with potential exposures from market movements.

(iii) Credit-related commitments -

The primary purpose of these instruments is to ensure that funds are available to a customer as required. Guarantees and letters of credit have the same credit risk as direct loans. Documentary and commercial letters of credit - which are written undertakings by the Group on behalf of a customer authorizing a third party to draw drafts on the Group up to a stipulated amount under specific terms and conditions - are collateralized by the underlying shipments of goods to which they relate and therefore have less risk than a direct loan. The Group has no mandatory commitments to extend credit.

b) The maximum exposure to credit risk as of March 31, 2023 and as of December 31, 2022, before the effect of mitigation through any collateral, is the carrying amount of each class of financial assets indicated in Notes 31.10(a), 31.10(b) and the contingent credits detailed in Note 19(a).

c) Credit risk management for loans -

Credit risk management is mainly based on the rating and scoring internal models of each company of the Group. In Credicorp, quantitative and qualitative analysis are made for each client, regarding their financial position, credit behavior in the financial system and the market in which they operate or are located. This analysis is carried out continuously to characterize the risk profile of each operation and client with a loan position in the Group.

In the Group, a loan is internally classified as past due according to three criteria: the number of days past due based on the contractually agreed due date, the subsidiary and the type of loan. The detail is shown below:

– Banco de Crédito del Perú, MiBanco and Solución Empresa Administradora Hipotecaria internally classify a loan as past due:

  - For corporate, large and medium companies, when it has more than 15 days in arrears.
  - For small and microbusiness when it has more than 30 days in arrears.
  - For overdrafts when it has more than 30 days in arrears.
  - For consumer, mortgage and leasing operations, installments are internally classified as past due when they are between 30 and 90 days in arrears; after 90 days, the pending loan balance is considered past due.

– MiBanco Colombia internally classifies a loan as past due:

  - For commercial loans when it has more than 90 days in arrears.
  - For microbusiness loans when it has more than 60 days in arrears.
  - For consumer loans when it has more than 60 days in arrears.
  - For mortgage loans when it has more than 30 days in arrears.

– ASB Bank Corp. internally classifies a loan as past due when it has 1 or more days in arrears.

– Banco de Crédito de Bolivia internally classifies a loan as past due when it has 30 or more days in arrears.

Estimate of the expected credit loss -

The measurement of the expected credit loss is based on the product of the following risk parameters: (i) probability of default (PD), (ii) loss given default (LGD), and (iii) exposure at default (EAD); discounted at the reporting date, using the effective interest rate. The definition of the parameters is presented below:

Probability of default (PD): this is a measurement of credit rating given internally to a client, designed to estimate their probability of default within a specific time horizon. The process of obtaining the PD is carried out considering three main components: (i) the observed risk level of the portfolio, (ii) the macroeconomic perspectives of the main countries where Credicorp operates and (iii) the individual risk of each loan, which is measured through rating and scoring tools.

The Group considers that a financial instrument is in default if it meets the following conditions, according to the type of asset:

- Consumer products, credit card and SME: if the client, at some certain point, presents arrears equal to or greater than 60 days and/or has operations that are refinanced, restructured, in pre-judicial, judicial proceedings or written off.

- Mortgage products: if the client, at some certain point, presents arrears equal to or greater than 120 days and/or has operations that are refinanced, restructured, in pre-judicial, judicial proceedings or written off.

- Commercial products: if the client, at some certain point, is in the Collections portfolio, or has a risk classification of Deficient, Doubtful or Loss, or has operations that are refinanced, in pre-judicial, judicial proceedings or written off. Also, a client can be considered as default if it shows signs of significant qualitative impairment.It should be noted that, for commercial clients with the highest loan position that are classified in default, the Risk Management performs an individual review to determine the expected credit loss in each case, in which it considers: (i) knowledge of the specific situation of the client, (ii) the coverage of real guarantees, (iii) the financial information available of the company, (iv) the conditions of the sector in which the company operates, (v) among others.

- Investments: if the instrument has a Default rating according to external rating agencies such as Fitch, Standard & Poors or Moody's, or if it has an indicator of arrears equal to or greater than 90 days. In addition, an issuer can be considered as default if it shows signs of significant qualitative impairment. When an issuer is classified as default, all its instruments are also classified as Default, that is, in stage 3.

– Loss given default (LGD): this is a measurement which estimates the severity of the loss that would be incurred at the time of the default. It has two approaches in the estimate of the severity of the loss, according to the stage of the client:

  - LGD workout: this is the real loss of the clients that arrived at the stage of default. The recoveries and costs of each one of the operations are used to calculate this parameter (includes open and closed recovery processes).

  - LGD ELBE (expected loss best estimate): this is the loss of the contracts in a default situation based on the time in arrears of the operation (the longer the operation is in default, the greater will be the loss).

Exposure at Default (EAD): this is a measurement which estimates the exposure at the time of the client's default, considering changes in future exposure, for example, in the case of prepayments and/or greater utilization of unused credit lines.

The estimate of the risk parameters considers information regarding the actual conditions, as well as the projections of future macroeconomic events and conditions in three scenarios (base, optimistic and pessimistic), which are weighted to obtain the expected credit loss.

The fundamental difference between the expected credit loss of a loan allocated in stage 1 or stage 2 is the PD's time horizon. The estimates in stage 1 use a PD with a maximum time horizon of 12 months, while those in stage 2 use a PD measured for the remaining lifetime of the instrument. The estimates in stage 3 are carried out based on an LGD "best estimate".

For those portfolios that are not material and/or do not have specific credit scoring models, the option was to extrapolate the expected credit loss ratio of portfolios with comparable characteristics.

The main methodological calibrations made in the internal credit risk models during the first quarter of 2023 were:

PD models: according to our internal governance scheme, we continued following up the performance of PD models and implementing the necessary calibrations to maintain an appropriate measurement of our loan portfolio's credit risk.

LGD models: during the first quarter of 2023, no relevant methodological calibrations were made; however, according to our internal governance scheme, we monitored the performance of the LGD models to maintain an appropriate measurement of our loan portfolio's the credit risk.

Prospective information -

The measurement of the expected credit loss for each stage and the evaluation of significant increase in credit risk consider information on previous events and current conditions, as well as reasonable projections based on future events and economic conditions.

For the estimation of the risk parameters (PD, LGD, EAD), used in the calculation of the expected credit loss in stages 1 and 2, the significance of the macroeconomic variables (or their variations) that have the greatest influence on each portfolio was tested. Each macroeconomic scenario used in the estimate of the expected credit loss considers projections of relevant macroeconomic variables, such as the gross domestic product (GDP), terms of trade, inflation rate, among others, for a period of 3 years and a long-term projection.

The expected credit loss is a weighted estimate that considers three future macroeconomic scenarios (base, optimistic, pessimistic). These scenarios, as well as the probability of occurrence of each one, are projections provided by the internal team of Economic Studies and approved by the Senior Management; these projections are made for the main countries where Credicorp operates. The design of the scenarios is reviewed quarterly. All considered scenarios are applied to portfolios subject to expected credit loss with the same probabilities.

Changes from one stage to another -

The classification of an instrument as stage 1 or stage 2 depends on the concept of "significant increase in credit risk" at the reporting date compared to the origin date. This classification is updated monthly. As the IFRS 9 states, this classification depends on the following criteria:

- An account is classified in stage 2 if it has more than 30 days in arrears.
- Additionally, significant risk increase thresholds were established based on absolute and relative thresholds that depend on the risk level in which the instrument was originated. The thresholds differ for each of the portfolios considered.
- Additional qualitative reviews are carried out based on the risk segmentation used in the management of Retail Banking and an individual review is carried out in Wholesale Banking.

Additionally, all those accounts classified as Default at the reporting date, according to the definition used by the Group, are considered as stage 3.

Evaluations of significant increase in credit risk from initial recognition and credit impairment are carried out independently on each reporting date.

Wholesale Banking assets can be moved in both directions from one stage to another; in this sense, a financial asset that migrated to stage 2 will return to stage 1 if its credit risk did not increase significantly from its initial recognition until a subsequent reporting period. Likewise, an asset that is in stage 3 will return to stage 2 if is no longer considered to be impaired (according to our definition of default) over a certain number of subsequent reporting periods.

On the other hand, Retail Banking financial assets that migrated to stage 2 will return to stage 1, if its credit risk did not increase significantly from its initial recognition over a certain number of subsequent reporting periods (cure period). In the case of assets allocated in stage 3, they will not return to stage 2, except for refinanced loans, which will return to stage 2 if a good payment behavior is shown over a certain number of subsequent reporting periods.

Expected life -

For the instruments in stage 2 or 3, the allowance for loan losses will cover the expected credit loss during the expected time of the remaining lifetime of the instrument. For most instruments, the expected life is limited to the remaining contractual life, adjusted by expected anticipated payments. In the case of revolving products, a statistical analysis was carried out to determine what would be the expected life period.

The following is a summary of the direct loans classified into three important groups and their respective allowance for loan losses, for each type of loan. Impaired loans are loans in default that are allocated in stage 3. Additionally, it should be noted that, in accordance with IFRS 7, the entire balance of the loan is considered past due when the debtor has failed to make a payment at its contractual maturity.

(i) Loans neither past due nor impaired, which comprise those direct loans which currently do not have characteristics of delinquency and which are not in default.
(ii) Past due but not impaired loans, which comprise all of the direct loans of clients that are not in default, but have failed to make a payment at the contractual maturity, according to the IFRS 7.
(iii) Impaired loans, those considered to be in stage 3 or default, as detailed in Note 31.1(c).

	As of March 31, 2023				**As of December 31, 2022**			
Commercial loans	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	S/(000)	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**
Neither past due nor impaired	64,334,453	5,949,221	–	70,283,674	66,885,472	6,848,298	-	73,733,770
Past due but not impaired	499,688	671,002	–	1,170,690	804,155	691,215	-	1,495,370
Impaired	–	–	6,132,097	6,132,097	-	-	6,439,760	6,439,760
Gross	64,834,141	6,620,223	6,132,097	77,586,461	67,689,627	7,539,513	6,439,760	81,668,900
Less: Allowance for loan losses	476,871	427,116	2,302,182	3,206,169	503,651	489,381	2,260,569	3,253,601
Total, net	64,357,270	6,193,107	3,829,915	74,380,292	67,185,976	7,050,132	4,179,191	78,415,299
Residential mortgage loans	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	S/(000)	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**
Neither past due nor impaired	18,268,705	2,847,839	–	21,116,544	18,213,711	2,747,557	-	20,961,268
Past due but not impaired	494,041	547,886	–	1,041,927	426,722	459,525	-	886,247
Impaired	–	–	1,245,542	1,245,542	-	-	1,388,060	1,388,060
Gross	18,762,746	3,395,725	1,245,542	23,404,013	18,640,433	3,207,082	1,388,060	23,235,575
Less: Allowance for loan losses	64,824	119,940	750,651	935,415	83,536	126,834	757,778	968,148
Total, net	18,697,922	3,275,785	494,891	22,468,598	18,556,897	3,080,248	630,282	22,267,427
Microbusiness loans	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	S/(000)	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**
Neither past due nor impaired	13,363,778	6,284,503	–	19,648,281	13,128,339	6,452,839	-	19,581,178
Past due but not impaired	177,356	780,027	–	957,383	236,253	813,423	-	1,049,676
Impaired	–	–	1,700,361	1,700,361	-	-	1,741,439	1,741,439
Gross	13,541,134	7,064,530	1,700,361	22,306,025	13,364,592	7,266,262	1,741,439	22,372,293
Less: Allowance for loan losses	314,164	551,559	1,118,311	1,984,034	315,837	540,906	1,113,145	1,969,888
Total, net	13,226,970	6,512,971	582,050	20,321,991	13,048,755	6,725,356	628,294	20,402,405
Consumer loans	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	S/(000)	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**
Neither past due nor impaired	15,492,023	2,921,855	–	18,413,878	15,136,571	3,029,538	-	18,166,109
Past due but not impaired	300,639	509,821	–	810,460	205,944	442,066	-	648,010
Impaired	–	–	1,176,985	1,176,985	-	-	1,099,382	1,099,382
Gross	15,792,662	3,431,676	1,176,985	20,401,323	15,342,515	3,471,604	1,099,382	19,913,501
Less: Allowance for loan losses	299,047	471,315	1,019,370	1,789,732	300,321	439,572	940,872	1,680,765
Total, net	15,493,615	2,960,361	157,615	18,611,591	15,042,194	3,032,032	158,510	18,232,736
Consolidated of loans	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	S/(000)	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**
Total gross direct credits, Note 7(a)	112,930,683	20,512,154	10,254,985	143,697,822	115,037,167	21,484,461	10,668,641	147,190,269
Total allowance for loan losses, Note 7(a)	1,154,906	1,569,930	5,190,514	7,915,350	1,203,345	1,596,693	5,072,364	7,872,402
Total net direct loans	111,775,777	18,942,224	5,064,471	135,782,472	113,833,822	19,887,768	5,596,277	139,317,867

At Credicorp, we separate renegotiated loans into two groups, focusing on operations that have suffered a significant increase in credit risk since their disbursement, which has generated modifications to the original loan agreement. Both groups are defined below:

- Refinanced loans: are those loans that have undergone modifications in the initial loan agreement (term and interest rate), according to the accounting definition.
- Renegotiated loans: are those loans for which, due to the COVID-19 pandemic during 2020 and 2021 and/or the Peruvian context of intense rains and social unrest during the first quarter of 2023, the SBS and other local regulators have established that certain benefits be granted, and that Credicorp has also voluntarily granted to its clients (grace periods, debt consolidation, etc.), which were not in the initial credit agreements.

The amount of gross portfolio balance and allowance for loan losses of the renegotiated credits of Credicorp is shown below. The presentation is made for each of the two groups defined above and by opening the balances by stage. It should be noted that for the construction of the tables, the information of the three subsidiaries that concentrate more than 95.0 percent of the balance of renegotiated loans (BCP, Mibanco and BCB) has been considered.

As of March 31, 2023, and December 31, 2022, renegotiated loans and their expected credit loss are composed as follows:

	As of March 31, 2023		**As of December 31, 2022**	
	Refinanced loans	**Allowance for loan losses**	**Refinanced loans**	**Allowance for loan losses**
	S/(000)	**S/(000)**	**S/(000)**	**S/(000)**
Stage 1	83,833	1,049	67,619	702
Stage 2	58,985	5,171	23,157	1,698
Stage 3	1,968,350	872,905	1,999,383	863,751
Total	2,111,168	879,125	2,090,159	866,151

	As of March 31, 2023		**As of December 31, 2022**	
	Renegotiated loans	**Allowance for loan losses**	**Renegotiated loans**	**Allowance for loan losses**
	S/(000)	**S/(000)**	**S/(000)**	**S/(000)**
Stage 1	4,964,468	49,335	5,137,915	60,660
Stage 2	2,880,136	251,807	2,544,631	211,866
Stage 3	2,000,082	1,289,557	2,023,938	1,268,559
Total	9,844,686	1,590,699	9,706,484	1,541,085

The detail of the gross amount of impaired direct loans by type of loan, together with the fair value of the related collateral and the amounts of its allowance for loan losses, are as follows:

	As of March 31, 2023					**As of December 31, 2022**				
	Commercial loans	**Residential mortgage loans**	**Microbusiness loans**	**Consumer loans**	**Total**	**Commercial loans**	**Residential mortgage loans**	**Microbusiness loans**	**Consumer loans**	**Total**
	S/(000)	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**
Impaired loans	6,132,097	1,245,542	1,700,361	1,176,986	10,254,986	6,439,760	1,388,060	1,741,439	1,099,382	10,668,641
Fair value of collateral	5,285,433	1,063,832	406,517	264,073	7,019,855	5,646,832	1,204,144	440,715	279,380	7,571,071
Allowance for loan losses	2,302,182	750,651	1,118,311	1,019,370	5,190,514	2,260,569	757,778	1,113,145	940,872	5,072,364

The breakdown of direct loans classified by maturity is shown below, according to the following criteria:

i) Current loans, which comprise those direct loans which do not currently have characteristics of delinquency, nor are they in default or stage 3, according to the rules of IFRS 9.
ii) Current but impaired loans, which comprise those direct loans which do not currently have characteristics of delinquency, but are in default or stage 3, according to IFRS 9.
iii) Loans with delays in payments of one day or more but not considered internal overdue loans, which comprise those direct loans of clients that have failed to make a payment at its contractual maturity, that is, with at least one day past due, however, the days of delinquency are insufficient to be considered as past due under the Group’s internal criteria.
iv) Internal overdue loans, which comprise past due loans under internal criteria.

The sum of the following concepts reflects the totality of past due loans consistent with IFRS 7: (i) loans with delays in payments of one day or more but not considered internal overdue loans, and (ii) internal overdue loans.

	As of March 31, 2023						As of December 31, 2022					
	Current loans	Current but impaired loans	Loans with delays in payments of one day or more but not considered internal overdue loans	Internal overdue loans	Total	Total past due under IFRS 7	Current loans	Current but impaired loans	Loans with delays in payments of one day or more but not considered internal overdue loans	Internal overdue loans	Total	Total past due under IFRS 7
	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)
Neither past due nor impaired	129,462,376	–	–	–	129,462,376	–	132,442,147	-	-	178	132,442,325	178
Past due but not impaired	–	–	3,312,449	668,010	3,980,459	3,980,459	-	-	3,504,999	574,304	4,079,303	4,079,304
Impaired debt	–	4,151,374	976,299	5,127,314	10,254,987	6,103,612	-	4,461,962	827,340	5,379,339	10,668,641	6,206,680
Total	129,462,376	4,151,374	4,288,748	5,795,324	143,697,822	10,084,071	132,442,147	4,461,962	4,332,339	5,953,821	147,190,269	10,286,162

The classification of direct loans by type of loan and maturity is as follows:

	As of March 31, 2023					As of December 31, 2022				
	Current loans	Current but impaired loans	Loans with delays in payments of one day or more but not considered internal overdue loans	Internal overdue loans	Total	Current loans	Current but impaired loans	Loans with delays in payments of one day or more but not considered internal overdue loans	Internal overdue loans	Total
	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)
Commercial loans	70,283,836	2,912,603	1,237,482	3,152,539	77,586,460	73,733,752	3,115,029	1,496,743	3,323,376	81,668,900
Residential mortgage loans	21,116,543	415,779	1,215,547	656,144	23,404,013	20,961,268	506,639	1,076,953	690,715	23,235,575
Microbusiness loans	19,648,118	365,475	894,162	1,398,270	22,306,025	19,581,019	365,265	950,477	1,475,532	22,372,293
Consumer loans	18,413,879	457,517	941,557	588,371	20,401,324	18,166,108	475,029	808,166	464,198	19,913,501
Total	129,462,376	4,151,374	4,288,748	5,795,324	143,697,822	132,442,147	4,461,962	4,332,339	5,953,821	147,190,269

Macroeconomic scenario -

The expected credit loss is a weighted estimate of three macroeconomic scenarios: base, optimistic and pessimistic, that are calculated with macroeconomic projections provided by the internal team of Economic Studies and approved by the Senior Management. The local and international information flows available during the analysis period are used to feed projections, which reflect the fact that Peru is a small and open economy, and in this context approximately 60.0 percent of the volatility in economic growth is driven by external factors, including terms of trade, the growth of Peru's trading partners and the external interest rates. Information on each of these factors is gathered to construct each scenario for the next three years.

The variables mentioned above, together with local variables (fiscal and monetary variables), are incorporated in the economic models. Two types of models are used in this regard:

i) Structural projection model.
ii) Financial programming model.

The first is a dynamic stochastic general equilibrium model, which is constructed with expectations. The second is built with the main identities of national accounts in accordance with the financial programming methodology designed by the IMF (International Monetary Fund) and the methodologies used by a battery of econometric models.

Through this process, we obtain figures for GDP growth, inflation, exchange rate and other variables for the years 2023, 2024 and 2025. We expect GDP to grow around 1.8 percent in 2023 (2.7 percent by 2022) due to:

i) Lower global growth.

ii) Lagged effect on activity as a result of monetary tightening (increase in interest rates in dollars and soles by the Central Banks).

iii) Effects of the protests in January 20223 and February 2023, and the intense rains and floods in March 2023.

iv) Accumulated inflation 2021-2023 close to 21 percent that erodes the purchasing power of the consumer.

v) Drop in public investment due to the change of subnational authorities.

vi) Deterioration of private investment in the absence of large new projects and weak business expectations.

vii) Post-Covid-19 rebound effect is exhausted and is limited almost only to international inbound tourism.

For the period 2023 -2025, probabilities of 50.0 percent, 25.0 percent, and 25.0 percent were considered for the baseline, optimistic, and pessimistic scenarios, respectively (50.0 percent, 25.0 percent, and 25.0 percent, respectively, at the end of December 2022). The probabilities assigned to each scenario and the projections are validated through a fanchart analysis, which uses the probability function to identify and analyze:

i) The central tendency of the projections.

ii) The dispersion that is expected around this value and values higher or lower than the central value that are more or less probable.

The following table provides a comparison between the carrying amount of the allowance for loan losses for direct and indirect loans and its estimation under three scenarios: base, optimistic and pessimistic.

	As of March 31, 2023	**As of December 31, 2022**
	S/(000)	**S/(000)**
Carrying amount	8,388,358	8,530,986
Scenarios:		
Optimistic	8,294,660	8,457,825
Base Case	8,387,070	8,517,295
Pessimistic	8,484,630	8,631,531

d) Credit risk management on reverse repurchase agreements and securities borrowing -

Most of these operations are performed by Credicorp Capital. The Group has implemented credit limits for each counterparty and most of transactions are collateralized with investment grade financial instruments and financial instruments issued by Governments.

e) Credit risk management on investments -

The Group evaluates the credit risk identified of each of the investments, disclosing the risk rating granted to them by a risk rating agency. For investments traded in Peru, risk ratings used are those provided by the three most prestigious Peruvian rating agencies (authorized by Peruvian regulator) and for investments traded abroad, the risk-ratings used are those provided by the three most prestigious international rating agencies.

In the event that any subsidiary uses a risk-rating prepared by any other risk rating agency, said risk-ratings are standardized with those provided by the above-mentioned institutions.

The following table shows the analysis of the risk-rating of the investments, provided by the institutions referred to above:

	As of March 31, 2023		As of December 31, 2022	
	S/(000)	%	S/(000)	%
Instruments rated in Peru:				
AAA	232,338	0.5	242,679	0.5
AA- a AA+	6,879	–	311,810	0.7
A- to A+ (i)	2,164	–	1,931,461	4.3
BBB- to BBB+	20,945,031	43.9	18,828,927	41.5
BB- to BB+	447,788	0.9	454,480	1.0
Lower and equal to +B	199,426	0.4	–	–
Unrated:				
BCRP certificates of deposit (ii)	9,685,753	20.3	7,019,479	15.5
Listed and unlisted	345,347	0.7	344,842	0.8
Restricted mutual funds	311,021	0.7	351,317	0.8
Investment funds	434,421	0.9	628,476	1.4
Mutual funds	37,801	0.1	76,111	0.2
Hedge funds	–	–	–	–
Other instruments	–	–	237,174	0.5
Subtotal	32,647,969	68.4	30,426,756	67.2

	As of March 31, 2023		As of December 31, 2022	
	S/(000)	%	S/(000)	%
Instruments rated abroad:				
AAA	2,202,772	4.6	2,313,750	5.1
AA- a AA+	1,315,609	2.8	1,201,340	2.6
A- to A+	2,032,690	4.3	1,356,963	3.0
BBB- to BBB+	4,373,060	9.2	4,322,363	9.5
BB- to BB+	2,591,749	5.4	2,790,835	6.1
Lower and equal to +B	95,236	0.2	132,760	0.3
Unrated:				
Listed and unlisted	33,677	0.1	34,182	0.1
Mutual funds	1,520,350	3.2	1,505,939	3.3
Participations of RAL funds	241,815	0.5	167,781	0.4
Investment funds	553,328	1.2	257,098	0.6
Hedge funds	285	–	280	–
Other instruments	120,964	0.1	921,177	1.8
Subtotal	15,081,535	31.6	15,004,468	32.8
Total	47,729,504	100.0	45,431,224	100.0

It is worth mentioning that the risk-rating of the investments has had an impact on the measurement of the expected loss.

f) Concentration of financial instruments exposed to credit risk -

As of March 31, 2023 and December 31, 2022, financial instruments with exposure to credit risk were distributed considering the following economic sectors:

	As of March 31, 2023					**As of December 31, 2022**				
	At fair value through profit for loss					**At fair value through profit for loss**				
	Held for trading, hedging and others (*)	**Designated at inception**	**Financial assets at amortized cost**	**At fair value through other comprehensive income investments (**)**	**Total**	**Held for trading, hedging and others (*)**	**Designated at inception**	**Financial assets at amortized cost**	**At fair value through other comprehensive income investments(**)**	**Total**
	S/(000)	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**
Central Reserve Bank of Peru	–	–	26,476,555	9,685,754	36,162,309	–	–	24,157,868	7,019,479	31,177,347
Financial services	3,691,771	291,181	14,357,015	3,790,310	22,130,277	3,866,108	312,993	14,507,901	4,311,513	22,998,515
Commerce	22,330	28	24,674,566	989,022	25,685,946	17,992	28	26,448,551	1,412,625	27,879,196
Manufacturing	186,157	–	22,679,784	1,714,130	24,580,071	139,321	35,435	23,541,034	1,697,174	25,412,964
Government and public	915,091	262	10,045,190	10,008,267	20,968,810	826,279	207	10,318,450	9,547,356	20,692,292
Mortgage loans	–	–	22,646,144	–	22,646,144	–	–	22,381,290	–	22,381,290
Consumer loans	–	–	19,376,748	–	19,376,748	–	–	18,740,588	–	18,740,588
Real estate and leasing	96,255	–	9,538,832	16,358	9,651,445	68,797	–	10,088,768	15,074	10,172,639
Communications, storage and transportation	56,257	438,048	7,030,206	916,885	8,441,396	55,499	270,906	6,495,988	1,096,852	7,919,245
Electricity, gas and water	179,512	19,206	4,509,762	3,382,585	8,091,065	180,772	107,161	4,884,840	3,250,100	8,422,873
Community services	–	–	6,597,599	–	6,597,599	–	–	6,500,918	–	6,500,918
Construction	3,097	–	3,440,091	406,200	3,849,388	12,899	–	3,633,858	384,521	4,031,278
Mining	3,580	–	3,958,106	140,040	4,101,726	6,323	–	3,883,227	149,861	4,039,411
Agriculture	198	–	4,689,813	19,520	4,709,531	485	–	4,867,488	20,942	4,888,915
Hotels and restaurants	–	–	2,727,312	–	2,727,312			2,736,252		2,736,252
Education, health and others	111,574	46,500	1,587,054	760,991	2,506,119	89,033	42,071	1,631,340	853,292	2,615,736
Insurance	5,268	–	1,068,805	8,114	1,082,187	1,363	–	2,036,187	4,542	2,042,092
Fishing	738	–	570,535	–	571,273	506	–	578,526	–	579,032
Others	321,800	–	2,631,468	1,557,811	4,511,079	412,683	–	2,531,987	1,022,830	3,967,500
Total	5,593,628	795,225	188,605,585	33,395,987	228,390,425	5,678,060	768,801	189,965,061	30,786,161	227,198,083

(*) It includes non-trading investments that did not pass SPPI test.

(**) OCI: Other comprehensive income.

As of March 31, 2023 and December 31,2022 financial instruments with exposure to credit risk were distributed by the following geographical areas:

	As of March 31, 2023					As of December 31, 2022				
	At fair value through profit for loss					At fair value through profit for loss				
	Held for trading, hedging and others (*)	Designated at inception	Financial assets at amortized cost	At fair value through other comprehensive income investments(**)	Total	Held for trading, hedging and others (*)	Designated at inception	Financial assets at amortized cost	At fair value through other comprehensive income investments(**)	Total
	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)
Peru	1,224,775	384	168,222,855	22,115,236	191,563,250	1,257,305	328	168,411,539	19,370,001	189,039,173
United States of America	878,850	446,074	1,641,659	7,226,605	10,193,188	839,762	450,160	1,799,795	7,332,491	10,422,208
Bolivia	629,431	–	11,234,789	673,917	12,538,137	588,484	–	10,808,527	747,078	12,144,089
Colombia	862,912	–	3,170,093	649,577	4,682,582	894,043	6,359	4,073,211	688,313	5,661,926
Chile	487,883	–	2,293,756	596,866	3,378,505	622,346	–	2,287,020	652,915	3,562,281
Brazil	45,048	–	662,269	186,643	893,960	3,091	–	1,123,155	194,138	1,320,384
Mexico	20,664	–	181,406	391,060	593,130	16,561	40,811	132,132	385,631	575,135
Panama	5,596	–	386,681	50,330	442,607	383	–	402,303	47,551	450,237
Europe:										
Luxembourg	1,028,997	–	7,020	–	1,036,017	1,038,393	–	7,020	–	1,045,413
France	145,117	7,410	5,978	147,461	305,966	163,577	7,584	28,841	152,041	352,043
United Kingdom	102,609	–	37,806	251,848	392,263	93,717	1,978	16,017	193,810	305,522
Others in Europe	54,972	–	26,352	129,596	210,920	80,611	10,126	51,758	136,207	278,702
Spain	–	–	56,373	30,255	86,628	–	–	88,723	28,840	117,563
Switzerland	4	–	469	74,506	74,979	4	–	175	82,129	82,308
Netherlands	–	–	4,207	40,505	44,712	–	–	31,483	39,038	70,521
Multilateral Organizations (***)	–	–	22,738	89,433	112,171	–	–	34,423	80,060	114,483
Canada	60,492	–	34,924	105,922	201,338	38,413	–	34,449	103,661	176,523
Others	46,278	341,357	616,210	636,227	1,640,072	41,370	251,455	634,490	552,257	1,479,572
Total	5,593,628	795,225	188,605,585	33,395,987	228,390,425	5,678,060	768,801	189,965,061	30,786,161	227,198,083

(*) It includes non-trading investments that did not pass SPPI test.

(**) OCI: Other comprehensive income.

(***) Correspond to instruments issued by the Development Bank of Latin America (formerly CAF) and by the Inter-American Development Bank (IDB).

The Group has financial assets and liabilities that:

- Are offset in the Group's interim condensed consolidated statement of financial position; or
- Are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments, irrespective of whether they are offset in the interim condensed consolidated statement of financial position.

Similar agreements include derivative clearing agreements, master repurchase agreements, and master securities lending agreements. Similar financial instruments include derivatives, accounts receivable from reverse repurchase agreements and securities borrowing, payables from repurchase agreements and securities lending and other financial assets and liabilities.

The offsetting framework contract issued by the International Swaps and Derivatives Association Inc. ("ISDA") and similar master offsetting arrangements do not meet the criteria for offsetting in the statement of financial position, because said agreements were created for both parties to have an enforceable offsetting right in cases of default, insolvency or bankruptcy of the Group or the counterparties or following other predetermined events. In addition, the Group and its counterparties do not intend to settle said instruments on a net basis or to realize the assets and settle the liabilities simultaneously.

The Group receives and gives collateral in the form of cash and trading securities in respect of the following transactions:

- Derivatives,
- Accounts receivable from reverse repurchase agreements and securities borrowing,
- Payables from repurchase agreements and securities lending, and
- Other financial assets and liabilities

Such collateral adheres to standard industry terms including, when appropriate, an ISDA Credit Support Annex. This means that securities received/given as collateral can be pledged or sold during the term of the transaction must be returned on maturity of the transaction. The terms also give each party the right to terminate the related transactions upon the counterparty's failure to return the respective collateral.

31.2 Market risk -

The Group has exposure to market risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rates, currency, commodities and equity products; all of which are exposed to general and specific market movements and changes in the level of volatility of prices such as interest rates, credit spreads, foreign exchange rates and equity prices. Due to the order of the Group's current activities, commodity price risk has not been approved, so this type of instrument is not agreed.

The Group separates exposures to market risk in two groups: (i) those that arise from value fluctuation of trading portfolios recognized at fair value through profit or loss due to movements of market rates or prices (Trading Book) and (ii) those that arise from changes in the structural positions of non-trading portfolios due to movements of the interest rates, prices and foreign exchange ratios (Banking Book) and that are recorded at amortized cost and at fair value with changes in other comprehensive income, this is due to movements in interest rates, prices and currency exchange rates.

The risks that trading portfolios face are managed through Value at Risk (VaR) historical simulation techniques; while non-trading portfolios (Banking Book) are monitored using rate sensitivity metrics, which are a part of Asset and Liability Management (ALM).

a) Trading Book -

The trading book is characterized for having liquid positions in stocks, bonds, foreign currencies and derivatives, arising from market-making transactions where the Group acts as principal with the customers or with the market. This portfolio includes investments and derivatives classified by Management as held for trading.

(i) Value at Risk (VaR) -

The Group applies the VaR approach to its trading portfolio to estimate the market risk of the main positions held and the maximum losses that are expected, based upon a number of assumptions for various changes in market conditions and considering the risk appetite of the subsidiary.

Daily calculation of VaR is a statistically based estimate of the maximum potential loss on the current portfolio from adverse market movements.

VaR expresses the “maximum” amount the Group might lose, but only to a certain level of confidence (99 percent). There is therefore a specified statistical probability (1 percent) that actual loss could be greater than the VaR estimate. The VaR model assumes a certain “holding period” until positions can be closed (1 - 10 days).

The time horizon used to calculate VaR is one day; however, the one-day VAR is amplified to a 10-day time frame and calculated multiplying the one-day VaR by the square root of 10. This adjustment will be accurate only if the changes in the portfolio in the following days have a normal distribution independent and identically distributed; because of that, the result is multiplied by a non-normality adjustment factor. The limits and consumptions of the VaR are established on the basis of the risk appetite and the trading strategies of each subsidiary.

The evaluation of the movements of the trading portfolio has been based on annual historical information and 133 market risk factors, which are detailed below: 36 market curves, 71 stock prices, 22 mutual fund values and 4 series of volatility. The Group directly applies these historical changes in rates to each position in its current portfolio (method known as historical simulation).

The Group Management considers that the market risk factors, incorporated in their VaR model, are adequate to measure the market risk to which its trading portfolio is exposed.

The use of this approach does not prevent losses outside of these limits in the event of more significant market movements. Losses exceeding the VaR figure may occur, on average under normal market conditions, not more than once every hundred days.

VaR limits have been established to control and keep track of all the risks taken. These risks arise from the size of the positions and/or the volatility of the risk factors embedded in each financial instrument. Regular reports are prepared for the Treasury Risk Committee and ALM, the Risk Management Committee and Senior Management.

VaR results are used to generate economic capital estimates by market risk, which are periodically monitored and are part of the overall risk appetite of each subsidiary. Furthermore, at Group level, there is also a limit to the risk appetite of the trading portfolio, which is monitored and informed to the Treasury Risks and ALM Corporate Committee.

In VaR calculation, the effects of the exchange rate are not included because said effects are measured in the net monetary position, see note 31.2(b)(ii).

The Group's VaR showed an increase as of March 31, 2023, due to interest rate risk due to greater volatility in the curves, and due to volatility risk due to an increase in forex exchange option positions. The VaR remained contained within the risk appetite limits established by the Risk Management of each Subsidiary.

As of March 31, 2023, and December 31, 2022, the Group’s VaR by risk type is as follows:

	As of March 31, 2023	**As of December 31, 2022**
	S/(000)	**S/(000)**
Interest rate risk	35,817	74,343
Price risk	4,757	5,219
Volatility risk	5,715	2,032
Diversification effect	(11,939)	(7,347)
Consolidated VaR by type of risk	34,350	74,247

In VaR calculation, financial instruments from the trading book were taken.
On the other hand, the instruments recorded as fair values through profit or loss are not part of the selling business model and are considered as part of the sensitivity analysis of rates in the next section. See the chart of sensitivity of earnings at risk, net economic value and price sensitivity.

b) Banking Book -

Non-trading portfolios which comprise the Banking Book are exposed to different risks, given that they are sensitive to market rate movements, which could bring about a deterioration in the value of assets compared to liabilities and hence to a reduction of their net worth.

(i) Interest rate risk -

The Banking Book-related interest rate risk arises from eventual changes in interest rates that may adversely affect the expected gains (risk gains) or market value of financial assets and liabilities reported on the balance sheet (net economic value). The Group assumes the exposure to the interest rate risk that may affect their fair value as well as the cash flow risk of future assets and liabilities.

The Risk Committee sets the guidelines regarding the level of unmatched repricing of interest rates that can be tolerated, which is periodically monitored through ALCO.

Corporate policies include guidelines for the management of the Group’s exposure to the interest rate risk. These guidelines are implemented considering the features of each segment of business in which the Group entities operate.

In this regard, Group companies that are exposed to the interest rate risk are those that have yields based on interest, such as credits, investments and technical reserves. Interest rate risk management in BCP, BCB, MiBanco, MiBanco Colombia, ASB Bank Corp and Pacífico Seguros is carried out by performing a repricing gap analysis, sensitivity analysis of the financial margin (GER) and sensitivity analysis of the net economic value (VEN). These calculations consider different rate shocks in stress scenarios.

Analysis of repricing gap -

The repricing gap analysis is intended to measure the risk exposure of interest rate for repricing periods, in which both balance and out of balance assets and liabilities are grouped. This allows identifying those sections in which the rate variations would have a potential impact.

The table below summarizes the Group’s exposure to interest rate risks. It includes the Group’s financial instruments at carrying amounts, categorized by the earlier of contractual re-pricing or maturity dates, what occurs first:

	As of March 31, 2023						
	Up to 1 month	**1 to 3 months**	**3 to 12 months**	**1 to 5 years**	**More than 5 years**	**Non-interest bearing**	**Total**
	S/(000)	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**
Assets							
Cash and cash collateral, reverse repurchase agreements and securities borrowing	19,831,247	1,248,256	2,279,879	6,594,104	209,204	6,410,543	36,573,233
Investments	6,839,665	1,185,742	5,815,188	11,082,232	18,374,931	351,480	43,649,238
Loans, net	19,105,569	17,992,855	36,997,637	48,811,187	14,864,518	(521,403)	137,250,363
Financial assets designated at fair value							–
through profit or loss	–	–	–	–	–	795,225	795,225
Insurance contract assets	70,239	140,477	632,149	–	–	–	842,865
Reinsurance contract assets	94,050	188,101	846,454	–	–	–	1,128,605
Other assets (*)	167,092	69,152	–	–	–	3,468,403	3,704,648
Total assets	46,107,862	20,824,583	46,571,307	66,487,523	33,448,653	10,504,248	223,944,176
Liabilities							
Deposits and obligations	38,757,400	16,180,014	25,943,721	58,483,261	8,068,034	1,190,869	148,623,299
Payables from repurchase agreements and securities lending	3,673,462	3,643,456	5,019,616	6,301,891	2,776,957	470,762	21,886,144
Reinsurance contract liability	28,589	57,178	257,300	–	–	–	343,067
Insurance contract liability	248,009	357,937	749,869	2,158,623	8,424,126	352,974	12,291,538
Financial liabilities at fair value through profit or loss	–	–	–	–	–	417,146	417,146
Bonds and Notes issued	46,100	27,333	561,271	13,273,890	355,585	62,751	14,326,930
Other liabilities (*)	636,948	145,873	13,332	–	–	4,482,611	5,278,764
Equity	–	–	–	–	–	30,934,495	30,934,495
Total liabilities and equity	43,390,508	20,411,791	32,545,109	80,217,665	19,624,702	37,911,608	234,101,383
Off-balance-sheet accounts							
Derivative financial assets	112,860	507,870	815,502	919,504	–	–	2,355,736
Derivative financial liabilities	–	–	179,532	2,120,597	–	–	2,300,129
	112,860	507,870	635,970	(1,201,093)	–	–	55,607
Marginal gap	2,830,214	920,662	14,662,168	(14,931,235)	13,823,951	(27,407,360)	(10,101,600)
Accumulated gap	2,830,214	3,750,876	18,413,044	3,481,809	17,305,760	(10,101,600)	–

(*) Other assets and other liabilities only include financial accounts.

Investments for trading purposes are not considered (investments at fair value through profit or loss and trading derivatives), because these instruments are part of the trading book and the Value at Risk methodology is used to measure market risks.

	As of December 31, 2022						
	Up to 1 month	**1 to 3 months**	**3 to 12 months**	**1 to 5 years**	**More than 5 years**	**Non-interest bearing**	**Total**
	S/(000)	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**	**S/000**
Assets							
Cash and cash collateral, reverse repurchase agreements and securities borrowing	15,413,219	1,339,844	2,635,747	8,875,620	184,437	6,836,829	35,285,696
Investment	6,172,000	2,549,230	3,090,034	10,798,265	18,285,331	337,030	41,231,890
Loans, net	18,513,077	20,548,048	38,917,974	46,932,699	15,367,868	474,306	140,753,972
Financial assets designated at fair value through profit or loss	–	–	–	–	–	768,801	768,801
Premiums and other policies receivable	874,575	24,364	9,056	5,129	–	–	913,124
Accounts receivable from reinsurers and coinsurers	1,056	283,959	816,834	3,576	1,249	–	1,106,674
Other assets (*)	74,712	–	–	–	–	2,531,629	2,606,341
Total assets	41,048,639	24,745,445	45,469,645	66,615,289	33,838,885	10,948,595	222,666,498
Liabilities							
Deposits and obligations	36,293,889	13,244,363	24,789,328	61,459,266	8,201,016	3,032,925	147,020,787
Payables from repurchase agreements and securities lending	2,919,374	2,193,016	5,582,701	7,368,172	3,160,922	679,951	21,904,136
Accounts payable to reinsurers and coinsurers	89,444	259,463	50,083	21,104	–	–	420,094
Technical reserves for claims and insurance premiums	307,871	830,562	1,384,568	3,203,832	5,923,438	340,688	11,990,959
Financial liabilities at fair value through profit or loss	–	–	–	–	–	191,010	191,010
Bonds and Notes issued	48,301	73,546	3,186,038	13,330,687	357,352	11,270	17,007,194
Other liabilities (*)	552,438	74,149	2,916	–	–	4,160,258	4,789,761
Equity	–	–	–	–	–	29,579,709	29,579,709
Total liabilities and equity	40,211,317	16,675,099	34,995,634	85,383,061	17,642,728	37,995,811	232,903,650
Off-balance-sheet accounts							
Derivative financial assets	171,485	830,415	450,835	931,208	–	–	2,383,943
Derivative financial liabilities	149,938	46,232	165,610	1,844,839	95,350	–	2,301,969
	21,547	784,183	285,225	(913,631)	(95,350)	–	81,974
Marginal gap	858,869	8,854,529	10,759,236	(19,681,403)	16,100,807	(27,047,216)	(10,155,178)
Accumulated gap	858,869	9,713,398	20,472,634	791,231	16,892,038	(10,155,178)	–

(*) Other assets and other liabilities only include financial accounts.

Investments for trading purposes are not considered (investments at fair value through profit or loss and trading derivatives), because these instruments are part of the trading book and the Value at Risk methodology is used to measure market risks.

Sensitivity to changes in interest rates -

The sensitivity analysis of a reasonable possible change in interest rates on the banking book comprises an assessment of the sensitivity of the financial margins that seeks to measure the potential changes in the interest accruals over a period of time and the expected movement of the interest rate curves, as well as the sensibility of the net economic value, which is a long-term metric measured as the difference arising between the Net Economic Value of assets and liabilities before and after a variation in interest rates.

The sensitivity of the financial margin is the effect of the assumed changes in interest rates on the net financial interest income before income tax and non-controlling interest for one year, based on non-trading financial assets and financial liabilities held as of March 31, 2023 and December 31, 2022, including the effect of derivative instruments.

The sensitivity of the Net Economic Value is calculated by reassessing the financial assets and liabilities sensitive to rates, except for the trading instruments, including the effect of any associated hedge, and derivative instruments designated as a cash flow hedge. Regarding rate risk management, no distinction is made by accounting category for the investments that are considered in these calculations.

The results of the sensitivity analysis regarding changes in interest rates at March 31, 2023 and December 31, 2022 are presented below:

As of March 31, 2023

Currency	**Changes in basis points**		**Sensitivity of net profit**		**Sensitivity of Net Economic Value**	
			S/(000)		**S/(000)**	
Soles	+/-	50	+/-	40,108	-/+	196,331
Soles	+/-	75	+/-	60,162	-/+	294,496
Soles	+/-	100	+/-	80,216	-/+	392,662
Soles	+/-	150	+/-	120,324	-/+	588,992
U.S. Dollar	+/-	50	+/-	127,092	+/-	389,743
U.S. Dollar	+/-	75	+/-	190,638	+/-	584,615
U.S. Dollar	+/-	100	+/-	254,184	+/-	779,486
U.S. Dollar	+/-	150	+/-	381,276	+/-	1,169,230

As of December 31, 2022

Currency	**Changes in basis points**		**Sensitivity of net profit**		**Sensitivity of Net Economic Value**	
			S/(000)		**S/(000)**	
Soles	+/-	50	+/-	45,487	-/+	340,772
Soles	+/-	75	+/-	68,231	-/+	511,158
Soles	+/-	100	+/-	90,975	-/+	681,544
Soles	+/-	150	+/-	136,462	-/+	1,022,316
U.S. Dollar	+/-	50	+/-	115,376	+/-	413,488
U.S. Dollar	+/-	75	+/-	173,064	+/-	620,232
U.S. Dollar	+/-	100	+/-	230,752	+/-	826,976
U.S. Dollar	+/-	150	+/-	346,128	+/-	1,240,463

The interest rate sensitivities set out in the table above are only illustrative and are based on simplified scenarios. The figures represent the effect of the pro-forma movements in the net interest income based on the projected yield curve scenarios and the Group's current interest rate risk profile. This effect, however, does not incorporate actions that would be taken by Management to mitigate the impact of this interest rate risk.

The Group seeks proactively to change the interest rate risk profile to minimize losses and optimize net revenues. The projections above also assume that the interest rate of all maturities moves by the same amount and, therefore, do not reflect the potential impact on net interest income of some rates changing while others remain unchanged.

As of March 31, 2023, and December 31, 2022, investments in equity securities and funds that are non-trading, recorded at fair value through other comprehensive income and at fair value through profit or loss, respectively, are not considered as comprising investment securities for interest rate sensitivity calculation purposes; however, a 10, 25 and 30 percent of changes in market prices is conducted to these price-sensitivity securities.

The market price sensitivity tests as of March 31, 2023, and December 31, 2022 are presented below:

Equity securities

Measured at fair value through other comprehensive income	**Change in market prices**	**2023**	**2022**
	%	**S/(000)**	**S/(000)**
Equity securities	+/-10	35,147	32,649
Equity securities	+/-25	87,867	81,621
Equity securities	+/-30	105,440	97,946

Funds

Measured at fair value through profit or loss	**Change in market prices**	**2023**	**2022**
	%	**S/(000)**	**S/(000)**
Participation in mutual funds	+/-10	153,936	157,932
Participation in mutual funds	+/-25	384,839	394,831
Participation in mutual funds	+/-30	461,807	473,797
Restricted mutual funds	+/-10	31,102	35,132
Restricted mutual funds	+/-25	77,755	87,829
Restricted mutual funds	+/-30	93,306	105,395
Participation in RAL funds	+/-10	24,182	16,778
Participation in RAL funds	+/-25	60,454	41,945
Participation in RAL funds	+/-30	72,545	50,334
Investment funds	+/-10	94,290	86,053
Investment funds	+/-25	235,724	215,133
Investment funds	+/-30	282,869	258,160
Hedge funds	+/-10	29	28
Hedge funds	+/-25	71	70
Hedge funds	+/-30	86	84
Exchange Trade Funds	+/-10	2,189	2,504
Exchange Trade Funds	+/-25	5,472	6,261
Exchange Trade Funds	+/-30	6,567	7,513

(ii) Foreign currency exchange risk -

The Group is exposed to fluctuations in foreign currency exchange rates, which impact net open monetary positions and equity positions in a different currency than the group's functional currency.

The group's monetary position is made up of the net open position of monetary assets, monetary liabilities and off-balance sheet items expressed in foreign currency for which the entity itself assumes the risk; as well as the equity position generated by the investment in the group's subsidiaries whose functional currency is different from soles. In the first case, any appreciation/depreciation of the foreign currency would affect the consolidated income statement, on the contrary, in the case of the equity position, any appreciation/depreciation of the foreign currency will be recognized in other comprehensive income.

The Group manages foreign currency exchange risk, which affects the income statement, by monitoring and controlling currency positions exposed to movements in exchange rates. The market risk units of each subsidiary establish limits for said positions, which are approved by their own committees, and monitor and follow up the limits considering their foreign exchange trading positions, their most structural foreign exchange positions, as well as their sensitivities. Additionally, there is a monetary position limit at the Credicorp level, which is monitored and reported to the Group's Risk Committee.

On the other hand, the Group manages foreign currency exchange risk whose fluctuation is recognized in other comprehensive income, monitoring and controlling equity positions and their sensitivities, which are reported to the Group's Risk Committee.

Net foreign exchange gains/losses recognized in the consolidated statement of income are disclosed in the following items:

- Net gain on foreign exchange transactions
- Net gain on speculative derivatives
- Net gain from exchange difference

As of March 31, 2023, the foreign currency in which the group has the greatest exposure is the U.S. Dollar. The free-market exchange rate for purchase and sale transactions of each U.S. Dollar as of March 31, 2022 was S/3.762 (S/3.814 as of December 31, 2022).

Foreign currency transactions are made at the free market exchange rates of the countries where Credicorp's Subsidiaries are established. As of March 31, 2023 and December 31, 2022, the Group's assets and liabilities by currencies were as follows:

	As of March 31, 2023			As of December 31, 2022		
	U.S. Dollar	Other currencies	Total	U.S. Dollar	Other currencies	Total
	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)
Total monetary assets	78,976,200	116,913	79,093,113	77,853,626	364,108	78,217,734
Total monetary liabilities	(78,393,400)	9,429	(78,383,971)	(79,016,765)	(217,568)	(79,234,333)
	582,800	126,342	709,142	(1,163,139)	146,540	(1,016,599)
Currency derivatives	(996,816)	(81,395)	(1,078,211)	353,166	(127,382)	225,784
Accounting hedge (investment abroad) (*)	860,851	–	860,851	872,750	–	872,750
Net monetary position with effect on consolidated statement of income	446,835	44,947	491,782	62,777	19,158	81,935
Net monetary position with effect on equity	813,590	1,818,904	2,632,494	785,030	1,872,697	2,657,727
Net monetary position	**1,260,425**	**1,863,851**	**3,124,276**	**847,807**	**1,891,855**	**2,739,662**

The monetary position with effect on equity in other currencies is mainly made up of the equity of subsidiaries in bolivianos for S/798.3 million, in Colombian pesos for S/628.8 million and, in Chilean pesos for S/391.8 million, among other minors.

(*) An accounting hedge of net investment abroad was carried out where part of our liability position in Dollars related to the balance of the caption "bonds and notes issued", see Note 15, was designated as cover our permanent investment in Atlantic Security Holding

The following tables show the sensitivity analysis of the main currencies to which the Group is exposed, and which affect the consolidated income statement and other comprehensive income as of March 31, 2023, and December 31, 2022.

The analysis determines the effect of a reasonably possible variation of the exchange rate against the sun for each of the currencies independently, considering all other variables constant. A negative amount shows a potential net reduction in the consolidated income statement and other comprehensive income, while a positive amount reflects a potential increase.

Sensitivity analysis of the foreign exchange position with effect in the consolidated income statement is shown below:

Currency rate sensitivity	**Change in currency rates**	**As of March 31, 2023**	**As of December 31, 2022**
	%	**S/000**	**S/000**
Depreciation -			
Sol in relation to U.S Dollar	5	21,278	2,989
Sol in relation to U.S Dollar	10	40,621	5,707
Appreciation -			
Sol in relation to U.S Dollar	5	(23,518)	(3,304)
Sol in relation to U.S Dollar	10	(49,648)	(6,975)

The following is the sensitivity analysis of the foreign exchange position with effect in other comprehensive income, being the main currencies of exposure: U.S. Dollar, Boliviano, Colombian Peso and Chilean Peso. This analysis is shown as of March 31, 2023, and December 31, 2022:

Currency rate sensitivity	**Change in currency rates**	**As of March 31, 2023**	**As of December 31, 2022**
	%	**S/000**	**S/000**
Depreciation -			
Sol in relation to U.S Dollar	5	38,742	37,382
Sol in relation to U.S Dollar	10	73,963	71,366
Appreciation -			
Sol in relation to U.S Dollar	5	(42,821)	(41,317)
Sol in relation to U.S Dollar	10	(90,399)	(87,226)
Depreciation -			
Sol in relation to Boliviano	5	46,031	44,220
Sol in relation to Boliviano	10	87,877	84,421
Appreciation -			
Sol in relation to Boliviano	5	(50,876)	(48,875)
Sol in relation to Boliviano	10	(107,405)	(103,181)
Depreciation -			
Sol in relation to Colombian peso	5	29,944	26,984
Sol in relation to Colombian peso	10	57,166	51,515

Currency rate sensitivity	Change in currency rates	As of March 31, 2023	As of December 31, 2022
	%	S/000	S/000
Appreciation -			
Sol in relation to Colombian peso	5	(33,096)	(29,825)
Sol in relation to Colombian peso	10	(69,869)	(62,963)
Depreciation -			
Sol in relation to Chilean peso	5	16,411	14,494
Sol in relation to Chilean peso	10	31,329	27,671
Appreciation			
Sol in relation to Chilean peso	5	(18,138)	(16,020)
Sol in relation to Chilean peso	10	(38,291)	(33,820)

31.3 Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its short-term payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn. In this sense, the company that is facing a liquidity crisis would be failing to comply with the obligations to pay depositors and with commitments to lend or satisfy other operational cash needs.

The Group is exposed to daily cash requirements, interbank deposits, current accounts, time deposits, use of loans, guarantees and other requirements. The Management of the Group's subsidiaries establishes limits for the minimum funds amount available to cover such cash withdrawals and on the minimum level of inter-bank and other borrowing facilities that should be in place to cover withdrawals at unexpected levels of demand. Sources of liquidity are regularly reviewed by the corresponding risk teams to maintain a wide diversification by currency, geography, type of funding, provider, producer and term.

The procedure to control the mismatching of the maturities and interest rates of assets and liabilities is fundamental to the management of the Group. It is unusual for banks to be completely matched, as transacted business is often based on uncertain terms and of different types. An unmatched position potentially enhances profitability, but also increases liquidity risk, which generates exposure to potential losses.

Maturities of assets and liabilities and the ability to replace them, at an acceptable cost are important factors in assessing the liquidity of the Group.

A mismatch, in maturity of long-term illiquid assets against short-term liabilities, exposes the interim condensed consolidated statement of financial position to risks related both to rollover and to interest rates. If liquid assets do not cover maturing debts, an interim condensed consolidated statement of financial position is vulnerable to a rollover risk. Furthermore, a sharp increase in interest rates can dramatically increase the cost of rolling over short-term liabilities, leading to a rapid increase in debt cost. The contractual-maturity gap report is useful in showing liquidity characteristics.

Corporate policies have been implemented for liquidity risk management by the Group. These policies are consistent with the particular characteristics of each operating segment in which each of the Group companies operate. Risk Management heads set up limits and autonomy models to determine the adequate liquidity indicators to be managed.

Commercial banking and Microfinance:

Liquidity risk exposure in BCP, BCB, MiBanco and MiBanco Colombia is based on indicators such as the Internal Liquidity Coverage Ratio (RCLI, the Spanish acronym) which measures the amount of liquid assets available to meet cash outflows needs within a given stress scenario for a period of 30 days and the Internal Ratio of Stable Net Funding (RFNEI, the Spanish acronym), which is intended to guarantee that long-term assets are financed at least with a minimum number of stable liabilities within a prolonged liquidity crisis scenario and works as a minimum compliance mechanism that supplements the RCLI. The core limits of these indicators are 100 percent and any excess are presented in the Credicorp Treasury Risk Committee, Credicorp Risk Committee and the Assets Liabilities Committee (ALCO) of the respective subsidiary.

Insurances and Pensions:

Insurances**:** Liquidity risk management in Pacífico Seguros follows a particular approach given the nature of the business. For annually renewable businesses, mainly general insurance, the emphasis of liquidity is focused on the quick availability of resources in the event of a systemic event (e.g. earthquake); for this purpose, there are minimum investment indicators in place relating to local cash/time deposits and foreign fixed-income instruments of high quality and liquidity.

For long-term businesses such as Pacífico Seguros, given the nature of the products offered and the contractual relationship with customers (the liquidity risk is not material); the emphasis is on maintaining sufficient flow of assets and matching their maturities with maturities of obligations; for this purpose there are indicators that measure the asset/liability sufficiency and adequacy as well as calculations or economic capital subject to interest rate risk, this last under the methodology of Credicorp.

Pensions**:** Liquidity risk management in AFP Prima is carried out in a differentiated manner between the fund administrator and the funds being managed. Liquidity management regarding the fund administrator is focused on hedge meeting periodic operating expense needs, which are supported with the collection of commissions. The fund administering entity does not record unexpected outflows of liquidity.

Investment banking:

Liquidity risk in Credicorp Capital Ltd and Subsidiaries principally affects the security brokerage. In managing this risk, limits of use of liquidity have been established as well as mismatching by dealing desk; follow-up on liquidity is performed on a daily basis for a short-term horizon covering the coming settlements. If short-term unmatched maturities are identified, repos are used. On the other hand, structural liquidity risk of Credicorp Capital is not significant given the low levels of debt, which is monitored regularly using financial planning tools.

In the case of ASB Bank Corp, the risk liquidity management performs through indicators such as Internal Liquidity Coverage Ratio (RCLI, the Spanish acronym) and the Internal Ratio of Stable Net Funding (RFNEI, the Spanish acronym) with the core limits of 100 percent and any excess is presented in the Credicorp Treasury Risk Committee, Credicorp Risk Committee and the Assets Liabilities Committee (ALCO) of the respective subsidiary.

Companies perform a liquidity risk management using the liquidity Gap or contractual maturity Gap.

The table below presents the cash flows payable by the Group by remaining contractual maturities (including future interest payments) at the date of the interim condensed consolidated statement of financial position. The amounts disclosed in the table are the contractual undiscounted cash flows:

	As of March 31, 2023						As of December 31, 2022					
	Up to a month	From 1 to 3 months	From 3 to 12 months	From 1 to 5 years	Over 5 Year	Total	Up to a month	From 1 to 3 months	From 3 to 12 months	From 1 to 5 years	Over 5 Year	Total
	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/000	S/000
Financial assets	45,794,441	26,499,369	57,756,071	88,380,072	46,843,264	265,273,217	52,536,473	29,896,708	56,269,244	81,866,805	45,786,353	266,355,583
Financial liabilities by type -												
Deposits and obligations	39,852,244	17,633,037	29,589,023	56,879,748	8,571,021	152,525,073	37,822,104	13,802,039	25,833,124	64,047,112	8,546,334	150,050,713
Payables from reverse purchase agreements and security lendings and due to banks and correspondents	2,279,378	3,345,883	6,604,962	8,715,903	3,848,212	24,794,338	4,359,993	2,368,114	6,525,912	7,913,422	10,387,277	31,554,718
Accounts payable to reinsurers	28,589	57,178	257,300	–	–	343,067	89,444	259,463	50,083	21,104	–	420,094
Financial liabilities designated at fair value through profit or loss	417,146	–	–	–	–	417,146	–	–	–	–	–	–
Bonds and notes issued	48,979	26,672	964,937	12,884,495	234,537	14,159,620	217,504	171,471	3,357,173	13,402,553	374,935	17,523,636
Lease liabilities	31,850	34,506	94,057	307,312	123,552	591,277	32,390	35,637	105,931	314,714	129,445	618,117
Other liabilities	5,145,103	570,624	285,142	3,773	643,654	6,648,296	3,951,313	220,760	253,965	7,783	1,676,819	6,110,640
Total liabilities	47,803,289	21,667,900	37,795,421	78,791,231	13,420,976	199,478,817	46,663,758	16,857,484	36,126,188	85,706,688	21,114,810	206,468,928
Derivative financial liabilities -												
Contractual amounts receivable (Inflows)	295,656	1,007,907	1,644,158	1,086,802	397,549	4,432,072	1,451,819	1,931,304	972,276	876,270	384,857	5,616,526
Contractual amounts payable (outflows)	308,204	1,014,971	1,643,609	1,086,682	351,356	4,404,822	1,454,360	1,932,240	977,394	840,215	334,500	5,538,709
Total liabilities	(12,548)	(7,064)	549	120	46,193	27,250	(2,541)	(936)	(5,118)	36,055	50,357	77,817

31.4 Operational risk -

Operational risk is the possibility of the occurrence of losses arising from inadequate processes, human error, failure of information technology, relations with third parties or external events. Operational risks can, lead to financial losses and have legal or regulatory compliance consequences, but exclude strategic or reputational risk (except for the companies under Colombian regulations, where reputational risk is included in operational risk).

Operational risks are grouped into internal fraud, external fraud, labor relations and job security, relations with customers, business products and practices, damages to material assets, business and systems interruption, and failures in process execution, delivery and management of processes.

One of the Group’s pillars is to develop an efficient risk culture, and to achieve this, it records operational risks and their respective process controls. The risk map permits their monitoring, prioritization and proposed treatment according to established governance. Likewise carries out an active cybersecurity and fraud prevention management, aligned with the best international practices.

The business continuity management system enables the establishing, implementing, operating, monitoring, reviewing, maintaining and improving of business continuity based on best practices and regulatory requirements. The Group implements recovery strategies for the resources that support important products and services of the organization, which will be periodically tested to measure the effectiveness of the strategy.

In the management of operational risk, cybersecurity, fraud prevention and business continuity, corporate guidelines are used, and methodologies and best practices are shared among the Group's companies.

The management of information security is carried out through a systemic process, documented and known by the entire organization under the best practices and regulatory requirements. The Group designs and develops the guidelines described in the policy and procedures to have strategies for availability, privacy and integrity of the information assets of the organization.

Finally, it is incorporated as a mechanism of recovery in front of the materialization of operational risks, the management of the Transfer of Non-Financial Risks, mainly through Insurance Policies contracted individually or corporately in the local and international market, which cover losses due to fraud, civil and professional liability, cyber risks, damage to physical assets, among others. The insurance design is in accordance with the Group's main operating risks, the coverage needs of key areas and the organization's risk appetite, constantly seeking efficiencies in the cost of policies, working together with the insurers that make up the Group and the most important insurance/reinsurance brokers in the international market.

31.5 Cybersecurity –

Credicorp focuses its efforts on the most cost-efficient strategies to reduce exposure to cybersecurity risk; thereby complying with the Group's risk appetite. To achieve this, different levels of controls are applied adapted to the different areas and companies potentially exposed. For this reason, it maintains an important investment program, which allows it to have the technologies and processes necessary to keep the Group's operations and assets safe.

As part of cybersecurity management, the Group has lines of action that allow this risk to be mitigated and that, at the corporate level, implementation and improvement priorities have been established according to the different realities of the companies. These lines of work include the Cybersecurity Strategy, which is constantly reviewed considering the global scenario, standards, frameworks and regulations, in order to guarantee business continuity, resilience and data privacy, as well as the adoption of security and cybersecurity frameworks that allow cybersecurity controls to be adapted for each of the Group companies, adequate management and remediation of vulnerabilities on time.

There is an awareness program focused in constant training for employees to generate a culture of cybersecurity awareness in all Group companies and cybersecurity indicators, which ensure alignment between operations and the business strategy of group companies.

The Government of Third Parties, which includes suppliers, consumers, strategic allies and clients, allows us to ensure adherence and compliance with Group policies, as well as the implementation of security technologies, to comprehensively ensure all business processes.

Finally, information security management of information assets is carried out through a systemic process, documented and known by the entire organization under the best practices and regulatory requirements. Guidelines are designed and developed based on the policies and procedures to have availability, privacy and integrity strategies.

31.6 Corporate Security and Cybercrime –

As part of the management of Non-Financial Risks, the Corporate Security & Cybercrime Operations Center's function is to detect and respond to incidents of fraud, cyber crime and physical security.

These tasks are carried out by teams specialized in transactional monitoring, investigations, "cybercrime", electronic security, disaster risk management and strategic intelligence activities, including social conflicts, which allow safeguarding the safety of workers, clients, suppliers and company assets.

To this end, the designed strategy includes the use of state-of-the-art technological tools in the monitoring platform, digital video surveillance and advanced risk profile analysis models, among other fronts. Likewise, there is highly specialized and trained talent on these fronts that allows the proper use of artificial intelligence, electronics, advanced analytics and "cyber forensic" achieving high efficiency standards.

Finally, The Group contributes to the security of the Financial System through union activities that it develops at the local level in the Association of Banks of Peru (ASBANC) and at the Latin American level in the Committee of Security Experts of the Latin American Federation of Banks (FELABAN).

31.7 Model Risk –

The Group uses models for different purposes such as credit admission, capital calculation, behavior, provisions, market risk, liquidity, among others.

Model risk is defined as the probability of loss resulting from decisions (credit, market, among others) based on the use of poorly designed and/or poorly implemented models. The sources that generate this risk are mainly: deficiencies in data, errors in the model (from design to implementation), use of the model.

The management of model risk is proportional to the importance of each model. In this sense, a concept of “tiering” (measurement system that orders the models depending to the importance according to the impact on the business) is defined as the main attribute to synthesize the level of importance or relevance of a model, from which is determined the intensity of the model risk management processes to be followed.

Model risk management is structured around a set of processes known as the life cycle of the model. The definition of phases of the life cycle of the model in the Group is detailed below: Identification, Planning, Development, Internal Validation, Approval, Implementation and use, and Monitoring and control.

31.8 Risk of the insurance activity -

The main risk the Group faces under insurance contracts is that the real cost of claims and payments or the timing of them, differ from expectations. This is influenced by the frequency of claims, the severity of the claims, the real benefits paid and the subsequent development of long-term claims. Therefore, the Group's objective is to ensure that sufficient reserves are available to cover these liabilities.

The aforementioned risk exposure is mitigated by diversification across a large portfolio of insurance contracts and by having different lines of business. Risks are also mitigated by a careful selection and implementation of strategic underwriting guidelines, as well as the use of reinsurance agreements. The Group’s placement of reinsurance is diversified so that it is neither dependent on a single reinsurer nor are the operations of the Group substantially dependent upon any single reinsurance contract.

Life insurance contracts -

The main risks that the Group is exposed to are mortality, morbidity, longevity, investment yield and flow, losses arising from policies due to the expense incurred being different than expected, and the policyholder decision; all of which, do not vary significantly in relation to the location of the risk insured by the Group, type of risk insured or industry.

The Group’s underwriting strategy is designed to ensure that risks are well diversified in terms of type of risk and level of insured benefits. This is achieved through diversification across insurable risks, the use of medical screening in order to ensure that pricing takes account of current health conditions and family medical history, regular review of actual claims experience and product pricing, as well as detailed claims handling procedures. Underwriting limits are in place to enforce appropriate risk selection criteria. For example, the Group has the right not to renew individual policies, it can impose deductibles and it has the right to reject the payment of fraudulent claims.

For contracts when death or disability is the insured risk, the significant factors that could increase the overall frequency of claims are epidemics, widespread changes in lifestyle and natural disasters, resulting in more claims than expected.

For retirement, survival and disability annuities contracts, the most significant factor is continuing improvement in medical science and social conditions that increase longevity.

Non-life insurance contracts (general insurance and healthcare) –

The Group mainly issues the following types of non-life general insurance contracts: automobile, technical branches, business and healthcare insurances. Healthcare contracts provide medical expense cover to policyholders. Risks under non-life insurance policies usually cover 12 months.

For general insurance contracts the most significant risks arise from climate changes, natural disasters and other type of damages. For healthcare contracts the most significant risks arise from lifestyle changes, epidemics and medical science and technology improvements.

Most of these risks do not vary significantly in relation to the location of the risk insured by the Group, type of risk insured or industry.

The above risk exposures are mitigated by diversification across a large portfolio of insurance contracts and by having different lines of business. The sensitivity of risk is improved by careful selection and implementation of underwriting strategies of insurance contracts, which are designed to ensure that risks are diversified in terms of type of risks and level of insured benefits. This is achieved, in various cases, through diversification across industry sectors and geographic location.

Furthermore, strict claim review policies to assess all new and ongoing claims and in process of settlement, regular detailed review of claims handling procedures and frequent investigation of possible fraudulent claims are all policies and procedures put in place to reduce the Group’s risk exposure. Insurance contracts also entitle the Group to pursue third parties for payment of some or all costs. Also, the Group actively manages and promptly pursues claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the Group.

The Group has also limited its exposure by imposing maximum claim amounts on certain contracts as well as the use of reinsurance arrangements in order to limit its exposure to catastrophic events.

In the Medical Assistance branch, the reserves (Liability for Incurred Claims-LIC and Liability for Remaining Coverage-LRC) are being continuously monitored and have been estimated with prudent criteria due to the variability and uncertainty of the frequency and cost of the cases and due to the longest delay in reporting claims by health centers.

Claims development table:

The following table show the estimates of cumulative incurred claims:

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
	S/(000)	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**
Gross estimates of the undiscounted amount of the claims:											
At the end of the claim year	795,361	570,487	608,450	652,730	670,356	877,744	1,230,402	1,695,505	1,095,538	305,097	8,501,670
1 year later	–	3,073	2,668	1,196	3,213	11,151	65,456	175,465	149,297	55,400	466,919
2 years later	–	–	3,372	3,211	1,283	3,068	29,058	104,625	75,972	13,149	233,738
3 years later	–	–	–	4,224	2,748	1,517	4,957	46,493	41,664	7,706	109,309
4 years later	–	–	–	–	3,000	2,718	2,730	9,604	18,189	4,577	40,818
5 years later	–	–	–	–	–	3,484	4,495	3,664	4,783	4,846	21,272
6 years later	–	–	–	–	–	–	6,059	6,524	1,018	1,048	14,649
7 years later	–	–	–	–	–	–	–	8,628	2,769	3,407	14,804
8 years later	–	–	–	–	–	–	–	–	3,853	4,906	8,759
9 years later	–	–	–	–	–	–	–	–	–	356	356
Accumulated gross claims and other directly attributable expenses paid for the year of occurrence.	**795,361**	**573,560**	**614,490**	**661,361**	**680,600**	**899,682**	**1,343,157**	**2,050,508**	**1,393,083**	**400,492**	**9,412,294**
Liabilities / Gross Obligations accumulated by claims	6,473	5,355	9,387	12,977	18,966	47,038	223,909	602,722	603,816	288,403	1,819,046
Discount event	(905)	(749)	(1,243)	(1,334)	(2,086)	(4,980)	(19,195)	(51,160)	(50,310)	(15,647)	(147,609)
Effect of Risk Adjustment for non-financial risk	–	–	–	–	–	–	–	–	–	21,017	21,017
Gross LIC of the Temporary Regime and Definitive Regime	–	–	–	–	–	–	–	–	–	41,711	41,711
Gross provision for incurred claims.	**5,568**	**4,606**	**8,144**	**11,643**	**16,880**	**42,058**	**204,714**	**551,562**	**553,506**	**335,484**	**1,734,165**

31.9 Capital management -

The Group maintains an actively managed capital base to cover risks inherent in its business. The adequacy of the Group's capital is monitored using, among other measures, the rules and ratios established by the SBS, the supervising authority of its major subsidiaries and for consolidation purposes. Furthermore, capital management responds to market expectations in relation to the solvency of the Group and to support the growth of the businesses considered in the strategic planning. In this way, the capital maintained by the Group enables it to assume unexpected losses in normal conditions and conditions of severe stress.

The Group's objectives when managing capital are: (i) to comply with the capital requirements set by the regulators of the markets where the entities within the Group operate; (ii) to safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and (iii) to maintain a strong capital base to support the development of its business, in line with the limits and tolerances established in the declaration of Risk Appetite.

As of March 31, 2023, and December 31, 2022, the regulatory capital for the Subsidiaries engaged in financial and insurance activities amounted to approximately S/ 30,818.1 million and S/31,754.6 million, respectively. The regulatory capital has been determined in accordance with SBS regulations in force as of said dates. Under the SBS regulations, the Group's regulatory capital exceeds by approximately S/8,915.6 million the minimum regulatory capital required as of March 31, 2023 (approximately S/8,157.0 million as of December 31, 2022).

31.10 Fair values –

a) Financial instruments recorded at fair value and fair value hierarchy –

The following table analyses financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognized in the interim condensed consolidated statement of financial position:

		As of March 31, 2023				As of December 31, 2022			
	Note	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
		S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)
Financial assets									
Derivative financial instruments:									
Currency swaps		−	330,360	−	330,360	−	410,439	−	410,439
Interest rate swaps		−	412,052	−	412,052	−	467,140	−	467,140
Foreign currency forwards		−	683,128	−	683,128	−	500,348	−	500,348
Cross currency swaps		−	86,078	−	86,078	−	98,656	−	98,656
Foreign exchange options		−	964	−	964	−	1,349	−	1,349
Futures		−	780	−	780	−	794	−	794
	12(d)	−	1,513,362	−	1,513,362	−	1,478,726	−	1,478,726
Investments at fair value through profit of loss	6(a)	2,385,556	568,428	1,126,282	4,080,266	2,619,090	608,714	971,530	4,199,334
Financial assets at fair value through profit of loss		787,647	7,578	−	795,225	768,187	614	−	768,801
Investments at fair value through other comprehensive income:									
Debt Instruments									
Corporate bonds		6,256,948	6,532,102	−	12,789,050	6,103,452	6,874,613	−	12,978,065
Government treasury bonds		8,014,206	818,205	−	8,832,411	7,917,699	768,441	−	8,686,140
Certificates of deposit BCRP		−	9,685,753	−	9,685,753	−	7,019,479	−	7,019,479
Negotiable certificates of deposit		−	523,164	−	523,164	−	607,218	−	607,218
Securitization instruments		24,272	697,162	−	721,434	−	673,836	−	673,836
Subordinated bonds		165,265	180,803	−	346,068	176,712	186,714	−	363,426
Other instruments		−	146,641	−	146,641	−	121,642	−	121,642
Equity instruments		154,576	179,530	17,360	351,466	159,240	160,738	16,377	336,355
	6(b)	14,615,267	18,763,360	17,360	33,395,987	14,357,103	16,412,681	16,377	30,786,161
Total financial assets		17,788,470	20,852,728	1,143,642	39,784,840	17,744,380	18,500,735	987,907	37,233,022
Financial liabilities									
Derivatives financial instruments:									
Currency swaps		−	793,088	−	793,088	−	749,420	−	749,420
Foreign currency forwards		−	318,205	−	318,205	−	288,857	−	288,857
Interest rate swaps		−	252,172	−	252,172	−	278,385	−	278,385
Cross currency swaps		−	33,842	−	33,842	−	24,385	−	24,385
Foreign exchange options		−	4,640	−	4,640	−	3,168	−	3,168
Futures		−	1,427	−	1,427	−	1,450	−	1,450
	12(d)	−	1,403,374	−	1,403,374	−	1,345,665	−	1,345,665
Financial liabilities at fair value through profit or loss		−	417,146	−	417,146	−	191,010	−	191,010
Total financial liabilities		−	1,820,520	−	1,820,520	−	1,536,675	−	1,536,675

Financial instruments included in the Level 1 category are those that are measured based on of quotations obtained in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Financial instruments included in the Level 2 category are those that are measured based on observable market factors. This category includes instruments valued using quoted prices for similar instruments, either in active or less active markets and other valuation techniques (models) where all significant inputs are directly or indirectly observable based on market data.

Following is a description of how fair value is determined for the main Group's financial instruments where valuation techniques were used with inputs based on market data which incorporate Credicorp's estimates on the assumptions that market participants would use for measuring these financial instruments:

- Valuation of derivative financial instruments -

  Interest rate swaps, currency swaps and forward exchange contracts are measured by using valuation techniques where inputs are based on market data. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs, including the credit quality of counterparties, spot exchange rates, forward rates and interest rate curves. Options are valued using well-known, widely accepted valuation models.

  A credit valuation adjustment (CVA) is applied to the "Over-The-Counter" derivative exposures to take into account the counterparty's risk of default when measuring the fair value of the derivative. CVA is the mark-to market cost of protection required to hedge credit risk from counterparties in this type of derivatives portfolio. CVA is calculated by multiplying the probability of default (PD), the loss given default (LGD) and the expected exposure (EE) at the time of default.

  A debit valuation adjustment (DVA) is applied to include the Group's own credit risk in the fair value of derivatives (that is the risk that the Group might default on its contractual obligations), using the same methodology as for CVA.

  As of March 31, 2023, the balance of receivables and payables corresponding to derivatives amounted to S/1,513.4 million and S/1,403.4 million respectively, See Note 12(d), generating DVA and CVA immaterial adjustments that have not changed significantly compared to the period 2022. As of December 31, 2022, the balance of receivables and payables corresponding to derivatives amounted to S/1,478.7 million and S/1,345.7 million, respectively, See Note 12(d), generating DVA and CVA adjustments for approximately S/7.5 million and S/11.2 million, respectively. Also, the net impact of both items in the consolidated statement of income amounted to S/6.0 million.

- Valuation of debt securities classified in the category "at fair value through other comprehensive income" and included in level 2 -

  Valuation of certificates of deposit BCRP, corporate, leasing, subordinated bonds and Government treasury bonds are measured calculating their Net Present Values (NPV) through discounted cash flows, using appropriate and relevant zero coupon rate curves to discount cash flows in the respective currency and considering observable current market transactions.

  Certificates of deposit BCRP (CD BCRP) are securities issued at a discount in order to regulate the liquidity of the financial system. They are placed mainly through public auction or direct placement, are freely negotiable by their holders in the Peruvian secondary market and may be used as collateral in Repurchase Agreement Transactions of Securities with the BCRP.

Other debt instruments are measured using valuation techniques based on assumptions supported by prices from observable current market transactions, obtained via pricing services. Nevertheless, when prices have not been determined in an active market, fair values are based on broker quotes and assets that are valued using models whereby most of assumptions are market observable.

- Valuation of financial instruments included in level 3 -

  These are measured using valuation techniques (internal models), based on assumptions that are not supported by transaction prices observable in the market for the same instrument, nor based on available market data.

  In this regard, no significant differences were noted between the estimated fair values and the respective carrying amounts.

  As of March 31, 2023, the net unrealized gain of Level 3 financial instruments amounted to S/1.7 million. As of December 31, 2022, the net unrealized loss is S/0.1 million. At said dates, changes in the carrying amount of Level 3 financial instruments have not been significant since there were no purchases, issuances, settlements or any other significant movements or transfers from level 3 to Level 1 or Level 2 or vice versa.

b) Financial instruments not measured at fair value -

We present below the disclosure of the comparison between the carrying amounts and fair values of the financial instruments, which are not measured at fair value, presented in the interim condensed consolidated statement of financial position by level of the fair value hierarchy:

	As of March 31, 2023					As of December 31, 2022				
	Level 1	Level 2	Level 3	Fair value	Book value	Level 1	Level 2	Level 3	Fair value	Book value
	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)
Assets										
Cash and due from banks	−	35,105,053	−	35,105,053	35,105,053	−	34,183,840	−	34,183,840	34,183,840
Cash collateral, reverse repurchase agreements and securities borrowing	−	1,468,180	−	1,468,180	1,468,180	−	1,101,856	−	1,101,856	1,101,856
Investments at amortized cost	8,679,162	398,001	−	9,077,163	10,253,251	8,849,683	292,335	−	9,142,018	10,445,729
Loans, net	−	137,250,363	−	137,250,363	137,250,363	−	140,753,972	−	140,753,972	140,753,972
Insurance contract assets	−	842,865	−	842,865	842,865	−	921,611	−	921,611	921,611
Due from customers on banker's acceptances	−	496,170	−	496,170	496,170	−	699,678	−	699,678	699,678
Reinsurance contract assets	−	1,128,605	−	1,128,605	1,128,605	−	1,144,204	−	1,144,204	1,144,204
Other assets	−	3,082,084	−	3,082,084	3,082,084	−	1,747,412	−	1,747,412	1,747,412
Total	8,679,162	179,771,321	−	188,450,483	189,626,571	8,849,683	180,844,908	−	189,694,591	190,998,302
Liabilities										
Deposits and obligations	−	148,623,300	−	148,623,300	148,623,300	−	147,020,787	−	147,020,787	147,020,787
Payables on repurchase agreements and securities lending	−	11,686,495	−	11,686,495	11,686,495	−	12,966,725	−	12,966,725	12,966,725
Due to Banks and correspondents and other entities	−	10,151,494	−	10,151,494	10,199,650	−	9,012,529	−	9,012,529	8,937,411
Due from customers on banker's acceptances	−	496,170	−	496,170	496,170	−	699,678	−	699,678	699,678
Reinsurance contract liability	−	343,067	−	343,067	343,067	−	420,094	−	420,094	420,094
Lease liabilities	−	554,907	−	554,907	554,907	−	578,074	−	578,074	578,074
Bond and notes issued	−	13,861,810	−	13,861,810	14,326,930	−	16,610,504	−	16,610,504	17,007,194
Insurance contract liability	−	12,291,538	−	12,291,538	12,291,538	−	11,974,714	−	11,974,714	11,974,714
Other liabilities	−	4,748,752	−	4,748,752	4,748,752	−	4,065,297	−	4,065,297	4,065,297
Total	−	202,757,533	−	202,757,533	203,270,809	−	203,348,402	−	203,348,402	203,669,974

The methodologies and assumptions used by the Group to determine fair values depend on the terms and risk characteristics of the various financial instruments and include the following:

(i) Long-term fixed-rate and variable-rate loans are evaluated by the Group based on parameters such as interest rates, specific country risk factors, and individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the incurred losses of these loans. As of March 31, 2023, and December 31, 2022, the carrying amounts of loans, net of allowances, were not materially different from their calculated fair values.

(ii) Assets for which fair values approximate their carrying value - For financial assets and financial liabilities that are liquid or have a short-term maturity (less than three months) it is assumed that the carrying amounts approximate to their fair values. This three-month is also applied to demand deposits, savings accounts without a specific maturity and variable rate financial instruments.

(iii) Fixed rate financial instruments - The fair value of fixed rate financial assets and liabilities carried at amortized cost are estimated by comparing market interest rates when they were first recognized with current market rates offered for similar financial instruments. The estimated fair value of fixed interest-bearing deposits is based on discounted cash flows using prevailing market interest rates for financial instruments with similar credit risk and maturity. For quoted debt issued the fair values are calculated based on quoted market prices. When quoted market prices are not available, a discounted cash flow model is used based on a current interest rate yield curve appropriate for the remaining term to maturity.

31.11 Fiduciary activities, management of funds and pension funds -

The Group provides custody, trustee, investment management and advisory services to third parties; therefore, the Group makes allocations and purchase and sale decisions in relation to a wide range of financial instruments. Assets that are held in a fiduciary capacity are not included in these interim condensed consolidated financial statements. These services give rise to the risk that the Group will be accused of mismanagement or under-performance.
As of March 31, 2023 and December 31, 2022, the value of the net assets under administration off the balance sheet (in millions of soles) is as follows:

	As of March 31, 2023	**As of December 31, 2022**
Investment funds and mutual funds	69,053	69,264
Equity managed	36,613	35,062
Bank trusts	4,162	4,269
Pension funds	34,849	30,596
Total	144,677	139,191

32 EVENTS OCURRED AFTER THE REPORT PERIOD

From April 1, 2023, until the date of this report, no significant event of a financial-accounting nature has occurred which affects the interpretation of the interim condensed consolidated financial statements, except for the following:

On April 27, 2023, The Board of Directors has approved distributing to shareholders a total effective dividend of S/2,359,557,925 for a total of 94,382,317 shares, which is equivalent to S/25.0000 per share, the which will be paid on June 9, 2023, without withholding taxes at source, to shareholders registered as such on May 19, 2023. The dividend will be paid in US dollars., at the weighted average exchange rate of the professional market registered by the Superintendence of Banking, Insurance and AFP at the close of operations on June 7, 2023. The Dividend figure in dollars will be rounded to four decimal places.

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