

CREDICORP LTD. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF SEPTEMBER 30, 2023, AND DECEMBER 31, 2022, AND
FOR THE THREE AND NINE- MONTH PERIOD ENDED SEPTEMBER 30, 2023, AND 2022

CREDICORP LTD. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023, AND DECEMBER 31, 2022 AND FOR THE THREE AND NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2023 AND 2022.

CONTENT	Pages
Report on review of interim condensed consolidated financial statements	1 - 2
Interim condensed consolidated statement of financial position	3
Interim condensed consolidated statement of income	4 - 5
Interim condensed consolidated statement of comprehensive income	6
Interim condensed consolidated statement of changes in net equity	7
Interim condensed consolidated statement of cash flows	8 - 10
Notes to the interim condensed consolidated financial statements	11 - 131

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

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 September 30, 2023 which comprise the interim condensed consolidated statement of financial position as at September 30, 2023 and the related interim condensed consolidated statements of income, comprehensive income, changes in net equity and cash flows for the three-month period and nine-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".

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Report on review of interim financial information (continued)

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 September 30, 2022 and for the three-month period and nine-month period then ended were reviewed by another auditor whose report dated on November 25, 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
November 29, 2023



Countersigned by: ~ ' .

Victor Tanaka

C.P.C.C. Register No. 25613

Tanaka, Valdivia f. Soc.

CREDICORP LTD. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS OF SEPTEMBER 30, 2023 (UNAUDITED), DECEMBER 31, 2022 (RESTATED UNAUDITED, Note 3(b)) AND JANUARY 31, 2022 (RESTATED UNAUDITED, Note 3(b))

	Note	As of September 30, 2023 S/(000)	As of December 31, 2022 S/(000)	As of January 01, 2022 S/(000)		Note	As of September 30, 2023 S/(000)	As of December 31, 2022 S/(000)	As of January 01, 2022 S/(000)
Assets					Liabilities				
Cash and due from banks:					Deposits and obligations:				
Non-interest-bearing		8,047,624	7,286,624	6,925,332	Non-interest-bearing		40,363,636	43,346,151	51,851,206
Interest-bearing		24,907,836	26,897,216	32,395,408	Interest-bearing		108,107,899	103,674,636	97,745,339
	4	32,955,460	34,183,840	39,320,740		13(a)	148,471,535	147,020,787	149,596,545
Cash collateral, reverse repurchase agreements and securities borrowing	5(a)	1,513,622	1,101,856	1,766,948	Payables from repurchase agreements and securities lending	5(b)	11,738,020	12,966,725	22,013,866
Investments:					Due to banks and correspondents	14(a)	10,493,411	8,937,411	7,212,946
At fair value through profit or loss	6(a)	5,558,973	4,199,334	5,928,538	Due from customers on banker's acceptances		325,771	699,678	532,404
At fair value through other comprehensive income		32,450,096	29,678,061	34,440,091	Lease liabilities	11(b)	514,845	578,074	655,294
At fair value through other comprehensive income pledged as collateral	6(b)	3,025,725	1,108,100	318,352	Financial liabilities at fair value through profit or loss		455,350	191,010	337,909
		35,475,821	30,786,161	34,758,443	Insurance contract liability	8(b)	11,653,015	11,154,008	11,919,749
Amortized cost		4,523,689	6,905,201	4,411,592	Bonds and notes issued	15	14,914,632	17,007,194	17,823,146
Amortized cost pledged as collateral	6(c)	5,558,430	3,540,528	3,853,967	Deferred tax liabilities, net		70,478	75,005	74,167
		10,082,119	10,445,729	8,265,559	Other liabilities	12	7,914,545	7,189,052	6,444,097
Loans, net:	7				Total liabilities		206,551,602	205,818,944	216,610,123
Loans, net of unearned income		145,129,260	148,626,374	147,597,412	Equity, net	16			
Allowance for loan losses		(8,056,216)	(7,872,402)	(8,477,308)	Equity attributable to Credicorp's equity holders:				
		137,073,044	140,753,972	139,120,104	Capital stock		1,318,993	1,318,993	1,318,993
Financial assets designated at fair value through profit or loss		797,545	768,801	987,082	Treasury stock		(208,033)	(207,518)	(207,534)
Reinsurance contract assets	8(a)	803,868	738,095	802,723	Capital surplus		225,338	231,556	228,853
Property, furniture and equipment, net	9	1,263,439	1,281,098	1,308,779	Reserves and others		26,209,636	23,383,454	21,768,421
Due from customers on banker's acceptances		325,771	699,678	532,404	Retained earnings		3,721,658	4,271,246	3,177,206
Intangible assets and goodwill, net	10	3,118,496	2,899,429	2,710,080			31,267,592	28,997,731	26,285,939
Right-of-use assets, net	11(a)	489,511	543,833	586,417	Non-controlling interest		639,464	591,569	540,672
Deferred tax assets, net		1,137,796	1,134,747	1,146,468	Total equity, net		31,907,056	29,589,300	26,826,611
Other assets	12	7,863,193	5,871,671	6,202,449	Total liabilities and net equity		238,458,658	235,408,244	243,436,734
Total assets		238,458,658	235,408,244	243,436,734					

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 AND NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2023 (UNAUDITED) AND 2022
(RESTATED AND UNAUDITED, Note 3(b))

		For the three-month period ended September 30,		For the nine-month period ended September 30,	
		2023	2022	2023	2022
		S/(000)	S/(000)	S/(000)	S/(000)
Interest and similar income	20	4,819,101	3,988,684	13,928,453	10,649,143
Interest and similar expenses	20	(1,565,058)	(1,106,283)	(4,338,165)	(2,697,929)
Net interest, similar income and expenses		<u>3,254,043</u>	<u>2,882,401</u>	<u>9,590,288</u>	<u>7,951,214</u>
Provision for credit losses on loan portfolio	7(c)	(1,008,750)	(545,249)	(2,696,980)	(1,342,966)
Recoveries of written-off loans		<u>91,108</u>	<u>85,273</u>	<u>248,089</u>	<u>262,109</u>
Provision for credit losses on loan portfolio, net of recoveries		<u>(917,642)</u>	<u>(459,976)</u>	<u>(2,448,891)</u>	<u>(1,080,857)</u>
Net interest, similar income and expenses, after provision for credit losses on loan portfolio		<u>2,336,401</u>	<u>2,422,425</u>	<u>7,141,397</u>	<u>6,870,357</u>
Other income					
Commissions and fees	21	975,955	934,984	2,818,286	2,747,562
Net gain on foreign exchange transactions		208,620	262,167	668,079	790,936
Net gain (loss) on securities	22	85,647	346	275,187	(97,467)
Net result on derivatives held for trading		38,545	53,008	48,646	59,330
Net gain (loss) from exchange differences		4,564	(5,917)	30,523	(32,721)
Others	26	<u>89,272</u>	<u>56,664</u>	<u>328,281</u>	<u>270,594</u>
Total other income		<u>1,402,603</u>	<u>1,301,252</u>	<u>4,169,002</u>	<u>3,738,234</u>
Insurance underwriting result					
Insurance Service Result	23	417,014	422,963	1,217,378	1,052,511
Reinsurance Result	23	<u>(86,114)</u>	<u>(119,203)</u>	<u>(293,573)</u>	<u>(347,887)</u>
Total insurance underwriting result		<u>330,900</u>	<u>303,760</u>	<u>923,805</u>	<u>704,624</u>
Other expenses					
Salaries and employee benefits	24	(1,061,402)	(984,336)	(3,145,695)	(2,866,013)
Administrative expenses	25	(1,007,894)	(869,873)	(2,714,000)	(2,385,038)
Depreciation and amortization		(123,202)	(122,832)	(370,877)	(355,643)
Depreciation for right-of-use assets		(36,559)	(39,177)	(110,512)	(115,152)
Others	26	<u>(121,412)</u>	<u>(81,372)</u>	<u>(331,597)</u>	<u>(231,380)</u>
Total other expenses		<u>(2,350,469)</u>	<u>(2,097,590)</u>	<u>(6,672,681)</u>	<u>(5,953,226)</u>

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME (CONTINUED)

	For the three-month period ended September 30,		For the nine-month period ended September 30,		
	2023	2022	2023	2022	
	S/(000)	S/(000)	S/(000)	S/(000)	
Net result before income tax	1,719,435	1,929,847	5,561,523	5,359,989	
Income tax	<u>(455,865)</u>	<u>(575,083)</u>	<u>(1,453,803)</u>	<u>(1,634,265)</u>	
Net result after income tax	<u>1,263,570</u>	<u>1,354,764</u>	<u>4,107,720</u>	<u>3,725,724</u>	
Attributable to:					
Credicorp's equity holders	1,238,173	1,322,909	4,023,713	3,637,663	
Non-controlling interest	<u>25,397</u>	<u>31,855</u>	<u>84,007</u>	<u>88,061</u>	
	<u>1,263,570</u>	<u>1,354,764</u>	<u>4,107,720</u>	<u>3,725,724</u>	
Net basic and dilutive earnings (losses) per share attributable to Credicorp's equity holders (in Soles):					
Basic	27	15.57	16.63	50.63	45.74
Diluted	27	15.54	16.59	50.54	45.66

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 AND NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2023 (UNAUDITED) AND
2022 (RESTATED AND UNAUDITED, Note 3(b))

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2023	2022	2023	2022
	S/(000)	S/(000)	S/(000)	S/(000)
Net profit for the period	1,263,570	1,354,764	4,107,720	3,725,724
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	(501,901)	(741,694)	343,868	(2,865,598)
Income tax	19,350	22,238	(3,815)	110,086
	<u>(482,551)</u>	<u>(719,456)</u>	<u>340,053</u>	<u>(2,755,512)</u>
Net movement of cash flow hedge reserves	(11,275)	(9,522)	(28,447)	20,291
Income tax	7,445	2,895	8,745	(5,557)
	<u>(3,830)</u>	<u>(6,627)</u>	<u>(19,702)</u>	<u>14,734</u>
Insurance reserves	350,904	476,673	(176,064)	1,464,391
	<u>350,904</u>	<u>476,673</u>	<u>(176,064)</u>	<u>1,464,391</u>
Exchange differences on translation of foreign operations	182,147	81,608	115,874	(117,823)
Net movement in hedges of net investments in foreign businesses	(37,757)	(35,697)	4,805	1,373
	<u>144,390</u>	<u>45,911</u>	<u>120,679</u>	<u>(116,450)</u>
Total	<u>8,913</u>	<u>(203,499)</u>	<u>264,966</u>	<u>(1,392,837)</u>
Not to be reclassified to profit or loss in subsequent periods:				
Net loss in equity instruments designated at fair value through other comprehensive income	(20,814)	(16,726)	(6,789)	(32,186)
Income tax	(2,617)	1,029	(3,495)	2,032
Total	<u>(23,431)</u>	<u>(15,697)</u>	<u>(10,284)</u>	<u>(30,154)</u>
Total other comprehensive income	<u>(14,518)</u>	<u>(219,196)</u>	<u>254,682</u>	<u>(1,422,991)</u>
Total comprehensive income for the period, net of income tax	1,249,052	1,135,568	4,362,402	2,302,733
Attributable to:				
Credicorp's equity holders	1,221,662	1,109,737	4,270,359	2,237,513
Non-controlling interest	27,390	25,831	92,043	65,220
	<u>1,249,052</u>	<u>1,135,568</u>	<u>4,362,402</u>	<u>2,302,733</u>

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 NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2023 (UNAUDITED) AND 2022 (RESTATED AND UNAUDITED, Note 3(b))

	Attributable to Credicorp's equity holders					Other reserves					Retained earnings	Total	Non-controlling interest	Total net equity
	Treasury stock			Capital surplus	Reserves	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				Investments in equity instruments	Investments in debt instruments	Cash flow hedge reserve	Insurance reserves				
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)	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 IRFS 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	-	-	-	-	-	-	-	-	-	-	3,637,663	3,637,663	88,061	3,725,724
Other comprehensive income	-	-	-	-	-	(30,162)	(2,719,150)	14,415	1,451,435	(116,688)	-	(1,400,150)	(22,841)	(1,422,991)
Total comprehensive income	-	-	-	-	-	(30,162)	(2,719,150)	14,415	1,451,435	(116,688)	3,637,663	2,237,513	65,220	2,302,733
Transfer of retained earnings to reserves, Note 16(c)	-	-	-	-	2,354,859	-	-	-	-	-	(2,354,859)	-	-	-
Dividend distribution, Note 16(d)	-	-	-	-	-	-	-	-	-	-	(1,196,422)	(1,196,422)	-	(1,196,422)
Dividends paid to interest non-controlling of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(31,450)	(31,450)
Minority purchase	-	-	-	-	-	-	-	-	-	-	-	-	(1,396)	(1,396)
Purchase of treasury stock, Note 16(b)	-	-	(1,923)	(81,682)	-	-	-	-	-	-	-	(83,605)	-	(83,605)
Sale of treasury stocks	-	-	231	9,718	-	-	-	-	-	-	-	9,949	-	9,949
Share-based payment transactions	-	-	1,708	68,943	(31,185)	-	-	-	-	-	-	39,466	-	39,466
Others	-	-	-	-	-	-	-	-	-	-	(182)	(182)	(4,157)	(4,339)
Balances as of September 30, 2022 (restated)	1,318,993	(204,326)	(3,192)	225,832	23,687,946	176,723	(2,858,650)	14,142	1,451,435	220,349	3,263,406	27,292,658	568,889	27,861,547
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	-	-	-	-	-	-	-	-	-	-	4,023,713	4,023,713	84,007	4,107,720
Other comprehensive income	-	-	-	-	-	(10,319)	333,802	(19,371)	(178,192)	120,726	-	246,646	8,036	254,682
Total comprehensive income	-	-	-	-	-	(10,319)	333,802	(19,371)	(178,192)	120,726	4,023,713	4,270,359	92,043	4,362,402
Transfer of retained earnings to reserves, Note 16(c)	-	-	-	-	2,593,598	-	-	-	-	-	(2,593,598)	-	-	-
Dividend distribution, Note 16(d)	-	-	-	-	-	-	-	-	-	-	(1,994,037)	(1,994,037)	-	(1,994,037)
Dividends paid to interest non-controlling of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(62,051)	(62,051)
Minority purchase	-	-	-	-	-	-	-	-	-	-	-	-	11,850	11,850
Purchase of treasury stock, Note 16(b)	-	-	(2,279)	(83,296)	-	-	-	-	-	-	-	(85,575)	-	(85,575)
Share-based payment transactions	-	-	1,764	77,078	(25,690)	-	-	-	-	-	-	53,152	-	53,152
Others	-	-	-	-	11,628	-	-	-	-	-	14,334	25,962	6,053	32,015
Balances as of September 30, 2023	1,318,993	(204,326)	(3,707)	225,338	26,239,162	160,089	(1,321,757)	(18,583)	955,344	195,381	3,721,658	31,267,592	639,464	31,907,056

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 NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2023 (UNAUDITED) AND 2022
(RESTATEd AND UNAUDITED, Note 3(b))

	Note	For the nine-month period ended September 30,	
		2023	2022
		S/000	S/000
CASH AND CASH EQUIVALENTS FROM (USED IN) OPERATING ACTIVITIES			
Net profit for the period		4,107,720	3,725,724
Adjustment to reconcile net profit to net cash arising from operating activities:			
Provision for credit losses on loan portfolio	7(c)	2,696,980	1,342,966
Depreciation and amortization	9 and 10(a)	370,877	355,643
Depreciation of right-of-use assets	11(a)	110,512	115,152
Depreciation of investment properties	12(h)	4,896	5,172
Provision for sundry risks	26	72,388	12,600
Deferred expense tax	17(b)	(2,122)	155,514
Net (gain) loss on sale of securities	22	(275,187)	97,467
Net (gain) of trading derivatives		(48,646)	(59,330)
Net loss from sale of property, furniture and equipment		657	13,473
Net loss (gain) from sale of adjudicated and recovered assets	26	13,345	(8,323)
Expense for share-based payment transactions	24	61,292	60,395
Net (gain) from sale of loan portfolio	26	(77,903)	(16,946)
Intangible losses due to withdrawals and dismissed projects	26	36,076	7,582
Others		(2,829)	56,721
Net changes in assets and liabilities			
Net decrease (increase) in assets:			
Loans		641,012	(5,643,287)
Investments at fair value through profit or loss		(1,413,598)	1,522,599
Investments at fair value through other comprehensive income		(4,198,226)	(2,823,642)
Cash collateral, reverse repurchase agreements and securities borrowings		(416,708)	178,334
Sale of written off portfolio		213,266	21,152
Other assets		(443,000)	707,571
Net increase (decrease) in liabilities			
Deposits and obligations		1,764,414	2,538,304
Due to banks and correspondents		1,575,599	1,791,614
Payables from repurchase agreements and securities lending		(1,227,196)	(5,437,864)
Bonds and notes issued		(2,112,075)	98,760
Short-term and low-value lease payments		(87,921)	(67,712)
Other liabilities		1,553,172	1,663,787
Income tax paid		(1,443,102)	(828,569)
Net cash flow from (used in) operating activities		1,473,693	(415,143)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

	Note	For the nine-month period ended September 30,	
		2023	2022
		S/000	S/000
NET CASH FLOWS USED IN INVESTING ACTIVITIES			
Proceeds from sale of property, furniture and equipment		41,946	4,855
Collections for maturities and coupons of investment at amortized cost		1,285,690	1,370,846
Purchase of property, furniture and equipment	9	(171,612)	(89,707)
Purchase of investment property	12(h)	(33,434)	(64,343)
Purchase of intangible assets	10(a)	(491,602)	(423,118)
Purchase of investment at amortized cost		(954,847)	(1,876,937)
Net cash flows used in investing activities		(323,859)	(1,078,404)
NET CASH FLOWS USED IN FINANCING ACTIVITIES			
Dividends paid	16(d)	(1,994,037)	(1,196,422)
Dividends paid to non-controlling interest of subsidiaries		(62,051)	(31,450)
Principal payments of leasing contracts		(118,492)	(113,562)
Interest payments of leasing contracts		(18,728)	(18,892)
Purchase of treasury stock	16(b)	(85,575)	(83,605)
Sale of treasury stock		-	9,949
Purchase of non-controlling interest of subsidiaries		11,850	(1,396)
Subordinated bonds		63,509	(94,700)
Net cash flows used in financing activities		(2,203,524)	(1,530,078)
Net (decrease) of cash and cash equivalents before effect of changes in exchange rate		(1,053,690)	(3,023,625)
Effect of changes in exchange rate of cash and cash equivalents		(122,462)	(83,421)
Cash and cash equivalents at the beginning of the period		34,120,962	39,293,545
Cash and cash equivalents at the end of the period		32,944,810	36,186,499
Additional information from cash flows			
Interest received		13,847,834	10,623,051
Interest paid		(3,634,898)	(1,947,252)
Transactions that do not represent cash flow			
Recognition of lease operations		56,190	71,814

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

Reconciliation of liabilities arising from financing activities:

For the nine-month period ended September 30, 2023	As of January 1, 2023	Changes that generate cash flows		Changes that do not generate cash flows		As of September 30 2023
		Received	Paid	Exchange difference	Others	
Subordinated bonds	5,738,414	286,409	(222,900)	(28,773)	24,243	5,797,393
Lease liabilities	578,074	-	(137,220)	(1,685)	75,676	514,845
	<u>6,316,488</u>	<u>286,409</u>	<u>(360,120)</u>	<u>(30,458)</u>	<u>99,919</u>	<u>6,312,238</u>

For the nine-month period ended September 30, 2022	As of January 1, 2022	Changes that generate cash flows		Changes that do not generate cash flows		As of September 30 2022
		Received	Paid	Exchange difference	Others	
Subordinated bonds	6,061,301	-	(94,700)	(8,997)	19,558	5,977,162
Lease liabilities	655,294	-	(132,454)	(508)	73,583	595,915
	<u>6,716,595</u>	<u>-</u>	<u>(227,154)</u>	<u>(9,505)</u>	<u>93,141</u>	<u>6,573,077</u>

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

CREDICORP LTD. AND SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023, AND DECEMBER 31, 2022 AND FOR THE THREE AND NINE - MONTH PERIOD ENDED SEPTEMBER 30, 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 September 30, 2023, and for the nine-month period ended September 30, 2023, were approved by the Management on November 29, 2023.

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

2 SIGNIFICANT TRANSACTIONS

a) Main acquisitions, incorporations and mergers –

During the nine - month period ended September 30, 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 September 2023, Peru was affected by political and 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. On August 08, 2023, the government declared the state of emergency for 60 days more in certain areas due to intense rainfall and the phenomenon El Niño.

In Management's opinion, this situation has not affected the operations of the Group and its Subsidiaries.

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 September 30, 2023, and for the three and nine-month period ended September 30, 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 September 30, 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 specific uncertain future event (the insured event) adversely affects to the policy holder.
- Evaluates the products and separates the implicit derivatives, the different investment components and the different goods or services of the insurance contract services and accounts for them in accordance with the corresponding regulations.
- Divide insurance and reinsurance contracts into groups that you will recognize and measure.
- Determines the Unit of Account (UoA) requested by the new regulation, for long-term business, taking into account the portfolio of products, currency, cost and year of issuance.
- For short-term general insurance and life insurance contracts, the measurement principles of the premium allocation approach (PAA) do not differ significantly from the considerations used by the Group under IFRS 4:
 - The remaining coverage liability reflects earned premiums minus insurance acquisition cash flows plus deferred premiums.
 - The company determines the onerous level of each group of contracts by calculating the combined ratio of each Unit of Account. If the Unit of Account is onerous, the liability for the remaining coverage implies an explicit recognition of the loss component.
 - The measurement of the liability for incurred claims is determined based on the discounted value considering the expected payment flows and includes an explicit risk adjustment for non-financial risk.

For long-term life insurance contracts, it recognizes and measures groups of insurance contracts in:

- A present value of expected future cash flows that incorporates all available information on compliance cash flows and considers market interest rates. A risk adjustment for non-financial risk is included.
- An amount that represents the future technical profit (the contractual service margin or CSM) in the group of contracts.
- Recognizes the gain from a group of insurance contracts during each period in which the Group provides insurance contract services, as the Group is freed from risk. If a group of contracts is expected to be onerous (ie, loss-making) during the remaining coverage period, the Group recognizes the loss immediately.

Changes to presentation and disclosure –

For presentation in the consolidated statement of financial position, the Groups aggregates portfolios of insurance and reinsurance contracts that are assets or liabilities and presents them separately in the following headings:

- Assets from insurance contracts.
- Assets from reinsurance contracts.
- Liabilities for insurance contracts.
- Liabilities from reinsurance contracts.

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, insurance service expense, insurance finance income or expenses)
- Reinsurance result (which includes income or expenses from reinsurance contracts held)

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

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

Transitional provisions

On transition date, January 01, 2022 the Group:

- Has identified, recognized and measured each group of insurance contracts as if IFRS 17 had always applied.
- Derecognized any existing balances that would not exist had IFRS 17 always applied.
- Recognized any resulting net difference in equity.

The Group decided to apply the transition methodology under Fair Value, which 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. The CSM balance at the date of transition into IFRS 17 was applied retrospectively for the policies in force at said date. Likewise, the future benefit provided by the insurance contracts (Contractual Service Margin – CSM) was determined and will be released in the consolidated income statement to the extent that the Group provides 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 that apply the fair value approach was determined on the transition date. Therefore, for the measurement of the fulfillment cash flows at the transition date, the discount rate (locked-in discount rate) was determined using the bottom-up approach at the beginning.

The Group has chosen to disaggregate insurance financial income or expenses between the amounts included in results and the amounts included in other comprehensive income and readjust to zero the accumulated amount of insurance financial income or expenses recognized in other comprehensive income on the date of Transition. The Group used the fair value approach for those contracts with initial recognition prior to January 1, 2022, and the full retrospective approach for contracts recognized on or after this date.

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 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 equity of S/9.5 million and in net income 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

Insurance contracts are those contracts in which the Group (the insurer) has accepted significant insurance risk from the counterparty (the insured) by agreeing to compensate the insured if an uncertain future event (the insured event) adversely affects the insured. This definition also includes reinsurance contracts held by the Group.

The life insurance contracts provided by the Group include retirement, disability and survival annuity contracts, individual life contracts (including "Investment Link" insurance contracts), among others. The non-life insurance contracts issued by the Group mainly include the following risks: vehicle, fire and allied lines, technical lines, and health.

Accounting treatment of insurance and reinsurance contracts:

Separation of the components of insurance and reinsurance contracts

The Group evaluates its insurance and reinsurance products to determine if they contain components that must be accounted for under another IFRS instead of IFRS 17.

After separating the various 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. Investment components are the amounts that an insurance contract requires an insurer to reimburse a policyholder, even if an insured event does not occur.

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, the collections and payments of the investment components are excluded from the income and expenses of the insurance activity.

Some issued reinsurance contracts contain earnings commission arrangements. Under these agreements, there is a guaranteed minimum amount that the policyholder will always receive, whether in the form of profit commission, claims, or other contractual payment, regardless of whether the insured event occurs.

The earnings commission components have been assessed to be highly interrelated with the insurance component of reinsurance contracts and are therefore non-distinct investment components that are not accounted for separately.

Aggregation level

The grouping of contracts in units of account is carried out according to the types of products, currency, cost and year of subscription; because they have similar risks, they are managed jointly and as required by the Standard, no contract portfolio may contain contracts issued more than one year apart.

The Group classifies a portfolio of insurance contracts into two categories based on the expected profitability at the policy or contract level at the time of its recognition based on reasonable and sustainable information on:

- Onerous contracts: A contract will be classified as onerous on the initial recognition date as long as the present value of the expected outflows is greater than the inflows.
- Non-onerous contracts: Will contain contracts for which, at initial recognition, the present value of the expected outflows is less than the present value of the inflows.

It should be noted that a contract for accounting purposes may differ from what is considered a contract for other purposes (ie, legal or management).

The expected return on these portfolios at inception is determined based on existing actuarial valuation models that take into account new and existing business.

Recognition of insurance and reinsurance contracts

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 of an insured group, 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 follow:

- Whether the reinsurance contracts held provide proportional coverage at the beginning of the coverage period of the group of reinsurance contracts held or at initial recognition of any underlying contract, whichever is later.
- In all other cases from the beginning of the coverage period of the group of reinsurance contracts held.

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

Insurance contracts – initial measurement

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

- Compliance cash flows.
- A risk adjustment for non-financial risk
- The contractual service margin (CSM) which represents the unearned technical gain that the Group will recognize as it provides services in the future.
The fulfillment cash flows comprise:
 - Estimates of future cash flows considering their probability of occurrence
 - An adjustment to reflect the time value of money and financial risks related to future cash flows,

The cash flows for each scenario are weighted according to their probability of occurrence based on the experience of the Group's portfolio and are discounted using current interest rate assumptions (risk-free curve + Matching Adjustment).

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

- Premiums and related cash flows.
- Losses and expected future profits:
 - Payments to beneficiaries for the occurrence of insured events
 - Payments to policyholders resulting from the built-in redemption and expiration options.
- Acquisition expenses attributable to the portfolio to which the contract belongs.
- Loss settlement expenses
- Attributable policy maintenance expenses, including recurring commissions expected to be paid to intermediaries.
- An allocation of fixed and variable overheads directly attributable to compliance with insurance contracts.

If at the time of initially estimating the fulfillment flows of a group of contracts a net outflow is obtained, these contracts become onerous contracts and a liability will be recognized at that initial time in the statement of financial position. This amount is what we call the "loss component" or "Loss Component".

A group of contracts that were not onerous at initial recognition may become onerous later if assumptions change, even though the classification of their grouping or Unit of Account remains unchanged.

Simplified Model – initial recognition

The simplified model of the general method is the Premium Allocation Approach (PAA), which is applied by the Group for contracts with a duration equal to or less than one year or for which the amount of the provision does not differ significantly from the overall model.

If significant variability in the fulfillment cash flows is expected at inception that would affect the measurement of the liability for the remaining coverage, the simplified method cannot be applied.

Under the premium allocation approach, the Group will assume that no contract is onerous unless the facts and circumstances indicate otherwise, so initially all contracts are grouped based on risk and how they are managed. To assess this possibility, a premium adequacy test will be used to assess the need to allocate an additional provision and classify the group of contracts as onerous (Onerosity Test).

For insurance contracts that apply the PAA approach, the Group initially recognizes written premiums net of commissions and deferred premiums as a provision for remaining coverage (Liability for Remaining Coverage, LRC).

Subsequent measurement – insurance contracts

The book value of a group of insurance contracts after its initial recognition will be made up of:

- a) Remaining coverage provision (LRC) comprising the fulfillment cash flows, the risk adjustment for non-financial risk and the CSM of the group of contracts at the end of the reporting period.
- b) Liability for incurred claims, which includes compliance cash flows related to the payment of reported and pending claims, claims occurred but not reported (IBNR) and claims settlement expenses. A risk adjustment for non-financial risk is also included.

The Group will recognize income or expenses for the variation in the book value of the remaining coverage provision and the liability for incurred claims:

- a) Income from the insurance activity: the reduction of the liability for the service provided in the period.

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

For a group of insurance contracts without direct participation features, 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 new contracts added to the group. interest earned on the carrying amount of the CSM during the reporting period, measured at the discount rates on initial recognition.
- Changes in fulfillment cash flows related to future service such as:
- Experience adjustment: it must be broken down to reflect the different factors that cause said adjustments in the expected future benefits of the group:
- Adjustment in compliance flows due to claims experience is the variation of actual claims compared to the expected. Likewise, this variation in the accident rate may lead to changes in the expected compliance flows. This variation will be recorded in a change in the amount of the CSM.

- Adjustment for variation in operating assumptions - A variation in projection operating assumptions (mortality, expenses, redemptions, etc.) will be recorded against the CSM of the period. This change will be cumulative with the adjustments made previously.
- Adjustment for collected premiums: insurance premiums that relate to future service received in the period require an adjustment to the contractual service margin. Likewise, an additional analysis must be carried out on the extraordinary contributions that the policyholder may make. If these new contributions made by the insured, different from the regular premiums, should be considered new contracts or part of existing contracts. Therefore, it must be evaluated if the new contributions are valued using the same conditions as at the beginning of the contract or if they are modified (mortality table, administration expenses, guaranteed rates, etc.). If the conditions of the contract are not modified in the extraordinary contribution, that is, it has the same conditions as the original contribution, it is considered that the cash flows are within the limits of the contract, and therefore the variation of the expected cash flows will be considered as a variation of the experience.
- changes in estimates of the present value of future cash inflows in the remaining hedge liability measured at discount rates.
- Differences between the investment components that are expected to become payable in the period and the actual investment component that becomes payable in the period, measured at discount rates.
- changes in the risk adjustment for non-financial risk that relates to future service.
- The effect of currency exchange differences on the CSM.
- The amount recognized as insurance revenue due to the transfer of insurance contract services in the period, determined by the allocation of CSM remaining at the end of the reporting period (before any allocation) during the current coverage period and remaining.

For a group of insurance contracts with direct participation components, the amount of CSM to be reported in the books will be obtained by applying a series of adjustments to the value of the CSM of the previous period:

- The effect of new contracts added to the group.
 - The entity's share of the change in the fair value of the underlying items.
 - Changes in the fulfillment cash flow, such as a change in the entity's future claims and expenses compared to those expected in the prior period.
 - The effect of currency exchange differences on the CSM.
 - The amount recognized as insurance revenue due to the transfer of services in the period, determined by the allocation of the remaining contractual service margin at the end of the reporting period (before any allocation) over the period current coverage period.
- b) Insurance activity expense: for losses in groups of onerous contracts, and reversals of these losses.

The Group will recognize a loss in the result of the period for the amount of the net outflow for the group of onerous contracts, which will cause the carrying amount of the liability for the group to be equal to the cash flows from fulfillment, being zero. the group's contractual service margin.

The loss component is released based on a systematic allocation of subsequent future service-related changes in fulfillment cash flows to:

(i) the loss component; and

(ii) the liability for the remaining coverage excluding the loss component. The loss component is also updated for subsequent future service-related changes in the estimates of fulfillment cash flows and the risk adjustment for non-financial risk.

Systematic imputation of subsequent changes to the loss component causes the total amounts allocated to the loss component to equal zero at the end of the coverage period for a group of contracts.

The Company disaggregates insurance finance income or expenses on insurance contracts issued for its immediate annuity and term life portfolios between profit or loss and Other comprehensive income (here in after 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. The Company's financial assets backing the insurance issued portfolios are predominantly measured at amortized cost or at fair value through other comprehensive income (here in after FVOCI).

Finance income or expenses on the Company'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.

For the presentation in the consolidated statement of financial position, the Group groups the portfolios of insurance and reinsurance contracts that are assets or liabilities and presents them separately in the following headings:

- Assets from insurance contracts.
- Assets from reinsurance contracts.
- Liabilities for insurance contracts.
- Liabilities from reinsurance contracts.

The presentation in the statement of income and other comprehensive income is as follows:

- Result of the insurance service (which includes income and expenses of the insurance service)
- Reinsurance result (which includes income and expenses from reinsurance contracts)
- The net financial expenses of the insurance activity, which are presented in the headings of interest and similar expenses, see Note 20.

Insurance contracts – modification and derecognition

The Company derecognizes insurance contracts when:

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

- c) Financial expenses and income from insurance: due to the effect of the value of money over time and the effect of financial risk.

Significant judgments and estimates

The Group bases its assumptions and estimates on parameters derived from portfolio experience and these are used to prepare the financial statements. However, existing circumstances and assumptions about future developments could change due to changes in the market or circumstances beyond the Group's control. Parameters are kept updated to reflect such changes in assumptions when necessary.

The Group reassesses the CSM in each period with the adjustment for the experience that the entity has had. The parameters used to estimate the estimated future cash flows is a comparison between the real rates and the estimated rates and the following hypotheses are evaluated: mortality, longevity, disability, expenses and falls.

To measure the present value of future cash flows, it is necessary to define the discount rates that consistently reflect the value of money over time.

For the general method, it must be taken into account that in each valuation it will be necessary to have two types of differentiated interest rates for the discount of the flows:

- Current market rate or valuation rate: the interest rate obtained from current market data and assumptions. The discount rate at the valuation date will be equal to the risk-free rate of the corresponding currency adding the matching adjustment (Matching Adjustment) described later.
- Established initial rate or Locked-In Rate (LiR): interest rate that will be defined at the time of initial recognition of the insurance contract and will remain fixed until its termination, and that will be used for:
 - Measure the cash flows from compliance in its initial valuation;
 - Determine the amount of financial income or expenses for insurance included in the income statement for the period;
 - Determine the accrued interest paid on the CSM;
 - Determine the part of the financial effect on the Fulfillment Cashflows that will be allocated to interest on liabilities;
- Measure changes in the contractual service margin.

To determine the discount curve of the initial rate established on the date of initial recognition of the contract, the Matching Adjustment methodology will be used. This methodology is based on the assets themselves that cover the Group's liabilities. Conceptually, the Matching Adjustment is a spread that will be added to the risk-free curve (RFR) to calculate the present value of the Group obligations. This differential will be calculated as the IRR of the "de-risked" assets less the IRR of the liabilities, less the average "Cost of Downgrade" of the portfolio and an adjustment for the sub "Investment Grade" investments of the portfolio. The determination of the Matching Adjustment is made by type of product and currency.

(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 are 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 September 30, 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 nine-month period ended September 30	
		As of September 30, 2023	As of December 31, 2022	As of September 30, 2023	As of December 31, 2022	As of September 30, 2023	As of December 31, 2022	As of September 30, 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	214,114,548	211,585,283	182,629,481	181,786,223	31,485,067	29,799,060	3,679,931	3,561,822
Pacífico Compañía de Seguros y Reaseguros S.A and Subsidiaries (ii)	Insurance, Peru	98.86	98.86	15,796,121	15,922,417	12,822,135	13,491,173	2,973,986	2,431,244	669,426	226,414
Atlantic Security Holding Corporation and Subsidiaries (iii)	Capital Markets, Cayman Islands	100.00	100.00	8,029,733	9,536,197	6,069,766	7,643,879	1,959,967	1,892,318	454,913	225,797
Credicorp Capital Ltd. and Subsidiaries (iv)	Capital Markets and asset management, Bermuda	100.00	100.00	5,236,281	4,504,629	3,978,918	3,559,262	1,257,363	945,367	(41,235)	35,880
CCR Inc.(v)	Special purpose Entity, Bahamas	100.00	100.00	386	388	25	4	361	384	(24)	(631)

(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 nine-month period ended September 30	
		As of September 30, 2023	As of December 31, 2022	As of September 30, 2023	As of December 31, 2022	As of September 30, 2023	As of December 31, 2022	As of September 30, 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	194,359,766	193,278,232	169,973,122	170,005,995	24,386,644	23,272,237	3,628,002	3,619,764
Inversiones Credicorp Bolivia S.A. and Subsidiaries (b)	Banking, Bolivia	99.92	99.92	13,655,817	12,740,036	12,839,317	11,826,789	816,500	913,247	64,361	61,120
Prima AFP (c)	Private pension fund administrator, Peru	100.00	100.00	684,835	734,966	225,257	238,177	459,578	496,789	109,169	69,257
Tenpo SpA and Subsidiaries (d)	Holding, Chile	100.00	100.00	472,204	242,754	225,958	90,186	246,246	152,568	(69,140)	(90,093)

- 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 September 30, 2023, the assets, liabilities and equity of MiBanco amount to approximately S/16,779.9 million, S/13,848.7 million and S/2,931.2 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 nine - month period ended September 30, 2023 amount to S/149.9 million (S/378.0 million as nine-month period ended September 30, 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 September 30, 2023, the assets, liabilities and equity of BCB amount to approximately S/13,601.6 million, S/12,711.6 million and S/890.0 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 nine - month period ended September 30, 2023 amount to S/63.4 million (S/51.3 million as nine-month period ended September 30, 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 nine-month period ended September 30	
	As of September 30, 2023	As of December 31, 2022	As of September 30, 2023	As of December 31, 2022	As of September 30, 2023	As of December 31, 2022	As of September 30, 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	3,980,278	2,889,479	3,074,598	2,322,263	905,680	567,216	(35,543)	35,471
Credicorp Capital Holding Chile and Subsidiaries (b)	100.00	100.00	931,801	1,194,663	749,599	1,000,676	182,202	193,987	(5,253)	5,737
Credicorp Capital Holding Perú S.A. and Subsidiaries (c)	100.00	100.00	285,399	374,768	148,288	230,261	137,111	144,507	(7,513)	2,105

- 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 September 30, 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 nine-month period ended September 30	
	As of September 30, 2023	As of December 31, 2022	As of September 30, 2023	As of December 31, 2022	As of September 30, 2023	As of December 31, 2022	As of September 30, 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	1,460,912	1,050,130	1,266,685	898,518	194,227	151,612	32,673	27,521
MiBanco – Banco de la Microempresa de Colombia S.A.	87.69	85.58	1,995,141	1,530,270	1,693,982	1,289,569	301,159	240,701	(27,799)	21,704

- 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.

c) 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 September 30, 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:

	<u>As of September 30, 2023</u>	<u>As of December 31, 2022</u>
	S/(000)	S/(000)
Cash and clearing (b)	5,697,205	5,410,294
Deposits with Central Reserve Bank of Peru (BCRP) (b)	23,150,865	24,160,723
Deposits with Central Bank of Bolivia and Colombia (b)	1,163,873	634,684
Deposits with foreign banks (c)	2,133,333	2,582,838
Deposits with local banks (c)	590,184	1,009,997
Interbank funds	142,067	269,314
Accrued interest	67,283	53,112
Total cash and cash equivalents	<u>32,944,810</u>	<u>34,120,962</u>
Restricted funds	<u>10,650</u>	<u>62,878</u>
Total cash	<u><u>32,955,460</u></u>	<u><u>34,183,840</u></u>

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:

	<u>As of September 30, 2023</u>	<u>As of December 31, 2022</u>
	S/(000)	S/(000)
Legal cash requirements		
Deposits with Central Reserve Bank of Peru (i)	13,645,900	21,103,687
Deposits with Central Bank of Bolivia	1,117,621	628,399
Deposits with Republic Bank of Colombia	46,252	6,285
Cash in vaults of Bank	4,883,053	4,714,275
Total legal cash requirements	<u>19,692,826</u>	<u>26,452,646</u>
Additional funds		
Overnight deposits with Central Reserve Bank of Peru (ii)	8,623,497	2,013,703
Term deposits with Central Reserve Bank of Peru (iii)	427,400	545,000
Cash in vaults of Bank and others	814,152	696,019
Other Deposits BCRP	454,068	498,333
Total additional funds	<u>10,319,117</u>	<u>3,753,055</u>
Total	<u><u>30,011,943</u></u>	<u><u>30,205,701</u></u>

(i) As of September 30, 2023, cash and deposits that generate interest subject to legal cash requirements in Peru in local and foreign currency are subject to a rate of 6.01 percent and 34.92 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 September 30, 2023, the Group maintains four "overnight" deposits with the BCRP, which two are denominated in soles in amount of S/310.0 million and two in U.S. Dollar for a total of US\$2,191.8 million, equivalent to S/8,313.5 million. To that date, the deposit in soles and deposits in U.S. Dollar accrue interest at annual rates of 4.75 percent and 5.35 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 September 30, 2023, the Group maintains three term deposit which are denominated in soles with the BCRP for S/427.4 million, accrue an annual rate between 7.35 and 7.50 percent; and mature on October 2, 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 percent 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 September 30, 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 September 30, 2023	As of December 31, 2022
	S/(000)	S/(000)
Cash collateral on repurchase agreements and security lendings (i)	747,500	649,769
Reverse repurchase agreement and security borrowings (ii)	579,145	452,087
Receivables for short sales	186,977	-
Total	1,513,622	1,101,856

- (i) As of September 30, 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 Bolivianos and U.S. Dollar for the equivalent of S/727.2 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.

(ii) Credicorp, through its subsidiaries, provides financing to its customers through reverse repurchase agreements and securities borrowing, in which a financial instrument serves as collateral. Details of said transactions are as follows:

As of September 30, 2023							As of December 31, 2022						
Currency	Average interest rate %	Up to 3 days S/(000)	From 3 to 30 days S/(000)	More than 30 days S/(000)	Carrying amount S/(000)	Fair value of underlying assets S/(000)	Average interest rate %	Up to 3 days S/(000)	From 3 to 30 days S/(000)	More than 30 days S/(000)	Carrying amount S/(000)	Fair value of underlying assets S/(000)	
Instruments issued by the Colombian Government	Colombian peso	6.89	201,847	230,410	89,238	521,495	515,495	4.66	-	205,480	26,979	232,459	254,226
Instruments issued by the Chilean Government	Chilean peso	0.88	14,063	34,341	-	48,404	48,404	-	-	-	-	-	-
Other instruments		4.60	-	-	9,246	9,246	9,246	1.69	42,616	128,232	48,780	219,628	218,859
			<u>215,910</u>	<u>264,751</u>	<u>98,484</u>	<u>579,145</u>	<u>573,145</u>		<u>42,616</u>	<u>333,712</u>	<u>75,759</u>	<u>452,087</u>	<u>473,085</u>

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 September 30, 2023							As of December 31, 2022						
Currency	Average interest rate %	Up to 3 days S/(000)	From 3 to 30 days S/(000)	More than 30 days S/(000)	Carrying amount S/(000)	Fair value of underlying assets S/(000)	Average interest rate %	Up to 3 days S/(000)	From 3 to 30 days S/(000)	More than 30 days S/(000)	Carrying amount S/(000)	Fair value of underlying assets S/(000)	
Debt instruments (c)		41,829	-	10,883,002	10,924,831	11,433,347		-	64,273	12,268,416	12,332,689	12,449,218	
Instruments issued by the Colombian Government	Colombian pesos	5.47	404,354	270,374	-	674,728	674,527	6.12	-	539,731	-	539,731	536,398
Instruments issued by the Chilean Government	Chilean pesos	0.85	84,300	-	-	84,300	84,347	0.96	38,192	-	-	38,192	38,192
Other instruments		6.31	44,579	9,582	-	54,161	54,120	3.77	15,840	40,273	-	56,113	56,193
			<u>57,062</u>	<u>279,956</u>	<u>10,883,002</u>	<u>11,738,020</u>	<u>12,246,341</u>		<u>54,032</u>	<u>644,277</u>	<u>12,268,416</u>	<u>12,966,725</u>	<u>13,080,001</u>

c) As of September 30, 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:

Counterparties	Currency	As of September 30, 2023			As of December 31, 2022		
		Maturity	Carrying amount S/(000)	Collateral	Maturity	Carrying amount S/(000)	Collateral
BCRP - Reactiva Perú (*)	Sol	October 2023 / December 2025	2,254,098	Loans guaranteed by National Government	May 2023 / December 2025	6,981,698	Loans guaranteed by National Government
BCRP	Sol	October 2023 / September 2025	6,938,429	Investments	January 2023 / September 2025	3,263,472	Investments
Banco Central de Bolivia	Boliviano	December 2023 / March 2025	727,192	Cash	January 2023 / December 2023	424,822	Cash
BCRP - Reactiva Perú Especial (*)	Sol	October 2023 / December 2025	288,889	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
Citigroup Global Markets	U.S. Dollar	August 2026	170,685	Investments	August 2026	171,630	Investments
Banco de la República	Colombian peso	October 2023	41,800	Investments	January 2023	58,955	Investments
Natixis S.A.	U.S. Dollar	August 2026	94,825	Investments	August 2026	95,350	Investments
BCRP, Note 5(a)(i)	Sol	-	-	Cash with BCRP	March 2023	185,000	Cash with BCRP
Other minors			-	Investments	January 2023	5,099	Investments
Accrued interest			138,913			82,929	
			<u>10,924,831</u>			<u>12,332,689</u>	

(*) Through 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 September 30, 2023, the total credits granted through the Reactiva Peru program are S/3,763.2 million (S/8,877.2 million, at December 31, 2022), see Note 7(a).

As of September 30, 2023, said operations accrue interest at fixed and variable rates between 0.50 percent and 13.25 percent and SOFR 7.41 percent and 7.63 percent, (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). Credicorp and its Subsidiaries are in the process of negotiating with the counterparties to make the change to SOFR.

As of December 31, 2022, certain repurchase agreements were covered through cross currency swaps (CCS), which were canceled early in July 2023.

6 INVESTMENTS

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

	As of September 30, 2023	As of December 31, 2022
	S/(000)	S/(000)
Investment funds (i)	1,419,129	885,574
Mutual funds (ii)	1,404,240	1,582,050
Certificates of deposit BCRP	1,100,960	-
Government Bonds (iii)	868,847	651,219
Restricted mutual funds (iv)	319,453	351,317
Participation in RAL Funds (v)	139,712	167,781
Corporate bonds	123,057	103,330
Bonds from financial organizations	67,594	47,770
Shares	45,211	47,820
Subordinated bonds	31,077	84,121
ETF (Exchange - Traded Fund)	18,322	25,042
Central Bank of Chile bonds	12,753	202,986
Hedge funds	-	280
Others	6,001	48,269
Balance before accrued interest	5,556,356	4,197,559
Accrued interest	2,617	1,775
Total	5,558,973	4,199,334

- (i) As of September 30, 2023, the balance corresponds mainly to investment funds in Peru, the United States of America, Colombia and other countries, which represent 44.7 percent, 23.7 percent, 15.8 percent and 15.8 percent respectively. As of December 31, 2022, the balance corresponds mainly to investment funds in Peru, the United States of America, Colombia and other countries, which represented 44.3 percent, 30.8 percent, 15.5 percent and 9.4 percent, respectively.
- (ii) As of September 30, 2023, the balance corresponds to mutual funds from Luxembourg, Bolivia, Ireland, Chile, and other countries, which represent 70.9 percent, 16.3 percent, 3.9 percent, 3.7 percent and 5.2 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.
- (iii) As of September 30, 2023 and December 31, 2022, the balance of these instruments includes the following government treasury bonds:

	As of September 30, 2023	As of December 31, 2022
	S/(000)	S/(000)
Colombian treasury bonds	636,482	609,255
Chilean treasury bonds	104,057	38,153
Peruvian treasury bonds	77,780	-
United States of America treasury bonds	46,789	3,811
Panama treasury bonds	3,739	-
Total	868,847	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 September 30, 2023, these funds are approximately Bs 170.2 million, equivalent to S/94.2 million, and US\$12.0 million, equivalent to S/45.5 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:

	<u>As of September 30, 2023</u>				<u>As of December 31, 2022</u>			
	<u>Unrealized gross amount</u>				<u>Unrealized gross amount</u>			
	<u>Cost</u> <u>S/(000)</u>	<u>Profits</u> <u>S/(000)</u>	<u>Losses</u> <u>S/(000)</u>	<u>Estimated</u> <u>fair value</u> <u>S/(000)</u>	<u>Cost</u> <u>S/(000)</u>	<u>Profits</u> <u>S/(000)</u>	<u>Losses</u> <u>S/(000)</u>	<u>Estimated</u> <u>fair value</u> <u>S/(000)</u>
Debts instruments:								
Corporate bonds (i)	14,172,648	38,037	(1,131,807)	13,078,878	13,914,118	61,336	(1,194,756)	12,780,698
Certificates of deposit BCRP (ii)	10,399,655	834	(491)	10,399,998	7,021,219	868	(2,608)	7,019,479
Government treasury bond (iii)	9,928,063	47,019	(396,691)	9,578,391	9,139,100	59,788	(670,177)	8,528,711
Securitization instruments (iv)	716,411	6,271	(72,728)	649,954	772,737	1,564	(107,377)	666,924
Negotiable certificates of deposit (v)	470,100	6,802	(2,383)	474,519	577,286	9,988	(1,516)	585,758
Subordinated bonds	246,309	1,113	(12,195)	235,227	377,111	462	(17,467)	360,106
Others	372,127	1,019	(1,792)	371,354	117,123	958	(6,831)	111,250
	<u>36,305,313</u>	<u>101,095</u>	<u>(1,618,087)</u>	<u>34,788,321</u>	<u>31,918,694</u>	<u>134,964</u>	<u>(2,000,732)</u>	<u>30,052,926</u>
Equity instruments designated at the initial recognition								
Shares issued by:								
Alicorp S.A.A.	12,197	131,862	-	144,059	12,197	144,641	-	156,838
Inversiones Centenario	112,647	23,214	-	135,861	112,647	14,158	-	126,805
Holding Bursatil Chilena S.A.	20,599	-	-	20,599	-	-	-	-
Sociedad de Infraestructuras de Mercado S.A.	3,867	5,274	-	9,141	-	-	-	-
Compañía Universal Textil S.A.	9,597	-	(3,010)	6,587	9,597	-	(3,191)	6,406
Corporación Andina de Fomento	4,441	1,761	-	6,202	4,441	930	-	5,371
Bolsa de Valores de Colombia	4,480	-	(551)	3,929	3,541	-	(1,152)	2,389
Bolsa de Comercio de Santiago	946	1,286	-	2,232	3,995	4,006	-	8,001
Pagos Digitales Peruanos S.A.	5,611	-	(5,611)	-	5,611	-	(5,611)	-
Bolsa de Valores de Lima	-	-	-	-	18,367	6,632	-	24,999
Others	2,720	3,639	(687)	5,672	2,844	3,392	(690)	5,546
	<u>177,105</u>	<u>167,036</u>	<u>(9,859)</u>	<u>334,282</u>	<u>173,240</u>	<u>173,759</u>	<u>(10,644)</u>	<u>336,355</u>
Balance before accrued interest	<u>36,482,418</u>	<u>268,131</u>	<u>(1,627,946)</u>	<u>35,122,603</u>	<u>32,091,934</u>	<u>308,723</u>	<u>(2,011,376)</u>	<u>30,389,281</u>
Accrued interest				<u>353,218</u>				<u>396,880</u>
Total				<u>35,475,821</u>				<u>30,786,161</u>

Credicorp's management has determined that the unrealized losses of investments at fair value with changes in other comprehensive income as of September 30, 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/10.8 million (provision of credit loss of S/41.1 million during the nine-month periods ended September 30, 2022), which is presented in the caption "Net gain (loss) 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 September 30, 2023 and December 31, 2022, are as follows:

	Maturities		Annual effective interest rate											
	As of September 30, 2023	As of December 31, 2022	As of September 30, 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	Oct-2023 / Nov-2095	Jan-2023 / Nov-2095	-	15.77	0.55	48.89	2.60	18.95	4.10	13.45	0.29	157.05	2.60	14.89
Government treasury bonds	Oct-2023 / Feb-2055	Jan-2023 / Feb-2055	1.83	7.50	2.43	10.11	4.19	4.19	1.87	8.13	-	8.19	-	-
Certificates of deposit BCRP	Oct-2023 / Sep-2024	Jan-2023 / Sep-2023	6.33	7.50	-	-	-	-	7.13	7.48	-	-	-	-
Negotiable certificates of deposits	Oct-2023 / Nov-2037	Jan-2023 / Jul-2033	-	-	-	-	0.05	5.50	8.76	8.76	2.48	4.80	1.00	13.50
Securitization instruments	Sep-2025 / Sep-2045	Aug-2023 / Sep-2045	4.67	30.36	5.83	16.85	5.80	6.00	5.03	30.87	5.64	16.63	3.50	7.50
Subordinated bonds	Oct-2023 / Aug-2045	Jan-2023 / Aug-2045	4.01	9.30	3.14	8.25	-	-	2.15	10.01	3.36	23.73	-	-
Others	Oct-2023 / Feb-2035	Apr-2023 / Feb-2035	0.13	9.17	8.66	9.10	0.25	6.10	2.22	9.56	8.03	8.58	0.05	0.08

Likewise, as of September 30, 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/3,025.7 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 September 30, 2023, the balance corresponds to corporate bonds issued by companies in the United States of America, Peru, Colombia, and other countries, which represent 41.1 percent, 34.5 percent, 3.9 percent, and 20.5 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 September 30, 2023 and December 31, 2022 amounts to approximately S/30.9 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 September 30, 2023, the Group maintains 105,896 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.
- (iii) As of September 30, 2023 and December 31, 2022, the balance includes the following Government Treasury Bonds:

	As of September 30, 2023	As of December 31, 2022
	S/(000)	S/(000)
Peruvian Government Bonds	7,910,052	6,126,564
United States of America Government	1,303,763	2,103,713
Colombian Government Bonds	198,600	130,883
Chilean Government Bonds	77,424	78,383
Bolivian Government Bonds	49,311	67,040
Qatari Government Bonds	12,005	12,753
Others	27,236	9,375
Total	9,578,391	8,528,711

- (iv) As of September 30, 2023 and December 31, 2022, the balance of securitization instruments includes the following:

	As of September 30, 2023	As of December 31, 2022
	S/(000)	S/(000)
Inmuebles Panamericana S.A.	146,915	133,079
ATN S.A.	75,851	77,047
Colegios Peruanos S.A.	75,016	61,109
Multimercados Zonales S.A.C.	52,691	47,643
Inmobiliaria Terrano S.A. y Operadora	40,294	-
Costa de Sol S.A.	36,391	37,653
Nessus Hoteles Perú S.A.	33,469	32,519
Aeropuertos del Perú S.A.	26,862	30,301
Concesionaria La Chira S.A.	27,084	25,906
Redesur y Tesur	25,447	27,718
Asociación Civil San Juan Bautista	23,736	24,122
Compañía de Turismo La Paz S.A.C.	23,730	23,375
Centro Comercial Plaza Norte S.A.C.	23,465	21,996
Homecenters Peruanos S.A.	19,126	22,804
Fábrica Nacional de Cemento S.A.	-	22,529
Telefónica Celular de Bolivia S.A.	-	21,470
Others	<u>19,877</u>	<u>57,653</u>
Total	<u>649,954</u>	<u>666,924</u>

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 September 30, 2023, the balance corresponds to certificates in other currencies for S/474.5 million issued mainly by the financial systems of 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 September 30, 2023	
	Carrying amount	Fair value
	S/(000)	S/(000)
Peruvian Government Bonds (i)	9,347,533	8,382,800
Corporate bonds (i)	448,712	444,653
Other government bonds (i)	86,183	86,368
Negotiable certificates of deposits	61,923	37,930
Certificates of payment on work progress (CRPAO) (ii)	28,818	28,324
Subordinated bonds (i)	24,764	24,914
	<u>9,997,933</u>	<u>9,004,989</u>
Accrued interest	84,186	84,186
Total investments at amortized cost, net	<u>10,082,119</u>	<u>9,089,175</u>

	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 (CRPAO) (ii)	47,584	46,786
	<u>10,227,027</u>	<u>8,711,932</u>
Accrued interest	218,702	218,702
Total investments at amortized cost, net	<u>10,445,729</u>	<u>8,930,634</u>

(i) As of September 30, 2023, said bonds have maturities between October 2023 and February 2042; accruing interest at an effective annual rate between 6.18 percent and 7.44 percent per year for bonds issued in soles, between 4.88 percent and 10.08 percent for bonds issued in U.S. Dollar, and between 8.76 percent and 11.53 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 September 30, 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 September 30, 2023, the Group has repurchased agreement transactions for investments at amortized cost for a value of S/5,558.4 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 September 30, 2023, there are 33 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 October 2023 and April 2026, accruing interest at an annual effective rate between 7.75 percent and 7.93 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 September 30, 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	1,157,790	7,453,333	49,287
From 3 months to 1 year	355,757	5,624,121	1,411,582
From 1 to 3 years	437,020	4,741,974	690,158
From 3 to 5 years	300,862	5,353,864	1,205,240
More than 5 years	935,037	11,615,031	6,641,666
Without maturity	2,369,890	334,280	-
Total	5,556,356	35,122,603	9,997,933

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	694,779	10,742,851	7,776,125
Without maturity	2,241,802	336,355	-
Total	4,197,559	30,389,281	10,227,027

7 LOANS, NET

a) This item consists of the following:

	As of September, 2023	As of December 31, 2022
	S/(000)	S/(000)
Direct loans -		
Loans	116,661,185	119,602,591
Credit cards	6,390,909	6,187,910
Leasing receivables	5,855,847	6,174,850
Factoring receivables	2,992,951	3,976,898
Discounted notes	2,709,687	2,982,291
Advances and overdrafts in current account	292,305	219,932
Refinanced loans	2,254,085	2,100,018
Total direct loans	137,156,969	141,244,490
Internal overdue loans and under legal collection loans	6,412,747	5,945,779
	143,569,716	147,190,269
Add (less) -		
Accrued interest	1,643,368	1,516,962
Unearned interest	(83,824)	(80,857)
Total direct loans	145,129,260	148,626,374
Allowance for loan losses (c)	(8,056,216)	(7,872,402)
Total direct loans, net	137,073,044	140,753,972

The credits granted as part of the Reactiva Peru program are guaranteed by the Peruvian State. The remaining total credits granted through this program as of September 30, 2023, and December 2022 amount to S/3,763.2 million and S/8,877.2 million, respectively. Likewise, as of September 30, 2023, and December 2022, loans from the Reactiva Peru program were rescheduled for an amount of S/3,583.2 million and S/5,669.2 million, respectively. 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 September 30, 2023, a total of S/3.6 million and S/16.0 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. As of September 30, 2023, and December 2022, these amounts include the reprogrammed credits from the FAE-MYPE 2 programs S/14,3 million and 36,7 million, 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 September 30, 2023, and December 2022, the remaining rescheduled portfolio amounts to S/7,786.0 million and S/11,448.7 million, respectively.

- b) As of September 30, 2023 and December 31, 2022, the composition of the gross credit balance is as follows:

	As of September 30, 2023	As of December 31, 2022
	S/(000)	S/(000)
Direct loans, Note7(a)	143,569,716	147,190,269
Indirect loans, Note 19(a)	18,945,883	20,928,055
Due from customers on banker's acceptances	325,771	699,678
Total	162,841,370	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):

Loans by class	Direct and indirect loans		Allowance for loan losses of direct and indirect loans	
	As of September 30, 2023	As of December 31, 2022	As of September 30, 2023	As of December 31, 2022
	S/000	S/000	S/000	S/000
Stage 1				
Commercial loans	82,200,638	86,190,457	552,201	571,899
Residential mortgage loans	19,722,757	18,640,432	60,045	83,536
Micro-business loans	15,171,873	13,425,653	317,224	315,960
Consumer loans	15,794,433	15,386,935	281,878	300,322
Total	132,889,701	133,643,477	1,211,348	1,271,717
Stage 2				
Commercial loans	6,608,602	8,850,173	385,869	493,257
Residential mortgage loans	2,941,458	3,207,081	97,707	126,832
Micro-business loans	5,443,376	7,266,464	453,439	540,913
Consumer loans	2,971,790	3,471,604	413,318	439,574
Total	17,965,226	22,795,322	1,350,333	1,600,576
Stage 3				
Commercial loans	7,302,085	8,150,200	2,564,161	2,846,887
Residential mortgage loans	1,417,309	1,388,061	847,739	757,780
Micro-business loans	1,853,322	1,741,559	1,247,911	1,113,154
Consumer loans	1,413,727	1,099,383	1,226,129	940,872
Total	11,986,443	12,379,203	5,885,940	5,658,693
Consolidated 3 Stages				
Commercial loans	96,111,325	103,190,830	3,502,231	3,912,043
Residential mortgage loans	24,081,524	23,235,574	1,005,491	968,148
Micro-business loans	22,468,571	22,433,676	2,018,574	1,970,027
Consumer loans	20,179,950	19,957,922	1,921,325	1,680,768
Total	162,841,370	168,818,002	8,447,621	8,530,986

As of September 30, 2023, the gross balance of direct loans, indirect loans and due from customers on banker's acceptances decreased compared to December 31, 2022. This was mainly explained by the decrease in commercial loans at BCP, which was generated by the amortization of wholesale banking loans and Reactiva Perú loans. Additionally, the decrease was explained by the write off and sale of impaired loans mainly at BCP.

As of September 30, 2023, the allowance for loan losses gross from direct loans, indirect loans and due from customers on banker's acceptances decreased compared to December 31, 2022. The decrease was concentrated in commercial loans at BCP in line with the decrease of the loan balance of this portfolio. Additionally, the decrease was explained by the write off and sale of impaired loans mainly at BCP. The decrease was partially offset by a deterioration of credit risk of retail banking portfolios at BCP and Mibanco Perú, due to a recessive environment impacted by high inflation, low internal demand and high interest rates. Additionally, at BCP the deterioration was spurred by i) vulnerable sub-segments in Individuals, customers who are overindebted at the system level and have less job stability; ii) higher-risk subsegments with lower tickets in SME; and iii) Mortgage, after recognizing higher expected losses for certain clients who have become delinquent in consumer products or at other financial institutions. At Mibanco, it was driven by a downturn in payment of customers who are overindebted, affected by social conflicts, or impacted by climatic anomalies.

- 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 nine-month period ended September 30,	
	2023	2022
	S/(000)	S/(000)
Balance at beginning of period	8,530,986	9,071,011
Provision for credit losses on loan	2,696,980	1,342,966
Written-offs loans	(2,404,579)	(1,650,228)
Loans forgiven	(287,867)	(105,138)
Exchange differences and others (*)	(87,899)	(27,961)
Balance ended of period (**)	8,447,621	8,630,650

(*) The variation is mainly due to the loan portfolio sale for S/287.9 million for the nine-month period ended September 30, 2023 (S/12.6 million of portfolio sale for the nine month of 2022) and the appreciation of the Sol against U.S. Dollar of S/3.793 as of September 30, 2023, and S/3.814 as of December 31, 2022 (S/3.981 as of September 30, 2022, and S/3.987 as of December 31, 2021).

(**) The movement in the allowance for loan losses for the nine-month period ended September 30, 2023, includes the allowance for direct and indirect loans for approximately S/8,056.2 million and S/391.4 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 September 30, 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 September 30, 2023 and December 31, 2022 by maturity based on the remaining period to the payment due date:

	As of September 30, 2023	As of December 31, 2022
	<u>S/(000)</u>	<u>S/(000)</u>
Outstanding loans -		
Up to 1 year	31,456,709	34,192,006
From 3 months to 1 year	34,836,720	35,338,442
From 1 to 3 years	29,488,317	29,576,654
From 3 to 5 years	11,023,968	11,572,896
From 5 to 15 years	28,099,601	27,144,332
More than 15 years	<u>2,251,654</u>	<u>3,420,160</u>
	137,156,969	141,244,490
Internal overdue loans -		
Overdue up to 90 days	1,537,787	1,264,436
Over 90 days	<u>4,874,960</u>	<u>4,681,343</u>
	6,412,747	5,945,779
Total	<u>143,569,716</u>	<u>147,190,269</u>

See credit risk analysis in Note 31.1.

8 INSURANCE AND REINSURANCE CONTRACTS ASSETS AND LIABILITIES

a) The detail of the assets per reinsurance contract are:

As of September 30, 2023								
Remaining coverage liabilities	Liabilities for incurred claims for contracts not measured by PAA	Liabilities for incurred claims for contracts measured by PAA		Accounts receivable from reinsurers and co-insurers	Accounts payable to reinsurers and co-insurers	Excess of loss contracts.	Total	
		Present value of future cash flows	Risk adjustment					
S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	
Balances as of January 1	302,356	-	730,007	-	110,964	(419,217)	13,985	738,095
Expenses incurred directly attributable	-	-	511,249	-	-	-	-	511,249
Claims recovered	-	21	(201,075)	-	-	-	-	(201,054)
Past Service Changes - LIC Adjustments	1,914	-	-	-	-	-	-	1,914
Reinsurance recoveries	1,914	21	310,174	-	-	-	-	312,109
Expenses for assigning the premiums paid to the reinsurer	(640,401)	-	34,719	-	-	-	-	(605,682)
Result of the reinsurance service	(638,487)	21	344,893	-	-	-	-	(293,573)
Net financial expenses for reinsurance contracts	-	-	(10,088)	-	-	-	-	(10,088)
Other changes	5,223	-	(2,639)	-	34,980	(24,846)	12,184	24,902
Premiums paid net of commissions ceded and other directly attributable expenses paid	609,765	-	1,002	-	-	-	-	610,767
Reinsurance recoveries	464	(21)	(266,678)	-	-	-	-	(266,235)
Net cash flow	610,229	(21)	(265,676)	-	-	-	-	344,532
Balances at the end of the period	279,321	-	796,497	-	145,944	(444,063)	26,169	803,868

As of December 31, 2022

	Remaining coverage liabilities	Liabilities for incurred claims for contracts not measured by PAA	Liabilities for incurred claims for contracts measured by PAA		Accounts receivable from reinsurers and co-insurers	Accounts payable to reinsurers and co-insurers	Excess of loss contracts.	Total
			Present value of future cash flows	Risk adjustment				
	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)
Balances as of January 1	312,684	-	746,346	-	194,365	(463,886)	13,214	802,723
Past Service Changes - LIC Adjustments	-	-	316,077	-	-	-	-	316,077
Future Service Changes - Changes in the FCF that do not adjust the CSM for the underlying group of contracts	1,032	-	-	-	-	-	-	1,032
Reinsurance recoveries	1,032	-	316,077	-	-	-	-	317,109
Expenses for assigning the premiums paid to the reinsurer	(775,719)	-	(2,290)	-	-	-	-	(778,009)
Result of the reinsurance service	(774,687)	-	313,787	-	-	-	-	(460,900)
Net financial expenses for reinsurance contracts	-	-	(18,607)	-	-	-	-	(18,607)
Other changes	(9,559)	-	(17,298)	-	3,303	(789)	-	(24,343)
Premiums paid net of commissions ceded and other directly attributable expenses paid	773,918	-	(294,221)	-	(86,704)	45,458	771	439,222
Reinsurance recoveries	-	-	-	-	-	-	-	-
Net cash flow	773,918	-	(294,221)	-	(86,704)	45,458	771	439,222
Balances at the end of the period	302,356	-	730,007	-	110,964	(419,217)	13,985	738,095

b) The detail of the liability for insurance contracts are:

As of September 30, 2023									
	Remaining coverage liabilities		Liabilities for incurred claims for contracts not measured by PAA		Liabilities for incurred claims for contracts measured by PAA		Accounts receivable for insurance contracts	Debts to intermediaries, marketers and auxiliaries	Total
	Excluding loss component	Loss component	Liabilities for incurred claims for contracts not measured by PAA		Present value of future cash flows	Risk adjustment			
	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)
Balances as of January 1	8,396,418	163,555	1,073,412	2,274,827	14,158	(869,455)	101,093	11,154,008	
Insurance income	(2,837,209)	-	-	-	-	-	-	(2,837,209)	
Claims incurred and other insurance service expenses	-	-	597,461	1,710,873	-	-	-	2,308,334	
Adjustments relating to the past to liabilities for incurred claims	-	-	(451,780)	(270,312)	21,724	-	-	(700,368)	
Losses and recoveries for losses in onerous contracts	-	10,018	-	-	-	-	-	10,018	
Amortization of insurance acquisition cash flows	1,847	-	-	-	-	-	-	1,847	
Insurance service expenses	1,847	10,018	145,681	1,440,561	21,724	-	-	1,619,831	
Result of the insurance service	(2,835,362)	10,018	145,681	1,440,561	21,724	-	-	(1,217,378)	
Net financial expenses for insurance contracts	443,561	(3,442)	43,923	89,912	1,191	-	-	575,145	
Total changes in the income statement	(2,391,801)	6,576	189,604	1,530,473	22,915	-	-	(642,233)	
Investment components	(672,082)	-	672,082	-	-	-	-	-	
Other changes	7,139	(6,650)	(11,490)	17,002	(87)	42,703	5,313	53,930	
Premiums received.	3,421,482	-	-	-	-	-	-	3,421,482	
Claims and other service expenses paid.	-	-	(806,096)	(1,469,929)	-	-	-	(2,276,025)	
Insurance acquisition cash flows.	(58,147)	-	-	-	-	-	-	(58,147)	
Net Cash Flow	3,363,335	-	(806,096)	(1,469,929)	-	-	-	1,087,310	
Balances at the end of the period	8,703,009	163,481	1,117,512	2,352,373	36,986	(826,752)	106,406	11,653,015	

As of December 31, 2022

	Remaining coverage liabilities		Liabilities for incurred claims for contracts not measured by PAA	Liabilities for incurred claims for contracts measured by PAA		Accounts receivable for insurance contracts	Debts to intermediaries, marketers and auxiliaries	Total
	Excluding loss component	Loss component		Present value of future cash flows	Risk adjustment			
	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)
Balances as of January 1	9,245,243	135,365	994,581	2,357,336	14,383	(916,859)	89,700	11,919,749
Insurance income	(3,533,269)	-	-	-	-	-	-	(3,533,269)
Claims incurred and other insurance service expenses	1,953	-	554,692	6,266	-	-	-	562,911
Adjustments relating to the past to liabilities for incurred claims	(13,440)	-	(262,588)	1,836,194	(425)	-	-	1,559,741
Losses and recoveries for losses in onerous contracts	-	92,530	-	-	-	-	-	92,530
Amortization of insurance acquisition cash flows	15,740	-	-	-	-	-	-	15,740
Insurance service expenses	4,253	92,530	292,104	1,842,460	(425)	-	-	2,230,922
Result of the insurance service	(3,529,016)	92,530	292,104	1,842,460	(425)	-	-	(1,302,347)
Net financial expenses for insurance contracts	(793,873)	(9,058)	(29,644)	(40,648)	338	-	-	(872,885)
Total changes in the income statement	(4,322,889)	83,472	262,460	1,801,812	(87)	-	-	(2,175,232)
Investment components	(658,211)	-	658,211	-	-	-	-	-
Other changes	358,321	(55,282)	(3,221)	16,583	(138)	178	(61)	316,380
Premiums received.	3,849,115	-	-	-	-	47,226	11,454	3,788,709
Claims and other service expenses paid.	-	-	(838,619)	(1,900,904)	-	-	-	(2,620,437)
Insurance acquisition cash flows.	(75,161)	-	-	-	-	-	-	(75,161)
Net Cash Flow	3,773,954	-	(838,619)	(1,900,904)	-	47,226	11,454	1,093,111
Balances at the end of the period	8,396,418	163,555	1,073,412	2,274,827	14,158	(869,455)	101,093	11,154,008

c) The components of the movement are presented below:

As of September 30, 2023				
	Present value of future cash flows S/(000)	Risk adjustment S/(000)	CSM	
			Fair value contracts S/(000)	Total 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	3,381	(67,350)	62,311	(1,658)
Changes in estimates that result in losses and recoveries for contract losses onerous	(4,586)	(6,115)	(32)	(10,733)
Initial recognition contracts	(64,093)	6,002	72,937	14,846
Changes Related to Future Services	(65,298)	(67,463)	135,216	2,455
CSM recognized for services provided	-	-	(97,413)	(97,413)
Changes in the risk adjustment recognized for the expired risk Experience Adjustments	651,395	5	174	651,574
Changes Related to Current Services	651,395	(16,620)	(97,239)	537,536
Adjustments to liabilities for incurred claims	(575,380)	3,324	-	(572,056)
Changes related to past services	(575,380)	3,324	-	(572,056)
Result of the insurance service	10,717	(80,759)	37,977	(32,065)
Net financial expenses for insurance contracts	448,406	4,747	30,259	483,412
Total changes in the income statement	459,123	(76,012)	68,236	451,347
Other changes	(20,834)	(786)	(4,640)	(26,260)
Cash flow:				
Premiums collected	776,818	-	-	776,818
Benefits and expenses paid	(806,135)	-	-	(806,135)
Acquisition fees paid	(45,872)	-	-	(45,872)
Net cash flow:	(75,189)	-	-	(75,189)
Balances at the end of the period	7,550,048	177,353	1,217,832	8,945,233

As of December 31, 2022				
	Present value of future cash flows S/(000)	Risk adjustment S/(000)	CSM	
			Fair value contracts S/(000)	Total 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 Experience Adjustments	667,764	(15,379)	-	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 September 30, 2023, and December 31, 2022 was as follows:

	<u>Land</u> <u>S/(000)</u>	<u>Buildings and other constructions</u> <u>S/(000)</u>	<u>Installations</u> <u>S/(000)</u>	<u>Furniture and fixtures</u> <u>S/(000)</u>	<u>Computer hardware</u> <u>S/(000)</u>	<u>Vehicles and equipment</u> <u>S/(000)</u>	<u>Work in progress</u> <u>S/(000)</u>	<u>As of September 30, 2023</u> <u>S/(000)</u>	<u>As of December 31, 2022</u> <u>S/(000)</u>
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	-	8,688	17,209	26,479	50,806	182	68,248	171,612	192,700
Acquisition of business	-	-	-	364	136	-	-	500	419
Transfers	-	-	16,182	4,593	862	-	(21,637)	-	-
Disposals and others	(39,133)	(14,918)	(4,978)	(22,374)	(28,662)	(4,229)	(22,101)	(136,395)	(230,813)
Balance as of September 30	<u>336,352</u>	<u>1,140,675</u>	<u>760,091</u>	<u>476,196</u>	<u>594,188</u>	<u>108,114</u>	<u>83,297</u>	<u>3,498,913</u>	<u>3,463,196</u>
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	-	17,951	25,446	21,285	24,689	4,082	-	93,453	128,443
Acquisition of business	-	-	-	-	-	-	-	-	102
Disposals and others	-	(4,352)	(1,590)	(12,487)	(17,495)	(4,153)	-	(40,077)	(138,558)
Balance as of September 30	<u>-</u>	<u>739,189</u>	<u>573,857</u>	<u>332,878</u>	<u>499,803</u>	<u>89,747</u>	<u>-</u>	<u>2,235,474</u>	<u>2,182,098</u>
Net carrying amount	<u>336,352</u>	<u>401,486</u>	<u>186,234</u>	<u>143,318</u>	<u>94,385</u>	<u>18,367</u>	<u>83,297</u>	<u>1,263,439</u>	<u>1,281,098</u>

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/91.9 million and S/1.6 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 September 30, 2023 and December 31, 2022 was as follows:

Description	Client relationships (i) S/(000)	Brand name (ii) S/(000)	Fund manager contract (iii) S/(000)	Relationships with holders S/(000)	Software and developments S/(000)	Intangible in progress S/(000)	Other S/(000)	As of September 30, 2023 S/(000)	As of December 31, 2022 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	-	-	-	-	134,669	342,512	6,462	483,643	703,670
Acquisition of business,	-	-	-	-	-	-	-	-	7,533
Transfers	-	-	-	-	162,413	(162,413)	-	-	-
Disposals and others	(213)	-	3,542	-	(21,345)	(27,494)	309	(45,201)	(252,273)
Balance as of September 30	<u>373,389</u>	<u>171,864</u>	<u>76,954</u>	<u>21,100</u>	<u>3,917,828</u>	<u>1,019,818</u>	<u>24,724</u>	<u>5,605,677</u>	<u>5,167,235</u>
Accumulated amortization -									
Balance at January 1	302,513	60,488	12,824	21,100	2,637,685	-	5,409	3,040,019	2,795,084
Amortization of the period	11,352	4,370	2,813	-	287,863	-	3,790	310,188	403,726
Disposals and others	(340)	-	(239)	-	(19,792)	-	23	(20,348)	(158,791)
Balance as of September 30	<u>313,525</u>	<u>64,858</u>	<u>15,398</u>	<u>21,100</u>	<u>2,905,756</u>	<u>-</u>	<u>9,222</u>	<u>3,329,859</u>	<u>3,040,019</u>
Net carrying amount	<u>59,864</u>	<u>107,006</u>	<u>61,556</u>	<u>-</u>	<u>1,012,072</u>	<u>1,019,818</u>	<u>15,502</u>	<u>2,275,818</u>	<u>2,127,216</u>

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/279.0 million and S/31.2 million corresponding to the attributable expense in the item insurance technical result.

(i) Client relationships -

This item consists of the following:

	As of September 30, 2023	As of December 31, 2022
	S/(000)	S/(000)
Prima AFP - AFP Unión Vida	36,008	45,262
Credicorp Capital Holding Chile - Inversiones IMT	13,850	15,564
Ultraserfinco	6,958	6,971
Culqi	1,792	1,809
Tenpo	1,255	1,483
Net carrying amount	59,863	71,089

(ii) Brand name -

	As of September 30, 2023	As of December 31, 2022
	S/(000)	S/(000)
MiBanco	106,701	111,009
Culqi	305	367
Net carrying amount	107,006	111,376

(iii) Fund management contract -

	As of September 30, 2023	As of December 31, 2022
	S/(000)	S/(000)
Credicorp Capital Holding Chile - Inversiones IMT	29,603	30,495
Credicorp Capital Colombia	29,424	27,620
Ultrasefinco S.A.	2,529	2,473
Net carrying amount	61,556	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 September 30, 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	118,146	99,979
Credicorp Capital Colombia	108,874	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.C	24,767	24,214
Tenpo SpA	22,361	23,441
Monokera S.A.S	22,656	-
Joinnus S.A.C	14,275	-
Tenpo Prepago S.A. (antes "Multicaja Prepago S.A.")	12,363	13,155
Compañía Incubadora de Soluciones Móviles S.A-Culqi	2,297	2,297
Crediseguro Seguros Personales	96	96
Net carrying amount	842,678	772,213

The recoverable amount of all of the CGUs has been determined based in 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 September 30, 2023 the group has evaluated the impairment of goodwill by making an estimate based on the information available, concluding that there is no evidence of impairment at said date; therefore, during the nine - month period ended September 30, 2023, and December 31, 2022, the Group did not record any impairment loss.

11 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

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 September 30, 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	49,025	3,238	1,253	13,387	66,903	113,948
Disposal and others	(31,137)	(2,243)	(516)	-	(33,896)	(56,412)
Balance as of September 30	825,310	152,358	4,042	78,188	1,059,898	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	78,834	20,868	430	10,380	110,512	151,335
Disposal and others	(20,433)	(2,243)	(507)	-	(23,183)	(51,215)
Balance as of September 30	444,509	90,137	1,975	33,766	570,387	483,058
Net carrying amount	380,801	62,221	2,067	44,422	489,511	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 September 30, 2023	As of December 31, 2022
	S/(000)	S/(000)
Other assets -		
Financial instruments:		
Receivables (b)	1,866,530	1,449,079
Receivables from sale of investments (c)	1,635,591	142,765
Derivatives receivable (d)	1,256,208	1,478,726
Operations in process (e)	91,175	155,568
	<u>4,849,504</u>	<u>3,226,138</u>
Non-financial instruments:		
Deferred fees (f)	1,225,423	908,399
Investment in associates (g)	707,457	726,993
Investment properties, net (h)	563,640	548,558
Income tax prepayments, net	228,502	186,372
Adjudicated assets, net	114,036	136,079
Improvements in leased premises	77,425	71,747
VAT (IGV) tax credit	87,956	58,329
Others	9,250	9,056
	<u>3,013,689</u>	<u>2,645,533</u>
Total	<u>7,863,193</u>	<u>5,871,671</u>
	As of September 30, 2023	As of December 31, 2022
	S/(000)	S/(000)
Other liabilities -		
Financial instruments:		
Accounts payable (i)	2,179,510	2,058,229
Accounts payable for acquisitions of investments (b)	1,504,978	153,681
Derivatives payable (d)	1,162,668	1,345,665
Salaries and other personnel expenses	1,011,620	930,622
Allowance for indirect loan losses, Note 7(c)	391,405	658,584
Dividends payable	58,374	73,607
Operations in process (e)	199,522	89,480
	<u>6,508,077</u>	<u>5,309,868</u>
Non-financial instruments:		
Provision for sundry risks	671,067	624,149
Taxes	579,968	1,062,691
Others	155,433	192,344
	<u>1,406,468</u>	<u>1,879,184</u>
Total	<u>7,914,545</u>	<u>7,189,052</u>

- b) As of September 30, 2023, the balance is mainly made up of margin call for derivatives for S/425.7 million, receivables for the sale of goods and services for S/176.1 million, account receivable for foreign currency sale for S/ 96.5 million, operations to settle for S/85.2 million, funds restricted by the Central Reserve Bank of Bolivia for S/71.5 million, works for taxes for S/59.7 million, accounts paid by third parties for S/53.9 million, commissions receivable for S/45.5 million, Payment Protection Insurance premium receivable for S/41 million, Receivable from clients for stock operations for S/40.2 million, advances to staff for S/23.1 million, dividends receivable for S/3.3 million, rents receivable for S/4.9 million, among others. As of December 31, 2022, the balance corresponds mainly 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, payment protection insurance premium receivable for S/46.5 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, receivable from clients for stock operations for S/25.5, advances to personnel for S/15.7 million, operations to settle for S/6.6 million, rents receivable for S/4.2 million, dividends receivable for S/2.9 million, among others.
- c) As of September 30, 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.

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 September 30,2023 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.

	<u>As of September 30, 2023</u>				<u>As of December 31, 2022</u>				<u>2023 and 2022</u>
	<u>Assets</u>	<u>Liabilities</u>	<u>Notional amount</u>	<u>Maturity</u>	<u>Assets</u>	<u>Liabilities</u>	<u>Notional amount</u>	<u>Maturity</u>	<u>Related instruments</u>
	<u>S/(000)</u>	<u>S/(000)</u>	<u>S/(000)</u>		<u>S/(000)</u>	<u>S/(000)</u>	<u>S/(000)</u>		
Derivatives held for trading (i) -									
Foreign currency forwards	321,821	436,334	33,990,913	October 2023 / March 2026	500,348	288,857	34,224,865	January 2023 / August2024	-
Interest rate swaps	454,385	253,528	13,071,439	October 2023 / September 2033	415,034	277,988	10,834,324	January 2023 / December 2032	-
Currency swaps	373,480	393,505	11,993,735	October 2023 / August 2033	410,439	749,420	16,000,208	January 2023 / January 2033	-
Foreign exchange options	2,698	11,508	2,563,048	October 2023 / March 2025	1,349	3,168	362,324	January 2023 / June 2024	-
Futures	427	1,031	11,000	December 2023	794	1,450	48,819	March 2023	-
	<u>1,152,811</u>	<u>1,095,906</u>	<u>61,630,135</u>		<u>1,327,964</u>	<u>1,320,883</u>	<u>61,470,540</u>		
Derivatives held as hedges									
Cash flow hedges -									
Cross currency swaps (CCS)	18,147	9,322	834,460	January 2025	20,114	8,418	839,080	January 2025	Bonds issued
Cross currency swaps (CCS)	-	-	-	-	21,935	-	171,630	August 2026	Repurchase agreements(*)
Cross currency swaps (CCS)	-	37,682	203,064	December 2023 / November 2025	-	13,688	145,715	December 2023	Bonds issued
Cross currency swaps (CCS)	23,151	3,913	90,405	February 2024 / January 2025	41,746	2,123	131,382	January 2023 / January 2025	Investments
Cross currency swaps (CCS)	-	5,613	227,580	May 2025 / June 2025	-	156	38,140	June 2025	Repurchase agreements(*)
Cross currency swaps (CCS)	-	-	-	-	14,861	-	95,350	August 2026	Repurchase agreements(*)
Cross interest rate swaps (IRS)	-	10,232	568,950	April 2026 / May 2026	-	-	-		Cash and due from banks
Forwards	1,506	-	55,624	June 2024	-	-	-		Debts to bank
Fair value hedges -									
Interest rate swaps (IRS)	60,593	-	796,530	March 2025 / February 2028	52,106	397	926,497	January 2023 / February 2028	Investments
	<u>103,397</u>	<u>66,762</u>	<u>2,776,613</u>		<u>150,762</u>	<u>24,782</u>	<u>2,347,794</u>		
	<u>1,256,208</u>	<u>1,162,668</u>	<u>64,406,748</u>		<u>1,478,726</u>	<u>1,345,665</u>	<u>63,818,334</u>		

(*) 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 September 30, 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	241,099	74,499	6,223	-	-	321,821	276,887	226,117	(2,656)	-	-	500,348
Interest rate swaps	22,996	14,637	88,676	177,961	150,115	454,385	12,395	43,395	58,726	122,943	177,575	415,034
Currency swaps	80,027	90,076	75,344	84,023	44,010	373,480	63,465	60,940	86,950	84,650	114,434	410,439
Foreign exchange options	1,853	776	69	-	-	2,698	153	1,163	33	-	-	1,349
Futures	427	-	-	-	-	427	794	-	-	-	-	794
Total assets	346,402	179,988	170,312	261,984	194,125	1,152,811	353,694	331,615	143,053	207,593	292,009	1,327,964
	As of September 30, 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	309,924	120,330	6,080	-	-	436,334	203,269	85,222	366	-	-	288,857
Interest rate swaps	17,492	14,079	54,858	45,109	121,990	253,528	8,073	37,418	45,352	62,460	124,685	277,988
Currency swaps	52,369	39,656	135,522	116,075	49,883	393,505	140,363	258,962	100,267	127,404	122,424	749,420
Foreign exchange options	9,382	1,994	132	-	-	11,508	554	2,483	131	-	-	3,168
Futures	1,031	-	-	-	-	1,031	1,450	-	-	-	-	1,450
Total liabilities	390,198	176,059	196,592	161,184	171,873	1,095,906	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 September 30, 2023, the balance corresponds mainly to the payment in favor of Latam Airlines Group S.A. Sucursal Peru for US\$186.9 million, equivalent to S/709.1million (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/653.9 million and S/627.9 million as of September 30, 2023 and December 31, 2022, respectively.
- h) Investment properties -

The movement of investment properties is as follows:

	As of September 30, 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)	12,633	20,801	33,434	87,132
Disposals and others	1,918	(12,647)	(10,729)	(748)
Ending Period	342,682	293,342	636,024	613,319
Accumulated depreciation				
Balance at January 1	-	63,351	63,351	56,412
Depreciation for the period	-	4,896	4,896	7,107
Disposals and others	-	2,727	2,727	(168)
Ending Period	-	70,974	70,974	63,351
Impairment losses (ii)	689	721	1,410	1,410
Net carrying amount	341,993	221,647	563,640	548,558

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

- (i) As of September 30, 2023 the Group has made disbursements for the acquisition of buildings for S/33.4 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 September 30, 2023 and December 31, 2022, the market value of the property amounts to approximately S/1,235.2 million and S/1,206.5 million, respectively; which was determined through a valuation made by an independent appraiser.

- i) As of September 30, 2023, the balance corresponds mainly to accounts payable to suppliers for S/426.2 million, insurance payable for S/391.7 million, accounts payable to policyholders for S/149.3 million, accounts payable to client investors in stock exchange for S/113.4 million, account payable by joint venture for S/95.4 million, accounts payable for premiums to the deposit insurance fund for S/56.7 million, retained insurance premium payable for S/54.5 millions, account payable to remittance companies for S/47.1 million, transactions to be settled by repurchase agreements and derivatives for S/13.8 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 September 30, 2023	As of December 31, 2022
	S/(000)	S/(000)
Saving deposits	49,395,543	54,769,045
Time deposits (c)	47,869,631	37,478,269
Demand deposits	45,120,128	48,467,248
Severance indemnity deposits	3,245,358	3,824,629
Bank's negotiable certificates	1,344,131	1,418,740
Total	146,974,791	145,957,931
Interest payable	1,496,744	1,062,856
Total	148,471,535	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.

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

	As of September 30, 2023	As of December 31, 2022
	S/(000)	S/(000)
Non-interest-bearing -		
In Peru	36,359,024	39,370,497
In other countries	4,004,612	3,975,654
	<u>40,363,636</u>	<u>43,346,151</u>
Interest-bearing -		
In Peru	96,718,312	92,276,991
In other countries	9,892,843	10,334,789
	<u>106,611,155</u>	<u>102,611,780</u>
Total	<u>146,974,791</u>	<u>145,957,931</u>

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

	As of September 30, 2023	As of December 31, 2022
	S/(000)	S/(000)
Up to 3 months	27,235,824	17,201,364
From 3 months to 1 year	14,237,201	12,688,483
From 1 to 3 years	2,970,872	4,144,424
From 3 to 5 years	333,167	502,291
More than 5 years	3,092,567	2,941,707
Total	<u>47,869,631</u>	<u>37,478,269</u>

In Management's opinion the Group's deposits and obligations are diversified with no significant concentrations as of September 30, 2023 and December 31, 2022.

As of September 30, 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/49,866.4 million and S/52,745.2 million, respectively. At said dates, maximum amount of coverage per depositor recognized by "Fondo de Seguro de Depositos" totaled S/124,199.0 and S/125,603.0, respectively.

As of September 30, 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 1,347.5 million Bolivianos (equivalent to S/745.8 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 98,401.6 Bolivianos and 96,359.0 Bolivianos (equivalent to S/ 54,459.4 and S/53,627.0, respectively).

As of September 30, 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 59,526.5 million Colombian pesos (equivalent to S/55.3 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/46,450.0 and S/39,300.0, respectively).

14 DUE TO BANKS AND CORRESPONDENTS

a) This item consists of the following:

	As of September 30, 2023	As of December 31, 2022
	S/(000)	S/(000)
International funds and others (b)	5,987,906	4,694,617
COFIDE and FONCODES credit lines (c)	4,325,184	4,107,294
	<u>10,313,090</u>	<u>8,801,911</u>
Interest payable	180,321	135,500
Total	<u>10,493,411</u>	<u>8,937,411</u>

b) This item consists of the following:

	As of September 30, 2023	As of December 31, 2022
	S/(000)	S/(000)
Wells Fargo Bank N.A. (i)	1,099,119	380,020
Bank of America N.A. (i)	852,576	189,470
Bank of New York Mellon	607,076	572,100
International Finance Corporation (IFC) (ii)	572,280	382,840
Sumitomo Mitsui Banking Corporation	436,195	-
Corporación Financiera de Desarrollo (COFIDE)	420,881	503,538
Caixabank	303,440	190,700
Standard Chartered Bank (i)	283,626	456,244
Citibank N.A.	189,650	381,400
Commerzbank AG	189,650	-
HSBC Bank USA (i)	188,801	189,321
JP Morgan Chase Bank N.A. (i)	112,941	189,321
Zurcher Kantonalbank	94,825	95,350
Bradesco Bac Florida Bank	94,825	76,280
Banco de Occidente	72,283	84,096
ICBC Perú Bank S.A. (i)	70,000	100,000
Banco BBVA Perú	60,000	114,000
Banco Bisa S.A.	52,577	-
Banco Nacional de Bolivia S.A.	52,448	-
Banco Internacional del Perú S.A.A. (Interbank) (iii)	52,088	150,000
Bancoldex	45,486	126,957
Bancolombia S.A.	16,918	59,604
The Toronto Dominion Bank	-	247,910
Scotiabank Perú S.A.A.	-	120,000
Others	120,221	85,466
Total	<u>5,987,906</u>	<u>4,694,617</u>

As of September 30, 2023 the loans have maturities between October 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 9.33 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:

	<u>As of September 30, 2023</u>		<u>As of December 31, 2022</u>		
	Min	Max	Min	Max	
	%	%	%	%	
Boliviano		4.90	6.00	6.00	6.00
Colombian peso		0.45	17.67	0.40	17.04
U.S. Dollar		1.80	6.90	1.50	6.32

- (i) The balance as of September 30, 2023 and December 31, 2022, include a 25 month *Club Deal Loan* for US\$250.0 million equivalent to S/907.0 million, with five foreign banks as borrowers: Wells Fargo Bank NY – Administrative Agent, Standard Chartered Bank, JP Morgan Chase Bank N.A., HSBC Bank and Bank of America. Subsequently, in April 2023, JP Morgan Chase Bank carried out a partial transfer of its collection rights in favor of ICBC Perú Bank S.A. for US\$20 million or S/72.6 million, making it the sixth borrower of the Deal Club. The loan accrues interest at a 3-month SOFR variable rate plus a spread of 1.5 percent. Likewise, the expenses linked to said transaction were deferred and accrued proportionally during the previous months and will continue to accrue during the term of the loan.
- (ii) As of September 30, 2023, the Bank and its Subsidiaries maintain cross currency swaps (CCS) that were designated as cash flow hedges of certain repo operations in U.S. dollars for a nominal amount of US\$60 million, equivalent to S/227.6 million.
- (iii) As of September 30, 2023, the Bank and its Subsidiaries maintain a foreign currency forward for a nominal amount of US\$13.7 million, equivalent to S/55.6 million.
- c) 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 October 2023 and January 2032 and bear annual interest in soles at rates that fluctuate between 6.00 percent and 7.60 percent and interest in foreign currency at 7.75 percent as of September 30, 2023 (between January 2023 and December 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/4,310.2 million and S/4,107.3 million, as of September 30, 2023 and December 31, 2022, respectively.

- d) The following table presents the maturities of due to banks and correspondents as of September 30, 2023 and December 31, 2022 based on the period remaining to maturity:

	As of September 30, 2023	As of December 31, 2022
	S/(000)	S/(000)
Up to 3 months	756,053	1,420,872
From 3 months to 1 year	3,429,614	1,562,224
From 1 to 3 years	2,685,267	2,660,926
From 3 to 5 years	783,408	694,308
More than 5 years	2,658,748	2,463,581
Total	10,313,090	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			As of September 30, 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)
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	834,460	January 2025	US\$700,000	2,624,380	January 2025	US\$700,000	2,623,445
Senior notes - BCP	4.65	Semi-annual	-	-	-	September 2024	S/2,900,000	2,495,145	September 2024	S/2,900,000	2,490,872
			Net investment of a foreign operation								
Senior notes - Credicorp Ltd.	2.75	Semi-annual		US\$228,828	867,945	June 2025	US\$500,000	1,747,300	June 2025	US\$500,000	1,827,682
Senior notes - BCP	0.45	Semi-annual	CCS	¥5,000,000	126,915	December 2023	¥5,000,000	126,873	December 2023	¥5,000,000	145,522
Senior notes - BCP (ii)	0.97	Semi-annual	CCS	¥3,000,000	76,149	November 2025	¥3,000,000	75,998	-	-	-
Senior notes - BCP	5.05	Semi-annual	-	-	-	June 2027	US\$30,000	113,652	June 2027	US\$30,000	114,246
Corporate bonds -											
First program											
First issuance (Series A) - Mibanco Colombia	9.00	Quarterly	-	-	-	January 2025	\$112,500	83,818	January 2025	\$112,500	72,118
								7,267,166			9,987,796

	Annual rate	Interest payment	Hedge Accounting			As of September 30, 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	5,061,902	July 2030 / September 2031	US\$1,350,000	5,064,963
First program											
First issuance (Series A) - Pacífico Seguros (iii)	6.97	Quarterly	-	-	-	-	-	-	November 2026	US\$60,000	228,840
Second program											
Second issuance (Series A) - Pacífico Seguros	4.41	Semi-annual	-	-	-	December 2030	US\$50,000	172,493	December 2030	US\$50,000	173,635
Second issuance (Series B) - Pacífico Seguros	8.00	Semi-annual	-	-	-	May 2033	US\$60,000	227,580	-	-	-
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 IV - Banco de Crédito de Bolivia	5.85	Semi-annual	-	-	-	February 2033	Bs137,200	65,182	-	-	-
Issuance III - Banco de Crédito de Bolivia	6.00	Semi-annual	-	-	-	August 2030	Bs100,000	55,344	August 2030	Bs100,000	55,653
Issuance I - Banco de Crédito de Bolivia	6.25	Semi-annual	-	-	-	August 2028	Bs70,000	38,741	August 2028	Bs70,000	39,047
Fourth program											
First issuance (Series A) - MiBanco	5.84	Semi-annual	-	-	-	March 2031	S/155,000	146,151	March 2031	S/155,000	146,276
								5,797,393			5,738,414
Negotiable certificate of deposit - MiBanco	From 3.30 to 8.41	Annual	-	-	-	October 2023 / June 2025	S/443,246	499,909	January 2023 / June 2024	S/356,547	356,547
Negotiable certificate of deposit - MiBanco Colombia	From 1.00 to 17.90	To maturity	-	-	-	October 2023 / January 2027	\$1,219,146	1,201,835	January 2023 / January 2027	\$978,455	769,132
Interest payable								14,766,303			16,851,889
Total								148,329			155,305
								<u>14,914,632</u>			<u>17,007,194</u>

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 September 30, 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.
- (ii) On September 19, 2023, the Bank issued Senior Notes for approximately ¥3,000.0 million, with a fixed rate of 0.97 percent, whose maturity on November 19, 2025. At the same time, the Bank agreed to a cross currency swap (CCS) for a nominal amount of ¥3,000.0 million equivalent to S/76.1 million, see Note 12(d), which was broken down by risk variables into two cross currency swap (CCS) in order to designate them as a cash flow hedge of a fixed-rate yen issued bond, which was converted to Soles at a fixed rate and as cash flow hedge of loans.
- (iii) On May 17, 2023, Pacífico Compañía de Seguros y Reaseguros S.A. has completed the total redemption of the subordinated bonds called 'First issuance of the First Pacífico Subordinated Bonds Program' for a notional of US\$60.0 million, with maturity in the year 2026.

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

	As of September 30, 2023	As of December 31, 2022
	S/(000)	S/(000)
Up to 3 months	343,452	128,442
From 3 months to 1 year	3,716,714	3,671,142
From 1 to 3 years	4,777,025	7,184,334
From 3 to 5 years	161,719	388,396
More than 5 years	5,767,393	5,479,575
Total	<u>14,766,303</u>	<u>16,851,889</u>

16 EQUITY

a) Capital stock -

As of September 30, 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 September 30, 2023 and 2022:

As of September 30, 2023	Number of shares		
	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
MiBanco	-	14,128	14,128
Credicorp Capital Servicios Financieros	-	13,267	13,267
Other subsidiaries	-	32,751	32,751
	<u>14,620,846</u>	<u>225,941</u>	<u>14,846,787</u>

As of September 30, 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
Grupo Crédito	-	23,214	23,214
Pacífico Seguros	-	20,606	20,606
Credicorp Capital Servicios Financieros	-	15,007	15,007
MiBanco	-	14,260	14,260
Other subsidiaries	-	34,785	34,785
	<u>14,620,846</u>	<u>228,377</u>	<u>14,849,223</u>

(*) 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 nine-month period ended September 30, 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 September 30, 2023, and December 31, 2022, the balance of this reserves amounts approximately to S/8,623.7 million and S/7,783.3 million, respectively.

At the Board meetings held on April 27, 2023 and April 28, 2022, the decision was made to transfer from "Retained earnings" to "Reserves" the amounts of S/2,593.6 million and S/2,354.9 million, respectively.

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 -

The chart below shows the distribution of dividends agreed by the Board of Directors:

	As of September 30, 2023	As of December 31, 2022
Date of Meeting - Board of Directors	27.04.2023	28.04.2022
Dividends distribution, net of treasury shares effect (in thousands of soles)	1,994,037	1,196,422
Payment of dividends per share (in soles)	25.00	15.00
Date of dividends payout	09.06.2023	10.06.2022
Exchange rate published by the SBS	3.6901	3.7560
Dividends payout (equivalent in thousands of US\$)	540,375	318,536

e) Regulatory capital -

As of September 30, 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/33,473.6 million and S/31,754.6 million, respectively. At those dates, the Group's regulatory requirement exceeds by approximately S/10,215.5 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 September 30, 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 September 30, 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 September 30, 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 September 30, 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	Firmness of the declaration
35 percent	6 months
25 percent	12 months

b) Income tax expense comprises:

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2023 S/(000)	2022 S/(000)	2023 S/(000)	2022 S/(000)
Current -				
In Peru	434,939	605,408	1,249,731	1,466,281
In other countries	68,445	(78,641)	206,194	12,470
	<u>503,384</u>	<u>526,767</u>	<u>1,455,925</u>	<u>1,478,751</u>
Deferred -				
In Peru	(39,492)	21,012	19,534	75,670
In other countries	(8,027)	27,304	(21,656)	79,844
	<u>(47,519)</u>	<u>48,316</u>	<u>(2,122)</u>	<u>155,514</u>
Total	<u>455,865</u>	<u>575,083</u>	<u>1,453,803</u>	<u>1,634,265</u>

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 September 30, 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 September 30, 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 September 30, 2023 and December 31, 2022, respectively. During the nine-month period ended September 30, 2023 and 2022, the recorded expense amounted to approximately S/61.3 million and S/60.4 million, respectively, see Note 24.

19 CONTINGENT RISKS AND COMMITMENTS

- a) This item consists of the following:

	<u>As of September 30, 2023</u>	<u>As of December 31, 2022</u>
	S/(000)	S/(000)
Contingent credits – indirect loans (b)		
Financial Endorsements and performance bonds	16,884,238	18,244,865
Import and export letters of credit	<u>2,061,645</u>	<u>2,683,190</u>
Sub-total, Note 7(b)	18,945,883	20,928,055
Responsibilities under credit line agreements (c)	<u>88,183,227</u>	<u>86,597,041</u>
Total	<u>107,129,110</u>	<u>107,525,096</u>

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 September 30,		For the nine-month period ended September 30,	
	2023 S/(000)	2022 S/(000)	2023 S/(000)	2022 S/(000)
Interest and similar income				
Interest on loans	3,853,361	3,288,864	11,137,158	8,904,198
Interest on investments at fair value through other comprehensive income	516,245	429,672	1,479,128	1,155,010
Interest on due from banks	289,934	141,897	853,764	229,257
Interest on investments at amortized cost	114,678	91,500	341,933	271,221
Dividends received	10,464	7,498	34,433	25,500
Interest on investments at fair value through profit or loss	10,447	12,799	24,529	29,699
Other interest and similar income	23,972	16,454	57,508	34,258
Total	<u>4,819,101</u>	<u>3,988,684</u>	<u>13,928,453</u>	<u>10,649,143</u>
Interest and similar expense				
Interest on deposits and obligations	(859,659)	(510,116)	(2,314,183)	(1,106,008)
Interest on due to banks and correspondents	(325,618)	(185,891)	(861,405)	(443,653)
Interest on bonds and notes issued	(149,449)	(199,029)	(481,339)	(521,024)
Financial expenses of insurance activities	(116,465)	(117,990)	(347,381)	(323,708)
Deposit Insurance Fund	(59,908)	(59,435)	(175,550)	(170,170)
Interest on lease liabilities	(6,127)	(6,320)	(18,728)	(18,892)
Other interest and similar expense	(47,832)	(27,502)	(139,579)	(114,474)
Total	<u>(1,565,058)</u>	<u>(1,106,283)</u>	<u>(4,338,165)</u>	<u>(2,697,929)</u>

21 COMMISSIONS AND FEES

This item consists of the following:

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	<u>2023</u> S/(000)	<u>2022</u> S/(000)	<u>2023</u> S/(000)	<u>2022</u> S/(000)
Maintenance of accounts, transfers and credit and debit card services	325,884	413,091	1,054,352	1,196,593
Contingent loans and foreign trade fees	158,841	114,097	465,433	334,312
Funds and equity management	155,042	157,328	462,159	485,323
Commissions for banking services	114,749	95,368	320,340	263,615
Collection services	31,405	29,416	91,662	86,049
Brokerage, securities and custody services	16,981	33,207	73,982	91,599
Commissions for consulting and technical	18,765	15,017	50,654	50,520
Commissions for salary advance and payment of services	14,308	15,792	46,129	50,145
Commissions for intermediation in virtual	16,098	8,785	45,880	24,655
Penalty commissions	214	1,305	1,461	2,190
Others	<u>123,668</u>	<u>51,578</u>	<u>206,234</u>	<u>162,561</u>
Total	<u>975,955</u>	<u>934,984</u>	<u>2,818,286</u>	<u>2,747,562</u>

22 GAIN (LOSS) ON SECURITIES

This item consists of the following:

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2023 S/(000)	2022 S/(000)	2023 S/(000)	2022 S/(000)
Net gain (loss) on financial assets at fair value through profit or loss	12,157	(28,974)	185,090	(180,185)
Net gain in associates	32,056	25,806	82,957	79,039
Net gain on investments at fair value through other comprehensive income	39,789	11,433	16,778	43,879
(Loss) recovery due to impairment of investments at fair value through other comprehensive income, Note 6(b)	1,104	(8,029)	(10,776)	(41,114)
Others	541	110	1,138	914
Total	85,647	346	275,187	(97,467)

23 **INSURANCE AND UNDERWRITING RESULT**

a) This item consists of the following:

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2023	2022	2023	2022
	S/(000)	S/(000)	S/(000)	S/(000)
Contracts measured under BBA and VFA (b)	52,467	55,152	174,109	155,839
Contracts measured under PAA	<u>877,273</u>	<u>864,736</u>	<u>2,663,100</u>	<u>2,455,844</u>
Income from the Insurance Service	929,740	919,888	2,837,209	2,611,683
Expenses for incurred claims and other expenses	(591,052)	(871,099)	(2,308,334)	(2,638,754)
Change of past services derived from compliance with the country due to an incurred claim	84,601	375,646	700,368	1,080,903
Losses in onerous contracts and reversal of losses	(5,516)	(1,618)	(10,018)	(3,374)
Others	<u>(759)</u>	<u>146</u>	<u>(1,847)</u>	<u>2,053</u>
Insurance Service Expenses	(512,726)	(496,925)	(1,619,831)	(1,559,172)
Insurance Service Result	<u>417,014</u>	<u>422,963</u>	<u>1,217,378</u>	<u>1,052,511</u>

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2023	2022	2023	2022
	S/(000)	S/(000)	S/(000)	S/(000)
Variation in incurred claim provision - pending Claims - Reinsurance	98,439	69,863	312,118	217,209
Adjustment changes of incurred claim provision - RA - Reinsurance	<u>-</u>	<u>-</u>	<u>(9)</u>	<u>-</u>
Income from reinsurance recoveries	98,439	69,863	312,109	217,209
Premiums assigned to the reinsurance period	<u>(184,553)</u>	<u>(189,066)</u>	<u>(605,682)</u>	<u>(565,096)</u>
Expenses for assigning the premiums paid to the reinsurer	(184,553)	(189,066)	(605,682)	(565,096)
Reinsurance result	<u>(86,114)</u>	<u>(119,203)</u>	<u>(293,573)</u>	<u>(347,887)</u>

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

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2023	2022	2023	2022
	S/(000)	S/(000)	S/(000)	S/(000)
Amounts related to changes in liabilities for the remaining coverage:				
CSM recognized for services provided	31,386	36,570	97,413	106,028
Change in risk adjustment for non-financial risk	2,940	3,719	9,376	11,476
Expenses for insurance services and expected claims occurred	17,383	15,011	65,474	40,389
Cash recovery for the purchase of insurance	758	(148)	1,846	(2,054)
Contracts measured under BBA and VFA	52,467	55,152	174,109	155,839

c) The impact of the new business for onerous and non-onerous contracts is detailed below:

	For the three-month period ended September 30, 2023			For the nine-month period ended September 30, 2023		
	Onerous contracts	Non-onerous contracts	Total	Onerous contracts	Non-onerous contracts	Total
	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)
Estimates of the present value of future outflows:						
Insurance Acquisition Cash Flows	7,226	22,739	29,965	15,556	59,353	74,909
Claims and other directly attributable	70,894	151,009	221,903	114,301	432,791	547,092
Estimates of the present value of future inflows	(71,310)	(198,546)	(269,856)	(116,458)	(569,890)	(686,348)
Risk adjustment for non-financial risk	379	1,573	1,952	1,464	4,537	6,001
CSM	-	23,224	23,224	-	73,209	73,209
Impact on provisions for contracts recognized in the period	7,189	(1)	7,188	14,863	-	14,863
	For the three-month period ended September 30, 2022			For the nine-month period ended September 30, 2022		
	Onerous contracts	Non-onerous contracts	Total	Onerous contracts	Non-onerous contracts	Total
	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)
Estimates of the present value of future outflows:						
Insurance Acquisition Cash Flows	4,572	16,882	21,454	7,086	50,077	57,163
Claims and other directly attributable	54,198	104,693	158,891	108,627	363,875	472,502
Estimates of the present value of future inflows	(54,572)	(150,295)	(204,867)	(108,793)	(510,068)	(618,861)
Risk adjustment for non-financial risk	734	1,915	2,649	1,828	5,513	7,341
CSM	-	26,805	26,805	-	90,603	90,603
Impact on provisions for contracts recognized in the period	4,932	-	4,932	8,748	-	8,748

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

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2023	2022	2023	2022
	S/(000)	S/(000)	S/(000)	S/(000)
One year	(168,220)	(163,037)	121,609	141,550
Two years	(240,511)	(255,845)	122,052	138,998
Three years	(58,954)	(85,908)	121,807	134,623
Four years	44,808	31,645	121,400	131,780
Five years	74,145	73,089	118,592	129,162
from 6 to 10 years	366,168	378,607	501,075	538,038
Older than 10 years	446,714	563,678	983,425	1,127,025
Total	464,150	542,229	2,089,960	2,341,176

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

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2023	2022	2023	2022
	S/(000)	S/(000)	S/(000)	S/(000)
IL Controlled	(91,686)	(110,192)	89,708	84,039
IL Controlled Soles	109,556	121,924	182,532	187,950
IL Balanced	75,837	72,264	76,040	72,427
IL Balanced II	(977)	(25,939)	371,914	359,768
Global Balanced IL	1,743	7,288	81,560	74,021
IL Capitalized	(83,549)	(82,111)	990	194
IL Capitalized II	(393)	111	245	178
IL Global Growth	349	196	1,028	196
IL Sustainable	(263)	-	759	-

- 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:

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2023	2022	2023	2022
	S/(000)	S/(000)	S/(000)	S/(000)
CSM at the beginning of the period	30,682	36,868	988,621	1,290,940
Changes related to future service	3,584	11,186	26,782	36,658
Changes related to the current service	(20,471)	(25,451)	(57,436)	(70,511)
CSM at the end of the period	13,795	22,603	957,967	1,257,087

24 SALARIES AND EMPLOYEE BENEFITS

This item consists of the following:

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2023	2022	2023	2022
	S/(000)	S/(000)	S/(000)	S/(000)
Salaries	608,046	539,647	1,802,251	1,602,587
Vacations, medical assistance and others	104,712	89,540	292,004	243,154
Bonuses	80,815	79,573	239,615	224,355
Additional participation	69,893	73,096	211,564	204,388
Workers profit sharing	68,022	84,411	211,192	230,008
Social security	60,152	55,268	191,079	177,078
Severance indemnities	47,877	42,832	136,698	124,048
Share-based payment plans, Note 18	21,885	19,969	61,292	60,395
Total	1,061,402	984,336	3,145,695	2,866,013

25 ADMINISTRATIVE EXPENSES

This item consists of the following:

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2023	2022	2023	2022
	S/(000)	S/(000)	S/(000)	S/(000)
Systems expenses	271,304	240,603	768,584	645,517
Publicity	171,902	173,517	481,690	439,880
Consulting and professional	112,480	73,297	231,375	194,229
Taxes and contributions	65,606	45,461	171,236	186,100
Transport and communications	57,518	73,494	165,991	161,510
Repair and maintenance	44,084	30,940	107,429	100,026
Outsourcing	45,426	36,327	100,598	77,873
Sundry supplies	27,091	25,266	87,921	64,999
Comissions by agents	29,310	25,574	83,209	78,683
Lease	27,754	24,171	78,152	67,712
Insurance	38,034	39,524	51,806	54,365
Security and protection	16,064	16,841	47,857	48,115
Subscriptions and quotes	14,391	13,703	43,501	41,592
Electricity and water	13,592	11,742	40,043	35,718
Electronic processing	9,959	7,770	28,480	23,671
Cleaning	5,930	5,358	16,555	15,067
Others	57,449	26,285	209,573	149,981
Total	1,007,894	869,873	2,714,000	2,385,038

26 OTHER INCOME AND EXPENSES

This item consists of the following:

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2023	2022	2023	2022
	S/(000)	S/(000)	S/(000)	S/(000)
Other income				
Net results from sale of loan portfolio	6,450	778	77,903	16,946
Rental income	13,201	10,706	34,851	32,269
Contract resolution impact	1,096	3,458	3,586	5,153
Reversal of provisions	66	103	2,065	1,172
Net results from the sale of seized assets	-	2,759	-	8,323
Others	68,459	38,860	209,876	206,731
Total other income	89,272	56,664	328,281	270,594
	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2023	2022	2023	2022
	S/(000)	S/(000)	S/(000)	S/(000)
Other expenses				
Provision for sundry risks	17,998	3,553	72,388	12,600
Losses due to operational risk	20,850	16,449	49,813	52,180
Association in participation	14,634	9,999	43,988	28,019
Reduction of intangibles due to withdrawals and dismissed projects	29,850	-	36,076	7,582
Net results from the sale of seized assets	9,772	-	13,345	-
Expenses on improvements in building for rent	4,211	4,444	11,988	14,091
Donations	5,487	5,235	11,402	10,046
Provision for other accounts receivable	1,121	3,939	7,909	12,468
Operating expenses due to COVID-19	1,243	3,373	5,407	17,296
Provision for uncollectible insurance and reinsurance premiums	180	2,402	5,258	3,898
Others	16,066	31,978	74,023	73,200
Total other expenses	121,412	81,372	331,597	231,380

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 September 30,		For the nine-month periods ended September 30,	
	2023	2022	2023	2022
Net income attributable to equity holders of Credicorp (in thousands of Soles)	<u>1,238,173</u>	<u>1,322,909</u>	<u>4,023,713</u>	<u>3,637,663</u>
Number of stock				
Ordinary stock, Note 16(a)	94,382,317	94,382,317	94,382,317	94,382,317
Less – opening balance of treasury stock	(14,849,223)	(14,850,369)	(14,849,223)	(14,850,369)
Acquisition of treasury stock, net	<u>12,485</u>	<u>2,804</u>	<u>(61,486)</u>	<u>(5,651)</u>
Weighted average number of ordinary shares for basic earnings	<u>79,545,579</u>	<u>79,534,752</u>	<u>79,471,608</u>	<u>79,526,297</u>
Plus - dilution effect - stock awards	<u>32,255</u>	<u>27,944</u>	<u>150,139</u>	<u>134,026</u>
Weighted average number of ordinary shares adjusted for the effect of dilution	<u>79,577,834</u>	<u>79,562,696</u>	<u>79,621,747</u>	<u>79,660,323</u>
Basic earnings per share (in Soles)	15.57	16.63	50.63	45.74
Diluted earnings per share (in Soles)	15.54	16.59	50.54	45.66

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 client, 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 nine -month period ended September 30, 2023										As of September 30, 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	13,585	411	7,185	2,908	(1,850)	(320)	(1,177)	3,622	435	178,977	157,610
Banco de Crédito de Bolivia	689	14	248	159	(2)	(19)	(59)	63	11	13,569	12,712
Insurance and Pension funds											
Pacífico Seguros y subsidiarias	788	3	227	999	-	(12)	(11)	679	53	15,148	12,827
Prima AFP	291	-	3	263	-	(18)	(42)	109	8	685	225
Microfinance											
MiBanco	2,405	96	1,622	92	(542)	(65)	(40)	150	66	16,780	13,849
MiBanco Colombia	352	1	184	33	(55)	(12)	14	(28)	10	1,995	1,694
Investment Banking and Wealth Management	831	310	83	639	-	(31)	(21)	(6)	29	10,964	9,117
Other segments	80	-	38	-	-	(4)	(118)	(481)	88	3,870	2,810
Eliminations	-	-	-	-	-	-	-	-	-	(3,529)	(4,292)
Total consolidated	19,021	835	9,590	5,093	(2,449)	(481)	(1,454)	4,108	700	238,459	206,552

For the nine-month period ended September 30, 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	9,467	313	5,461	2,222	(884)	(333)	(1,240)	3,242	306	177,907	157,485
Banco de Crédito de Bolivia	648	7	246	124	(48)	(18)	(104)	51	11	12,698	11,838
Insurance and Pension funds											
Pacífico Seguros y subsidiarias	1,585	56	212	803	-	(2)	(9)	410	51	14,559	12,149
Prima AFP	254	2	(1)	254	-	(17)	(34)	69	24	735	238
Microfinance											
MiBanco	2,012	-	1,600	22	(115)	(57)	(147)	378	58	17,226	14,444
MiBanco Colombia	277	-	180	36	(34)	(10)	(6)	22	4	1,530	1,290
Investment Banking and Wealth Management	651	62	72	482	-	(31)	-	10	40	14,051	10,670
Other segments	198	30	181	500	-	(3)	(94)	(456)	43	3,476	2,606
Eliminations	-	-	-	-	-	-	-	-	-	(6,774)	(4,901)
Total consolidated	15,092	470	7,951	4,443	(1,081)	(471)	(1,634)	3,726	537	235,408	205,819

(*) 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) The 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:

	<u>For the nine - month period ended September 30, 2023</u>		<u>As of September 30, 2023</u>		<u>For the nine-month period ended September 30, 2022</u>		<u>As of December 31, 2022</u>	
	<u>Total income (*)</u>	<u>Operating income (**)</u>	<u>Total non current assets (***)</u>	<u>Total liabilities</u>	<u>Total income (*)</u>	<u>Operating income (**)</u>	<u>Total non current assets (***)</u>	<u>Total liabilities</u>
Peru	12,206	8,748	4,437	180,512	13,485	7,402	4,325	179,855
Bermuda	4,533	(32)	-	2,089	(73)	(14)	134	2,123
Panama	285	131	35	6,796	223	70	3	8,384
Cayman Islands	481	358	-	158	72	71	-	139
Bolivia	765	245	118	12,883	716	284	113	11,885
Colombia	675	140	226	3,063	319	(83)	22	2,283
United States of America	18	-	15	18	6	-	5	15
Chile	58	-	40	1,011	125	3	119	1,132
Others	-	-	-	22	219	218	3	3
Total consolidated	19,021	9,590	4,871	206,552	15,092	7,951	4,724	205,819

(*) 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 September 30, 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:

	<u>As of September 30, 2023</u>	<u>As of December 31, 2022</u>
	S/(000)	S/(000)
Statement of financial position -		
Direct loans	2,304,729	1,804,837
Investments (*)	789,445	800,021
Deposits (**)	(969,392)	(1,138,115)
Derivatives at fair value	324,431	336,867
Contingent risks and commitments		
Indirect loans	663,803	433,639

- (*) The balance includes mainly S/144.1 million of shares and S/153.5 million of corporate bonds of Alicorp S.A.A., S/135.9 million of shares of Inversiones Centenario, and S/116.6 million of corporate bonds issued by Corporacion Primax

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.

	<u>For the three-month period ended September 30,</u>		<u>For the nine-month period ended September 30,</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	S/(000)	S/(000)	S/(000)	S/(000)
Statement of income				
Interest income related to loans	7,839	10,409	24,907	26,117
Interest expenses related to deposits	(7,189)	(10,309)	(20,416)	(18,994)
Other income	7,253	4,258	11,702	9,856

- c) All transactions with related parties are made in accordance with normal market conditions available to other customers. As of September 30, 2023, direct loans to related companies are secured by collateral, had maturities between October 2023 and June 2029, accrue interest at an annual soles average interest rate of 7.02 percent and at an annual foreign currency average interest rate of 4.93 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 September 30, 2023 and December 31, 2022, the Group maintains an allowance for loan losses for related parties amounting to S/15.18 million and S/8.52 million, respectively.

- d) As of September 30, 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 N°26702, which regulates and limits certain transactions with employees, directors and officers of a bank or an insurance company. As of September 30, 2023 and December 31, 2022, direct loans to employees, directors, key management and family members amounted to S/1,345.2 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 September 30, 2023 and 2022 was as follows:

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2023 S/(000)	2022 S/(000)	2023 S/(000)	2022 S/(000)
Director's compensation	1,577	1,903	5,622	5,922
Senior Management				
Remuneration	6,951	6,010	42,301	33,855
Stock awards vested	5,361	7,113	16,083	21,338
Total	13,889	15,026	64,006	61,115

- f) As of September 30, 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 September 30, 2023 S/(000)	As of December 31, 2022 S/(000)
At fair value through profit or loss:		
Mutual funds, investment funds and hedge funds		
U.S. Dollars	584,597	626,404
Bolivianos	177,686	163,701
Soles	173,598	70,987
Colombian pesos	214,270	76,535
Chilean pesos	6,327	5,735
Total	1,156,478	943,362
Restricted mutual funds, Note 6(a)(iv)	319,453	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 September 30, 2023, and December 31, 2022:

	As of September 30, 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 measured at amortized cost	Total	Financial assets and liabilities at fair value through profit or loss		Financial assets at fair value through other comprehensive income		Financial assets and liabilities measured at amortized cost	Total
	Investments and derivatives	Investments designated at inception	Investments	Investments designated at inception			Investments and derivatives	Investments designated at inception	Investments	Investments designated at inception		
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	-	-	-	-	32,955,460	32,955,460	-	-	-	-	34,183,840	34,183,840
Cash collateral, reverse repurchase agreements and securities borrowings	-	-	-	-	1,513,622	1,513,622	-	-	-	-	1,101,856	1,101,856
At fair value through profit or loss	5,558,973	-	-	-	-	5,558,973	4,199,334	-	-	-	-	4,199,334
Investments at fair value through other comprehensive income, Note 6(b)	-	-	35,141,539	334,282	-	35,475,821	-	-	30,449,806	336,355	-	30,786,161
Amortized cost investments	-	-	-	-	10,082,119	10,082,119	-	-	-	-	10,445,729	10,445,729
Loans, net	-	-	-	-	137,073,044	137,073,044	-	-	-	-	140,753,972	140,753,972
Financial assets designated at fair value through profit or loss	-	797,545	-	-	-	797,545	-	768,801	-	-	-	768,801
Insurance and reinsurance contract assets	-	-	-	-	803,868	803,868	-	-	-	-	738,095	738,095
Due from customers on banker's acceptances	-	-	-	-	325,771	325,771	-	-	-	-	699,678	699,678
Other assets, Note 12(a)	1,256,208	-	-	-	3,593,296	4,849,504	1,478,726	-	-	-	1,747,412	3,226,138
	<u>6,815,181</u>	<u>797,545</u>	<u>35,141,539</u>	<u>334,282</u>	<u>186,347,180</u>	<u>229,435,727</u>	<u>5,678,060</u>	<u>768,801</u>	<u>30,449,806</u>	<u>336,355</u>	<u>189,670,582</u>	<u>226,903,604</u>
Liabilities												
Deposits and obligations	-	-	-	-	148,471,535	148,471,535	-	-	-	-	147,020,787	147,020,787
Payables from repurchase agreements and securities lending	-	-	-	-	11,738,020	11,738,020	-	-	-	-	12,966,725	12,966,725
Due to banks and correspondents	-	-	-	-	10,493,411	10,493,411	-	-	-	-	8,937,411	8,937,411
Due from customers on banker's acceptances	-	-	-	-	325,771	325,771	-	-	-	-	699,678	699,678
Lease liabilities	-	-	-	-	514,845	514,845	-	-	-	-	578,074	578,074
Financial liabilities at fair value through profit or loss	455,350	-	-	-	-	455,350	191,010	-	-	-	-	191,010
Bonds and notes issued	-	-	-	-	14,914,632	14,914,632	-	-	-	-	17,007,194	17,007,194
Other liabilities, Note 12(a)	1,162,668	-	-	-	5,345,409	6,508,077	1,345,665	-	-	-	3,964,203	5,309,868
	<u>1,618,018</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>191,803,623</u>	<u>193,421,641</u>	<u>1,536,675</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>191,174,072</u>	<u>192,710,747</u>

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 establish 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.

In addition, it takes knowledge of the actions for the implementation of corrective measures in case there are deviations with respect to the levels of appetite and risk tolerance; as well as the development of new products or important changes that may affect the risk profile. Additionally, it is responsible for approving the integration into management of a corporate model implemented in the Group and/or in a Group company, in case it has a material impact on the Group.

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 September 30, 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 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. In that sense, a new version of the PD FWL parameter was implemented for the estimation of the expected credit loss of the SME portfolio, where GDP was added to the model to better reflect the impact of current macroeconomic conditions.

LGD models: during 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 it 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 behaviour 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 32.1(c).

	As of September 30, 2023				As of December 31, 2022			
	Stage 1 S/(000)	Stage 2 S/(000)	Stage 3 S/(000)	Total S/(000)	Stage 1 S/(000)	Stage 2 S/(000)	Stage 3 S/(000)	Total S/(000)
Commercial loans								
Neither past due nor impaired	64,163,001	4,864,636	-	69,027,637	66,885,472	6,848,298	-	73,733,770
Past due but not impaired	1,073,394	807,693	-	1,881,087	804,155	691,215	-	1,495,370
Impaired	-	-	6,004,049	6,004,049	-	-	6,439,760	6,439,760
Gross	65,236,395	5,672,329	6,004,049	76,912,773	67,689,627	7,539,513	6,439,760	81,668,900
Less: Allowance for loan losses	481,720	382,865	2,246,576	3,111,161	503,651	489,381	2,260,569	3,253,601
Total, net	64,754,675	5,289,464	3,757,473	73,801,612	67,185,976	7,050,132	4,179,191	78,415,299
Residential mortgage loans								
Neither past due nor impaired	18,814,899	2,240,564	-	21,055,463	18,213,711	2,747,557	-	20,961,268
Past due but not impaired	907,858	700,894	-	1,608,752	426,722	459,525	-	886,247
Impaired	-	-	1,417,309	1,417,309	-	-	1,388,060	1,388,060
Gross	19,722,757	2,941,458	1,417,309	24,081,524	18,640,433	3,207,082	1,388,060	23,235,575
Less: Allowance for loan losses	60,045	97,707	847,739	1,005,491	83,536	126,834	757,778	968,148
Total, net	19,662,712	2,843,751	569,570	23,076,033	18,556,897	3,080,248	630,282	22,267,427
Microbusiness loans								
Neither past due nor impaired	14,803,838	4,584,802	-	19,388,640	13,128,339	6,452,839	-	19,581,178
Past due but not impaired	295,403	858,243	-	1,153,646	236,253	813,423	-	1,049,676
Impaired	-	-	1,853,184	1,853,184	-	-	1,741,439	1,741,439
Gross	15,099,241	5,443,045	1,853,184	22,395,470	13,364,592	7,266,262	1,741,439	22,372,293
Less: Allowance for loan losses	316,907	453,431	1,247,901	2,018,239	315,837	540,906	1,113,145	1,969,888
Total, net	14,782,334	4,989,614	605,283	20,377,231	13,048,755	6,725,356	628,294	20,402,405
Consumer loans								
Neither past due nor impaired	15,371,610	2,383,386	-	17,754,996	15,136,571	3,029,538	-	18,166,109
Past due but not impaired	422,822	588,404	-	1,011,226	205,944	442,066	-	648,010
Impaired	-	-	1,413,727	1,413,727	-	-	1,099,382	1,099,382
Gross	15,794,432	2,971,790	1,413,727	20,179,949	15,342,515	3,471,604	1,099,382	19,913,501
Less: Allowance for loan losses	281,878	413,318	1,226,129	1,921,325	300,321	439,572	940,872	1,680,765
Total, net	15,512,554	2,558,472	187,598	18,258,624	15,042,194	3,032,032	158,510	18,232,736
Consolidated of loans								
Total gross direct credits, Note 7(a)	115,852,825	17,028,622	10,688,269	143,569,716	115,037,167	21,484,461	10,668,641	147,190,269
Total allowance for loan losses, Note 7(a)	1,140,550	1,347,321	5,568,345	8,056,216	1,203,345	1,596,693	5,072,364	7,872,402
Total net direct loans	114,712,275	15,681,301	5,119,924	135,513,500	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 September 30, 2023, and December 31, 2022, renegotiated loans and their expected credit loss are composed as follows:

	As of September 30, 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	115,794	1,998	67,619	702
Stage 2	47,316	5,715	23,157	1,698
Stage 3	2,064,643	926,861	1,999,383	863,751
Total	2,227,753	934,574	2,090,159	866,151

	As of September 30, 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	4,399,743	38,850	5,137,915	60,660
Stage 2	1,588,143	134,116	2,544,631	211,866
Stage 3	1,823,368	1,195,797	2,023,938	1,268,559
Total	7,811,254	1,368,763	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 September 30, 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	6,004,049	1,417,309	1,853,184	1,413,727	10,688,269	6,439,760	1,388,060	1,741,439	1,099,382	10,668,641
Fair value of collateral	5,063,744	1,213,235	428,103	346,450	7,051,532	5,646,832	1,204,144	440,715	279,380	7,571,071
Allowance for loan losses	2,246,576	847,739	1,247,901	1,226,129	5,568,345	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 September 30, 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 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 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)	
Neither past due nor impaired	127,226,735	-	-	-	127,226,735	132,442,147	-	-	178	132,442,325	178
Past due but not impaired	-	-	5,122,966	531,746	5,654,712	-	-	3,504,999	574,304	4,079,303	4,079,304
Impaired debt	-	3,763,333	1,043,935	5,881,001	10,688,269	-	4,461,962	827,340	5,379,339	10,668,641	6,206,680
Total	127,226,735	3,763,333	6,166,901	6,412,747	143,569,716	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 September 30, 2023					As of December 31, 2022				
	Current loans S/(000)	Current but impaired loans S/(000)	Loans with delays in payments of one day or more but not considered internal overdue loans S/(000)	Internal overdue loans S/(000)	Total S/(000)	Current loans S/(000)	Current but impaired loans S/(000)	Loans with delays in payments of one day or more but not considered internal overdue loans S/(000)	Internal overdue loans S/(000)	Total S/(000)
Commercial loans	69,027,701	2,532,299	1,913,608	3,439,165	76,912,773	73,733,752	3,115,029	1,496,743	3,323,376	81,668,900
Residential mortgage loans	21,055,463	432,963	1,859,448	733,650	24,081,524	20,961,268	506,639	1,076,953	690,715	23,235,575
Microbusiness loans	19,388,576	317,665	1,126,806	1,562,423	22,395,470	19,581,019	365,265	950,477	1,475,532	22,372,293
Consumer loans	17,754,995	480,406	1,267,039	677,509	20,179,949	18,166,108	475,029	808,166	464,198	19,913,501
Total	127,226,735	3,763,333	6,166,901	6,412,747	143,569,716	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 one 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 rates, exchange rate and other macroeconomic variables for the years 2023, 2024 and 2025. We expect GDP to grow around 0.0 percent in 2023 (2.7 percent by 2022) due to:

- i) Economic activity decreased 1.3 percent year to year (the second worst record so far this year). In the first 9 months of the year, economic activity has contracted 0.6 percent year to year. Primary sectors grew around 1.8 percent year to year driven by higher mining production at 13.3 percent year to year (copper: +18.1 percent). Meanwhile, the non-primary sectors fell around 2.1 percent year to year, the worst record in 29 months, affected mainly by the lower non-primary manufacturing (-12.2 percent), the total services category (-0.7 percent), and the construction sector (-8.8 percent).
- ii) Economic activity indicators signal that the economy would have contracted in 3Q23 (2Q23: -0.5 percent year to year)

Growth in 2024 looks quite uncertain given the potential impact of El Niño. According to the latest "Estudio Nacional del Fenómeno del Niño" (ENFEN) statement on September 28, 2023: "El Niño Costero will continue well into the summer of 2024, given the high probability of a Global El Niño developing in the Central Pacific. The event for the remainder of the year would be of a strong intensity, while the intensity would be between weak (10 percent), moderate (51 percent) and strong (35 percent) in the summer of 2024."

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 September 30, 2023	As of December 31, 2022
	<u>S/(000)</u>	<u>S/(000)</u>
Carrying amount	8,447,621	8,530,986
Scenarios:		
Optimistic	8,358,495	8,457,825
Base Case	8,438,886	8,517,295
Pessimistic	8,554,214	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 September 30, 2023		As of December 31, 2022	
	S/(000)	%	S/(000)	%
Instruments rated in Peru:				
AAA	736,501	1.4	242,679	0.5
AA- a AA+	4,052	0.0	311,810	0.7
A- to A+	-	-	1,931,461	4.3
BBB- to BBB+	21,777,897	42.6	18,828,927	41.5
BB- to BB+	476,200	0.9	454,480	1.0
Lower and equal to +B	125,592	0.3	-	-
Unrated:				
BCRP certificates of deposit	11,500,958	22.5	7,019,479	15.5
Listed and unlisted securities	315,985	0.6	344,842	0.8
Restricted mutual funds	319,453	0.6	351,317	0.8
Investment funds	634,336	1.2	628,476	1.4
Mutual funds	6,750	0.1	76,111	0.2
Other instruments	-	-	237,174	0.5
Subtotal	35,897,724	70.2	30,426,756	67.2
	As of September 30, 2023		As of December 31, 2022	
	S/(000)	%	S/(000)	%
Instruments rated abroad:				
AAA	1,569,568	3.1	2,313,750	5.1
AA- a AA+	1,417,422	2.8	1,201,340	2.6
A- to A+	2,470,512	4.8	1,356,963	3.0
BBB- to BBB+	4,208,737	8.2	4,322,363	9.5
BB- to BB+	2,058,513	4.0	2,790,835	6.1
Lower and equal to +B	691,877	1.4	132,760	0.3
Unrated:				
Listed and unlisted securities	63,508	0.1	34,182	0.1
Mutual funds	1,397,490	2.7	1,505,939	3.3
Participations of RAL funds	139,712	0.3	167,781	0.4
Investment funds	784,793	1.5	257,098	0.6
Hedge funds	-	-	280	-
Other instruments	417,057	0.9	921,177	1.8
Subtotal	15,219,189	29.8	15,004,468	32.8
Total	51,116,913	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 September 30, 2023 and December 31, 2022, financial instruments with exposure to credit risk were distributed considering the following economic sectors:

	As of September 30, 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	1,118,990	-	23,138,412	10,399,999	34,657,401	-	-	24,157,868	7,019,479	31,177,347
Commerce	16,664	28	24,296,280	998,905	25,311,877	17,992	28	26,448,551	1,412,625	27,879,196
Manufacturing	161,877	74	23,301,309	1,724,377	25,187,637	139,321	35,435	23,541,034	1,697,174	25,412,964
Mortgage loans	-	-	23,268,207	-	23,268,207	-	-	22,381,290	-	22,381,290
Financial services	2,650,707	412,507	16,171,075	3,894,356	23,128,645	3,866,108	312,993	14,507,901	4,311,513	22,998,515
Government and public administration	2,116,959	674	9,712,346	11,163,825	22,993,804	826,279	207	10,318,450	9,547,356	20,692,292
Consumer loans	-	-	19,136,594	-	19,136,594	-	-	18,740,588	-	18,740,588
Real estate and leasing	61,730	-	9,348,918	20,502	9,431,150	68,797	-	10,088,768	15,074	10,172,639
Communications, storage and transportation	59,135	382,857	6,567,431	1,016,106	8,025,529	55,499	270,906	6,495,988	1,096,852	7,919,245
Electricity, gas and water	138,588	1,391	4,750,854	3,120,874	8,011,707	180,772	107,161	4,884,840	3,250,100	8,422,873
Community services	-	-	6,130,233	-	6,130,233	-	-	6,500,918	-	6,500,918
Agriculture	1,284	-	4,609,043	19,363	4,629,690	485	-	4,867,488	20,942	4,888,915
Mining	6,890	-	3,913,315	152,302	4,072,507	6,323	-	3,883,227	149,861	4,039,411
Construction	13,135	-	3,413,827	401,218	3,828,180	12,899	-	3,633,858	384,521	4,031,278
Hotels and restaurants	-	-	2,624,056	-	2,624,056	-	-	2,736,252	-	2,736,252
Education, health and others	112,200	14	1,480,309	791,177	2,383,700	89,033	42,071	1,631,340	853,292	2,615,736
Fishing	267	-	611,830	-	612,097	506	-	578,526	-	579,032
Insurance	7,441	-	438,246	11,480	457,167	1,363	-	1,003,613	4,542	1,009,518
Others	349,314	-	2,631,027	1,761,337	4,741,678	412,683	-	2,531,987	1,022,830	3,967,500
Total	6,815,181	797,545	185,543,312	35,475,821	228,631,859	5,678,060	768,801	188,932,487	30,786,161	226,165,509

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

(**) OCI: Other comprehensive income.

As of September 30, 2023 and December 31, 2022 financial instruments with exposure to credit risk were distributed by the following geographical areas:

	As of September 30, 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)	S/(000)
America:										
Peru	2,530,386	988	164,682,666	24,219,225	191,433,265	1,257,305	328	167,378,965	19,370,001	188,006,599
Bolivia	549,025	-	11,773,642	900,132	13,222,799	588,484	-	10,808,527	747,078	12,144,089
United States of America	807,177	116,981	1,714,562	6,787,873	9,426,593	839,762	450,160	1,799,795	7,332,491	10,422,208
Colombia	998,912	-	3,855,921	742,374	5,597,207	894,043	6,359	4,073,211	688,313	5,661,926
Chile	443,796	-	1,923,665	573,640	2,941,101	622,346	-	2,287,020	652,915	3,562,281
Mexico	6,651	54,378	208,187	395,347	664,563	16,561	40,811	132,132	385,631	575,135
Panama	3,987	-	435,830	67,443	507,260	383	-	402,303	47,551	450,237
Brazil	1,215	-	110,988	172,782	284,985	3,091	-	1,123,155	194,138	1,320,384
Canada	29,867	-	31,326	101,269	162,462	38,413	-	34,449	103,661	176,523
Europe:										
Luxembourg	1,018,699	-	7,020	-	1,025,719	1,038,393	-	7,020	-	1,045,413
United Kingdom	96,390	-	30,664	255,206	382,260	93,717	1,978	16,017	193,810	305,522
France	191,404	3,291	6,008	180,788	381,491	163,577	7,584	28,841	152,041	352,043
Others in Europe	57,752	-	94,467	109,701	261,920	80,611	10,126	51,758	136,207	278,702
Spain	25,386	-	6,196	108,556	140,138	-	-	88,723	28,840	117,563
Switzerland	4	-	208	43,667	43,879	4	-	175	82,129	82,308
Netherlands	-	-	1,068	41,598	42,666	-	-	31,483	39,038	70,521
Others	54,530	621,907	660,894	776,220	2,113,551	41,370	251,455	668,913	632,317	1,594,055
Total	6,815,181	797,545	185,543,312	35,475,821	228,631,859	5,678,060	768,801	188,932,487	30,786,161	226,165,509

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

(**) OCI: Other comprehensive income.

g) Offsetting financial assets and liabilities -

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 clients 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 146 market risk factors, which are detailed below: 42 market curves, 68 stock prices, 31 mutual fund values and 5 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 a decrease as of September 30, 2023, mainly due to lower interest rate risk due to a lower sensitive amount of the portfolio and the record of fewer upward rate shocks during the last year. The VaR remained contained within the risk appetite limits established by the Risk Management of each Subsidiary.

As of September 30, 2023, and December 31, 2022, the Group's VaR by risk type is as follows:

	As of September 30, 2023	As of December 31, 2022
	S/(000)	S/(000)
Interest rate risk	25,150	74,343
Price risk	3,269	5,219
Volatility risk	10,823	2,032
Diversification effect	(15,506)	(7,347)
Consolidated VaR by type of risk	<u>23,736</u>	<u>74,247</u>

On the other hand, those instruments that are accounted for at fair value through profit or loss and that are not intended for trading are included in the rate and price sensitivity analysis in the following section. See table of earnings sensitivity at risk, net economic value and price sensitivity.

b) Banking Book -

The non-trading portfolios or, belonging to the banking book ("banking book"), are exposed to different risks, since they are sensitive to movements in market rates, which may result in a negative impact on the value of the assets. with respect to its liabilities, and therefore, in its 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 Banco de Crédito del Perú, Banco de Crédito de Bolivia, Mibanco - Banco de la Microempresa, Mibanco - Banco de la Microempresa de 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, which are generated through different scenario simulations and consider periods of high volatility.

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 September 30, 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	16,856,518	1,575,080	2,389,918	6,140,032	204,848	7,302,686	34,469,082
Investments	3,757,029	4,572,344	7,262,216	11,859,204	17,772,862	334,285	45,557,940
Loans, net	20,412,330	16,618,156	37,614,192	47,267,963	15,103,988	56,415	137,073,044
Financial assets designated at fair value through profit or loss	-	-	-	-	-	797,545	797,545
Reinsurance and insurance contract assets	66,989	133,978	602,901	-	-	-	803,868
Other assets (*)	145,180	-	867,943	-	-	3,009,341	4,022,464
Total assets	41,238,046	22,899,558	48,737,170	65,267,199	33,081,698	11,500,272	222,723,943
Liabilities							
Deposits and obligations	40,017,811	19,062,203	25,224,509	54,578,957	8,095,651	1,492,404	148,471,535
Payables from repurchase agreements and securities lending	4,191,729	5,093,174	5,063,047	4,559,458	2,957,512	366,511	22,231,431
Insurance and reinsurance contract liability	110,221	160,206	445,972	1,658,815	6,718,799	2,559,002	11,653,015
Financial liabilities at fair value through profit or loss	-	-	-	-	-	455,350	455,350
Bonds and Notes issued	174,186	169,039	2,930,797	10,953,457	620,412	66,741	14,914,632
Other liabilities (*)	607,738	-	356,196	513,677	-	4,260,358	5,737,969
Equity	-	-	-	-	-	31,907,056	31,907,056
Total liabilities and equity	45,101,685	24,484,622	34,020,521	72,264,364	18,392,374	41,107,422	235,370,988
Off-balance-sheet accounts							
Derivative financial assets	-	-	661,724	72,825	-	-	734,549
Derivative financial liabilities	544,200	-	631,302	2,097,251	-	-	3,272,753
	(544,200)	-	30,422	(2,024,426)	-	-	(2,538,204)
Marginal gap	(4,407,839)	(1,585,064)	14,747,071	(9,021,591)	14,689,324	(29,607,150)	(15,185,249)
Accumulated gap	(4,407,839)	(5,992,903)	8,754,168	(267,423)	14,421,901	(15,185,249)	-

(*) 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	6,177,458	2,548,155	3,088,999	10,793,965	18,286,282	337,031	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
Reinsurance and insurance contract assets	61,508	123,016	553,571	-	-	-	738,095
Other assets (*)	66,225	-	-	-	-	2,531,629	2,597,854
Total assets	40,231,487	24,559,063	45,196,291	66,602,284	33,838,587	10,948,596	221,376,308
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	2,193,017	5,582,701	7,368,172	3,160,922	679,950	21,904,136
Insurance and reinsurance contract liability	196,802	279,488	515,873	1,512,684	7,263,177	1,303,917	11,154,008
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 (*)	540,778	72,584	2,854	-	-	4,072,451	4,688,667
Equity	-	-	-	-	-	29,589,300	29,589,300
Total liabilities and equity	40,000,944	15,862,998	34,076,794	83,684,644	19,048,899	38,880,823	231,656,196
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	242,090	9,480,248	11,404,722	(17,995,991)	14,649,338	(27,932,227)	(10,096,820)
Accumulated gap	242,090	9,732,338	21,137,060	3,141,069	17,835,407	(10,096,820)	-

(*) 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 September 30, 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 September 30, 2023 and December 31, 2022 are presented below:

As of September 30, 2023

Currency	Changes in basis points		Sensitivity of net profit S/(000)		Sensitivity of Net Economic Value S/(000)	
Soles	+/-	50	-/+	1,602	-/+	525,504
Soles	+/-	75	-/+	2,402	-/+	788,256
Soles	+/-	100	-/+	3,203	-/+	1,051,008
Soles	+/-	150	-/+	4,805	-/+	1,576,512
U.S. Dollar	+/-	50	+/-	73,741	+/-	130,980
U.S. Dollar	+/-	75	+/-	110,612	+/-	196,470
U.S. Dollar	+/-	100	+/-	147,483	+/-	261,960
U.S. Dollar	+/-	150	+/-	221,224	+/-	392,940

As of December 31, 2022

Currency	Changes in basis points		Sensitivity of net profit S/(000)		Sensitivity of Net Economic Value S/(000)	
Soles	+/-	50	+/-	39,920	-/+	345,530
Soles	+/-	75	+/-	59,880	-/+	518,295
Soles	+/-	100	+/-	79,840	-/+	691,060
Soles	+/-	150	+/-	119,760	-/+	1,036,590
U.S. Dollar	+/-	50	+/-	103,546	+/-	306,792
U.S. Dollar	+/-	75	+/-	155,319	+/-	460,188
U.S. Dollar	+/-	100	+/-	207,092	+/-	613,584
U.S. Dollar	+/-	150	+/-	310,638	+/-	920,375

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 September 30, 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 September 30, 2023, and December 31, 2022, are presented below:

Equity securities			
Measured at fair value through other comprehensive income	Change in market prices	As of September 30, 2023	As of December 31, 2022
	%	S/(000)	S/(000)
Equity securities	+/-10	33,428	32,649
Equity securities	+/-25	83,571	81,621
Equity securities	+/-30	100,285	97,946
Funds			
Measured at fair value through profit or loss	Change in market prices	As of September 30, 2023	As of December 31, 2022
	%	S/(000)	S/(000)
Participation in mutual funds	+/-10	139,421	157,932
Participation in mutual funds	+/-25	348,553	394,831
Participation in mutual funds	+/-30	418,263	473,797
Restricted mutual funds	+/-10	31,945	35,132
Restricted mutual funds	+/-25	79,863	87,829
Restricted mutual funds	+/-30	95,836	105,395
Participation in RAL funds	+/-10	13,971	16,778
Participation in RAL funds	+/-25	34,928	41,945
Participation in RAL funds	+/-30	41,914	50,334
Investment funds	+/-10	129,147	86,053
Investment funds	+/-25	322,866	215,133
Investment funds	+/-30	387,440	258,160
Hedge funds	+/-10	-	28
Hedge funds	+/-25	-	70
Hedge funds	+/-30	-	84
Exchange Trade Funds	+/-10	1,832	2,504
Exchange Trade Funds	+/-25	4,581	6,261
Exchange Trade Funds	+/-30	5,497	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 result on derivatives held for trading,
- Net gain from exchange difference

As of September 30, 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 September 30, 2023 was S/3.793 (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 September 30, 2023 and December 31, 2022, the Group's assets and liabilities by currencies were as follows:

	As of September 30, 2023			As of December 31, 2022		
	U.S. Dollar	Other	Total	U.S. Dollar	Other	Total
	S/(000)	currencies S/(000)	S/(000)	S/(000)	currencies S/(000)	S/(000)
Total monetary assets	78,814,479	257,322	79,071,801	77,853,626	364,108	78,217,734
Total monetary liabilities	(79,011,282)	(39,730)	(79,051,012)	(79,016,765)	(217,568)	(79,234,333)
	(196,803)	217,592	20,789	(1,163,139)	146,540	(1,016,599)
Currency derivatives	(720,173)	(164,862)	(885,035)	353,166	(127,382)	225,784
Accounting hedge (investment abroad) (*)	867,945	-	867,945	872,750	-	872,750
Net monetary position with effect on consolidated statement of income	(49,031)	52,730	3,699	62,777	19,158	81,935
Net monetary position with effect on equity	856,814	2,213,055	3,069,869	785,030	1,872,697	2,657,727
Net monetary position	807,783	2,265,785	3,073,568	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/857.7 million, in Colombian pesos for S/925.1 million and, in Chilean pesos for S/428.4 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 September 30, 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 as of September 30, 2023, and December 31, 2022, with the U.S. Dollar being the main exposure currency is shown below:

Currency rate sensitivity	Change in currency rates	As of September 30, 2023	As of December 31, 2022
	%	S/000	S/000
Depreciation -			
Sol in relation to U.S. Dollar	5	(2,335)	2,989
Sol in relation to U.S. Dollar	10	(4,457)	5,707
Appreciation -			
Sol in relation to U.S. Dollar	5	2,581	(3,304)
Sol in relation to U.S. Dollar	10	5,448	(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 September 30, 2023, and December 31, 2022:

Currency rate sensitivity	Change in currency rates	As of September 30, 2023	As of December 31, 2022
	%	S/000	S/000
Depreciation -			
Sol in relation to U.S. Dollar	5	40,801	37,382
Sol in relation to U.S. Dollar	10	77,892	71,366
Appreciation -			
Sol in relation to U.S. Dollar	5	(45,095)	(41,317)
Sol in relation to U.S. Dollar	10	(95,202)	(87,226)
Depreciation -			
Sol in relation to Boliviano	5	40,841	45,462
Sol in relation to Boliviano	10	77,969	86,791
Appreciation -			
Sol in relation to Boliviano	5	(45,140)	(50,247)
Sol in relation to Boliviano	10	(95,296)	(106,078)

Depreciation -			
Sol in relation to Colombian peso	5	44,053	26,984
Sol in relation to Colombian peso	10	84,101	51,515
Appreciation -			
Sol in relation to Colombian peso	5	(48,690)	(29,825)
Sol in relation to Colombian peso	10	(102,791)	(62,963)
Depreciation -			
Sol in relation to Chilean peso	5	20,401	16,571
Sol in relation to Chilean peso	10	38,948	31,636
Appreciation			
Sol in relation to Chilean peso	5	(22,549)	(18,316)
Sol in relation to Chilean peso	10	(47,603)	(38,667)

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 Banco de Crédito del Perú, Banco de Crédito de Bolivia, 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 September 30, 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	45,499,115	26,217,203	58,771,405	87,333,243	47,632,386	265,453,352	51,659,692	29,777,502	55,983,716	81,860,473	45,784,010	265,065,393
Financial liabilities by type -												
Deposits and obligations	40,995,896	19,528,108	25,841,027	55,912,935	8,293,519	150,571,485	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	4,674,766	5,680,090	5,646,491	5,084,870	3,298,324	24,384,541	4,359,993	2,368,114	6,525,912	7,913,422	10,387,277	31,554,718
Financial liabilities designated at fair value through profit or loss	455,350	-	-	-	-	455,350	191,010	-	-	-	-	191,010
Bonds and notes issued	148,752	154,931	3,286,597	10,283,474	601,398	14,475,152	217,504	171,471	3,357,173	13,402,553	374,935	17,523,636
Lease liabilities	33,491	33,895	84,491	263,644	103,654	519,175	32,390	35,637	105,931	314,714	129,445	618,117
Other liabilities	4,532,760	234,820	516,177	475,994	1,074,097	6,833,848	3,951,313	220,760	253,965	7,783	1,676,819	6,110,640
Total liabilities	<u>50,841,015</u>	<u>25,631,844</u>	<u>35,374,783</u>	<u>72,020,917</u>	<u>13,370,992</u>	<u>197,239,551</u>	<u>46,574,314</u>	<u>16,598,021</u>	<u>36,076,105</u>	<u>85,685,584</u>	<u>21,114,810</u>	<u>206,048,834</u>
Derivative financial liabilities -												
Contractual amounts receivable (Inflows)	1,245,632	2,220,016	2,926,987	1,321,682	2,136	7,716,453	1,451,819	1,931,304	972,276	876,270	384,857	5,616,526
Contractual amounts payable (outflows)	1,377,498	2,480,913	3,119,938	1,227,554	2,171	8,208,074	1,454,360	1,932,240	977,394	840,215	334,500	5,538,709
Total liabilities	<u>(131,866)</u>	<u>(260,897)</u>	<u>(192,951)</u>	<u>94,128</u>	<u>(35)</u>	<u>(491,621)</u>	<u>(2,541)</u>	<u>(936)</u>	<u>(5,118)</u>	<u>36,055</u>	<u>50,357</u>	<u>77,817</u>

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 the CISO Credicorp and a corporative team whose objective is ensure the deployment and compliance of the Cybersecurity Strategy in all companies. The corporative appetite has been defined, which is reviewed annually, and the strategy and plan have been established at the corporate level, defining priorities for implementation and improvements in accordance whit the different realities of the companies. These lines of work include the Cybersecurity Strategy, which is constantly reviewed considering the global scenario, the risk profile, standards, national and international frameworks and regulations, in order to guarantee business continuity, resilience and data privacy, as well as the adoption of the cybersecurity frameworks that allow cybersecurity controls to be adapted for each of the Group companies, adequate management and remediation of vulnerabilities in an early and timely manner.

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 through specialized teams of investigations, cybercrime, forensic computing, internal fraud risk assessment, inspections, physical and electronic security, disaster risk management and strategic intelligence activities, which allow the safety of collaborators to be safeguarded. clients, suppliers, and assets of CREDICORP; as well as strengthening the organization's resilience and rapid response capacity.

To this end, the designed strategy includes the use of state-of-the-art technological tools in video surveillance, 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.

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 where 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 for pending claims, as well as the reserves for incurred and unreported claims (IBNR) are being continuously monitored and have been estimated with prudent criteria due to the variability and uncertainty of the frequency and cost of cases and the greater delay in the claim report by health centers whose attention during the pandemic is focused on patient care.

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 September 30, 2023, and December 31, 2022, the regulatory capital for the Subsidiaries engaged in financial and insurance activities amounted to approximately S/33,473.6 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/ 10,215.5 million the minimum regulatory capital required as of September 30, 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:

	Note	As of September 30, 2023				As of December 31, 2022			
		Level 1 S/(000)	Level 2 S/(000)	Level 3 S/(000)	Total S/(000)	Level 1 S/(000)	Level 2 S/(000)	Level 3 S/(000)	Total S/(000)
Financial assets									
Derivative financial instruments:									
Currency swaps		-	373,480	-	373,480	-	410,439	-	410,439
Interest rate swaps		-	514,977	-	514,977	-	467,140	-	467,140
Foreign currency forwards		-	323,328	-	323,328	-	500,348	-	500,348
Cross currency swaps		-	41,298	-	41,298	-	98,656	-	98,656
Foreign exchange options		-	2,698	-	2,698	-	1,349	-	1,349
Futures		-	427	-	427	-	794	-	794
	12(d)	-	1,256,208	-	1,256,208	-	1,478,726	-	1,478,726
Investments at fair value through profit of loss	6(a)	2,685,252	1,676,502	1,197,219	5,558,973	2,619,090	608,714	971,530	4,199,334
Financial assets at fair value through profit of loss		793,802	3,743	-	797,545	768,187	614	-	768,801
Investments at fair value through other comprehensive income:									
Debt Instruments									
Corporate bonds		6,136,273	7,152,249	-	13,288,522	6,103,452	6,874,613	-	12,978,065
Government treasury bonds		8,845,828	831,379	-	9,677,207	7,917,699	768,441	-	8,686,140
Certificates of deposit BCRP		-	10,399,998	-	10,399,998	-	7,019,479	-	7,019,479
Negotiable certificates of deposit		-	492,724	-	492,724	-	607,218	-	607,218
Securitization instruments		-	654,695	-	654,695	-	673,836	-	673,836
Subordinated bonds		57,293	182,642	-	239,935	176,712	186,714	-	363,426
Other instruments		-	293,317	95,141	388,458	-	121,642	-	121,642
Equity instruments		144,794	167,832	21,656	334,282	159,240	160,738	16,377	336,355
	6(b)	15,184,188	20,174,836	116,797	35,475,821	14,357,103	16,412,681	16,377	30,786,161
Total financial assets		18,663,242	23,111,289	1,314,016	43,088,547	17,744,380	18,500,735	987,907	37,233,022
Financial liabilities									
Derivatives financial instruments:									
Currency swaps		-	393,505	-	393,505	-	749,420	-	749,420
Foreign currency forwards		-	436,307	-	436,307	-	288,857	-	288,857
Interest rate swaps		-	263,760	-	263,760	-	278,385	-	278,385
Cross currency swaps		-	56,557	-	56,557	-	24,385	-	24,385
Foreign exchange options		-	11,508	-	11,508	-	3,168	-	3,168
Futures		-	1,031	-	1,031	-	1,450	-	1,450
	12(d)	-	1,162,668	-	1,162,668	-	1,345,665	-	1,345,665
Financial liabilities at fair value through profit or loss		-	455,350	-	455,350	-	191,010	-	191,010
Total financial liabilities		-	1,618,018	-	1,618,018	-	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 September 30, 2023, the balance of receivables and payables corresponding to derivatives amounted to S/1,256.2 million and S/1,162.7 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/8.3 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 September 3, 2023, the net unrealized loss of Level 3 financial instruments amounted to S/6.8 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 September 30, 2023					As of December 31, 2022				
	Level 1 S/(000)	Level 2 S/(000)	Level 3 S/(000)	Fair value S/(000)	Book value S/(000)	Level 1 S/(000)	Level 2 S/(000)	Level 3 S/(000)	Fair value S/(000)	Book value S/(000)
Assets										
Cash and due from banks	-	32,955,460	-	32,955,460	32,955,460	-	34,183,840	-	34,183,840	34,183,840
Cash collateral, reverse repurchase agreements and securities borrowing	-	1,513,622	-	1,513,622	1,513,622	-	1,101,856	-	1,101,856	1,101,856
Investments at amortized cost	8,801,440	287,735	-	9,089,175	10,082,119	8,849,683	292,335	-	9,142,018	10,445,729
Loans, net	-	137,073,044	-	137,073,044	137,073,044	-	140,753,972	-	140,753,972	140,753,972
Due from customers on banker's acceptances	-	325,771	-	325,771	325,771	-	699,678	-	699,678	699,678
Reinsurance contract assets	-	803,868	-	803,868	803,868	-	738,095	-	738,095	738,095
Other assets	-	3,593,296	-	3,593,296	3,593,296	-	1,747,412	-	1,747,412	1,747,412
Total	8,801,440	176,552,796	-	185,354,236	186,347,180	8,849,683	179,517,188	-	188,366,871	189,670,582
Liabilities										
Deposits and obligations	-	148,471,535	-	148,471,535	148,471,535	-	147,020,787	-	147,020,787	147,020,787
Payables on repurchase agreements and securities lending	-	11,738,020	-	11,738,020	11,738,020	-	12,966,725	-	12,966,725	12,966,725
Due to Banks and correspondents and other entities	-	10,535,241	-	10,535,241	10,493,411	-	9,012,529	-	9,012,529	8,937,411
Due from customers on banker's acceptances	-	325,771	-	325,771	325,771	-	699,678	-	699,678	699,678
Lease liabilities	-	514,845	-	514,845	514,845	-	578,074	-	578,074	578,074
Bond and notes issued	-	14,536,902	-	14,536,902	14,914,632	-	16,610,504	-	16,610,504	17,007,194
Insurance contract liability	-	11,653,015	-	11,653,015	11,653,015	-	11,154,008	-	11,154,008	11,154,008
Other liabilities	-	5,345,409	-	5,345,409	5,345,409	-	3,964,203	-	3,964,203	3,964,203
Total	-	203,120,738	-	203,120,738	203,456,638	-	202,006,508	-	202,006,508	202,328,080

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 September 30, 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 September 30, 2023 and December 31, 2022, the value of the net assets under administration off the balance sheet (in millions of soles) is as follows:

	<u>As of September 30, 2023</u>	<u>As of December 31, 2022</u>
Investment funds and mutual funds	50,307	69,264
Pension funds	26,447	30,596
Equity managed	34,606	35,062
Bank trusts	3,821	4,269
Total	<u>115,181</u>	<u>139,191</u>

32 EVENTS OCURRED AFTER THE REPORT PERIOD

From October 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.

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