SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

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

For the month of June 2020

Commission File Number: 001-14014

CREDICORP LTD.

(Translation of registrant's name into English))

Of our subsidiary
Banco de Credito del Peru:
Calle Centenario 156
La Molina
Lima 12, Peru
(Address of principal executive office)

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

Form 20-F ☒ Form 40-F ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ☐

The registrant is furnishing this report on Form 6-K to present its interim condensed consolidated financial statements as of March 31, 2020 and December 31, 2019 and for the three-month periods ended March 31, 2020 and 2019, attached hereto as Exhibit 99.1, and to present a discussion of the registrant’s business and operations as of and for the three months ended March 31, 2020, and other recent developments, attached hereto as Exhibit 99.2.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: June 8, 2020

CREDICORP LTD.
(Registrant)

By: /s/ Miriam Böttger
Miriam Böttger
Authorized Representative

Exhibit 99.1

CREDICORP LTD. AND SUBSIDIARIES

Interim condensed consolidated financial statements
As of March 31, 2020 and December 31, 2019 and for the three-month periods ended March 31, 2020 and 2019

CREDICORP LTD. AND SUBSIDIARIES

Interim condensed consolidated financial statements as of March 31, 2020 and December 31, 2019 and for the three-month periods ended March 31, 2020 and 2019

Content	**Pages**

US$ = United States dollar
S/ = Sol

CREDICORP LTD. AND SUBSIDIARIES

Interim condensed consolidated statement of financial position
As of March 31, 2020 (unaudited) and December 31, 2019 (audited)

	Note	As of March 31, 2020 S/(000)	As of December 31, 2019 S/(000)
Assets			
Cash and due from banks:			
Non-interest-bearing		6,787,357	6,177,356
Interest-bearing		19,538,429	19,809,406
	4	26,325,786	25,986,762
Cash collateral, reverse repurchase agreements and securities borrowing	5(a)	4,424,345	4,288,524
Investments:			
At fair value through profit or loss	6(a)	4,185,638	3,850,762
At fair value through other comprehensive income		25,836,140	24,614,050
At fair value through other comprehensive income pledged as collateral		2,552,232	1,588,673
	6(b)	28,388,372	26,202,723
Amortized cost		2,706,190	1,907,738
Amortized cost pledged as collateral		1,536,453	1,569,308
	6(c)	4,242,643	3,477,046
Loans, net:	7		
Loans, net of unearned income		120,708,515	115,609,679
Allowance for loan losses		(5,931,772)	(5,123,962)
		114,776,743	110,485,717
Financial assets designated at fair value through profit or loss	8	559,321	620,544
Premiums and other policies receivable	9(a)	822,669	838,731
Accounts receivable from reinsurers and coinsurers	9(b)	787,672	791,704
Property, furniture and equipment, net	10	1,397,089	1,428,173
Due from customers on acceptances		555,598	535,222
Intangible assets and goodwill, net	11	2,424,404	2,552,274
Right-of-use assets, net	12(a)	805,997	839,086
Deferred tax assets, net		805,589	520,953
Other assets	13	7,320,023	5,458,470
Total assets		197,821,889	187,876,691
Liabilities			
Deposits and obligations:	14		
Non-interest-bearing		38,482,377	33,830,166
Interest-bearing		81,081,168	78,175,219
		119,563,545	112,005,385
Payables from repurchase agreements and securities lending	5(b)	8,254,726	7,678,016
Due to banks and correspondents	15	9,854,630	8,841,732
Banker’s acceptances outstanding		555,598	535,222
Accounts payable to reinsurers	9(b)	198,473	216,734
Lease liabilities	12(b)	838,248	847,504
Financial liabilities at fair value through profit or loss		533,146	493,700
Technical reserves for insurance claims and premiums	16	9,975,945	9,950,233
Bonds and notes issued	17	15,178,148	14,946,363
Deferred tax liabilities, net		94,744	134,204
Other liabilities	13	9,051,875	5,481,288
Total liabilities		174,099,078	161,130,381
Equity, net	18		
Equity attributable to Credicorp´s equity holders:			
Capital stock		1,318,993	1,318,993
Treasury stock		(209,309)	(207,839)
Capital surplus		165,188	226,037
Reserves		21,360,272	19,437,645
Other reserves		359,565	1,088,189
Retained earnings		210,930	4,374,935
		23,205,639	26,237,960
Non-controlling interest		517,172	508,350
Total equity, net		23,722,811	26,746,310
Total liabilities and net equity		197,821,889	187,876,691

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

CREDICORP LTD. AND SUBSIDIARIES

Interim condensed consolidated statement of income

For the three-month periods ended March 31, 2020 and 2019 (unaudited)

		For the three-month periods ended March 31,	
		2020	**2019**
		S/(000)	**S/(000)**
Interest and similar income	22	3,163,609	3,001,674
Interest and similar expenses	22	(784,309)	(804,506)
Net interest, similar income and expenses		2,379,300	2,197,168
Provision for credit losses on loan portfolio	7(c)	(1,388,711)	(453,285)
Recoveries of written-off loans		47,230	70,074
Provision for credit losses on loan portfolio, net of recoveries		(1,341,481)	(383,211)
Net interest, similar income and expenses, after provision for credit losses on loan portfolio		1,037,819	1,813,957
Other income			
Commissions and fees	23	760,329	782,922
Net gain on foreign exchange transactions		166,983	178,423
Net (loss) gain on securities	24	(101,408)	128,331
Net gain (loss) on derivatives held for trading		35,430	(2,434)
Net (loss) gain from exchange differences		(21,240)	13,490
Others	29	117,770	75,605
Total other income		957,864	1,176,337
Insurance underwriting result			
Net premiums earned	25	627,935	584,209
Net claims incurred for life, general and health insurance contracts	26	(373,502)	(383,817)
Acquisition cost		(112,507)	(91,281)
Total insurance underwriting result		141,926	109,111
Other expenses			
Salaries and employee benefits	27	(891,183)	(834,317)
Administrative expenses	28	(539,644)	(538,157)
Depreciation and amortization		(125,150)	(105,643)
Depreciation for right-of-use assets		(46,598)	(25,682)
Others	29	(176,060)	(50,177)
Total other expenses		(1,778,635)	(1,553,976)

Interim condensed consolidated statement of income (continued)

		For the three-month periods ended March 31,	
		2020	2019
		S/(000)	S/(000)
Profit before income tax		358,974	1,545,429
Income tax		(145,799)	(422,165)
Net profit		213,175	1,123,264
Attributable to:			
Credicorp's equity holders		209,274	1,100,867
Non-controlling interest		3,901	22,397
		213,175	1,123,264
Net basic and dilutive earnings per share attributable to Credicorp's equity holders (in Soles):			
Basic	30	2.64	13.86
Diluted	30	2.63	13.84

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

CREDICORP LTD. AND SUBSIDIARIES

Interim condensed consolidated statement of comprehensive income
For the three-month periods ended March 31, 2020 and 2019 (unaudited)

	For the three-month periods ended March 31,	
	2020	**2019**
	S/(000)	**S/(000)**
Net profit for the period	213,175	1,123,264
Other comprehensive income:		
To be reclassified to profit or loss in subsequent periods:		
Net (loss) gain on investments at fair value through other comprehensive income	(990,349)	308,328
Income tax	56,367	(11,008)
	(933,982)	297,320
Net movement on cash flow hedges	(18,718)	(11,077)
Income tax	5,229	3,066
	(13,489)	(8,011)
Other reserves	168,315	-
	168,315	-
Exchange differences on translation of foreign operations	(60,068)	(30,614)
	(60,068)	(30,614)
Total	(839,224)	258,695
Not to be reclassified to profit or loss in subsequent periods:		
Net gain in equity instruments designated at fair value through other comprehensive income	96,090	167,607
Income tax	4,402	(570)
	100,492	167,037
Total	100,492	167,037
Total other comprehensive income	(738,732)	425,732
Total comprehensive income for the period, net of income tax	(525,557)	1,548,996
Attributable to:		
Credicorp's equity holders	(519,350)	1,521,298
Non-controlling interest	(6,207)	27,698
	(525,557)	1,548,996

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

CREDICORP LTD. AND SUBSIDIARIES

Interim condensed consolidated statement of changes in net equity
For the three-month periods ended March 31, 2020 and 2019 (unaudited)

	Attributable to Credicorp's equity holders													
						Other reserves								
						Instruments that will not be reclassified to income	Instruments that will be reclassified to the interim condensed consolidated statement of income							
		Treasury stock												
	Capital stock	Shares of the Group	Share-based payment	Capital surplus	Reserves	Investments in equity instruments	Investments in debt instruments	Cash flow hedge reserve	Insurance reserves	Foreign currency translation reserve	Retained earnings	Total	Non-controlling interest	Total net equity
	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)
Balances as of January 1, 2019	1,318,993	(204,353)	(3,641)	246,194	17,598,556	452,551	229,470	(3,161)	-	29,593	4,175,041	23,839,243	426,833	24,266,076
Changes in equity in 2019 -														
Net profit for the period	-	-	-	-	-	-	-	-	-	-	1,100,867	1,100,867	22,397	1,123,264
Other comprehensive income	-	-	-	-	-	167,034	291,839	(7,831)	-	(30,611)	-	420,431	5,301	425,732
Total comprehensive income	-	-	-	-	-	167,034	291,839	(7,831)	-	(30,611)	1,100,867	1,521,298	27,698	1,548,996
Transfer of retained earnings to reserves, Note 18(c)	-	-	-	-	1,858,811	-	-	-	-	-	(1,858,811)	-	-	-
Dividend distribution, Note 18(d)	-	-	-	-	-	-	-	-	-	-	(1,595,229)	(1,595,229)	-	(1,595,229)
Dividends paid to interest non-controlling of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(40,519)	(40,519)
Purchase of treasury stock, Note 18(b)	-	-	(1,814)	(101,411)	-	-	-	-	-	-	-	(103,225)	-	(103,225)
Share-based payment transactions	-	-	2,055	77,566	(48,491)	-	-	-	-	-	-	31,130	-	31,130
Others	-	(144)	-	-	-	-	-	-	-	-	(982)	(1,126)	1,884	758
Balances as of March 31, 2019	1,318,993	(204,497)	(3,400)	222,349	19,408,876	619,585	521,309	(10,992)	-	(1,018)	1,820,886	23,692,091	415,896	24,107,987
Balances as of January 1, 2020	1,318,993	(204,388)	(3,451)	226,037	19,437,645	550,065	1,255,988	(30,104)	(658,491)	(29,269)	4,374,935	26,237,960	508,350	26,746,310
Changes in equity in 2020 -														
Net profit for the period	-	-	-	-	-	-	-	-	-	-	209,274	209,274	3,901	213,175
Other comprehensive income	-	-	-	-	-	100,674	(922,718)	(13,187)	166,206	(59,599)	-	(728,624)	(10,108)	(738,732)
Total comprehensive income	-	-	-	-	-	100,674	(922,718)	(13,187)	166,206	(59,599)	209,274	(519,350)	(6,207)	(525,557)
Transfer of retained earnings to reserves, Note 18(c)	-	-	-	-	1,977,091	-	-	-	-	-	(1,977,091)	-	-	-
Dividend distribution, Note 18(d)	-	-	-	-	-	-	-	-	-	-	(2,392,844)	(2,392,844)	-	(2,392,844)
Dividends paid to interest non-controlling of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(799)	(799)
Purchase of treasury stock, Note 18(b)	-	-	(3,356)	(148,543)	-	-	-	-	-	-	-	(151,899)	-	(151,899)
Share-based payment transactions	-	-	2,709	87,694	(54,464)	-	-	-	-	-	-	35,939	-	35,939
Others	-	(823)	-	-	-	-	-	-	-	-	(3,344)	(4,167)	15,828	11,661
Balances as of March 31, 2020	1,318,993	(205,211)	(4,098)	165,188	21,360,272	650,739	333,270	(43,291)	(492,285)	(88,868)	210,930	23,205,639	517,172	23,722,811

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

CREDICORP LTD. AND SUBSIDIARIES

Interim condensed consolidated statement of cash flows
For the three-month periods ended March 31, 2020 and 2019 (unaudited)

	Note	For the three-month periods ended March 31, 2020	2019
		S/000	S/000
CASH AND CASH EQUIVALENTS FROM OPERATING ACTIVITIES			
Net profit for the period		213,175	1,123,264
Adjustment to reconcile net profit to net cash arising from operating activities:			
Provision for credit losses on loan portfolio	7(c)	1,388,711	453,285
Depreciation and amortization		125,150	105,643
Depreciation of right-of-use assets		46,598	25,682
Depreciation of investment properties	13(e)	1,682	6,727
Deferred (income) expense tax	19(b)	(212,846)	42,449
Adjustment of technical reserves	25(a)	57,539	246,699
Net loss (gain) on securities	24	101,408	(128,331)
Provision for sundry risks	29	5,772	6,195
Loss (gain) on financial assets designated at fair value through profit and loss	25(a)	98,243	(47,242)
Net (gain) loss of trading derivatives		(35,430)	2,434
Net income from sale of property, furniture and equipment	29	(10,319)	-
Net (gain) loss from sale of seized and recovered assets	29	(1,312)	5,533
Expense for share-based payment transactions	27	20,120	26,390
Others		21,240	(13,490)
Net changes in assets and liabilities			
Net (increase) decrease in assets:			
Loans		(4,319,772)	1,269,838
Investments at fair value through profit or loss		(374,935)	(574,837)
Investments at fair value through other comprehensive income		(2,882,465)	(1,499,324)
Cash collateral, reverse repurchase agreements and securities borrowings		(10,460)	3,363
Other assets		(696,212)	(546,345)
Net increase (decrease) in liabilities			
Deposits and obligations		5,812,631	(114,193)
Due to Banks and correspondents		824,889	(1,159,531)
Payables from repurchase agreements and securities lending		549,499	(581,787)
Bonds and notes issued		(108,479)	202,622
Short-term and low-value lease payments		(22,418)	(18,843)
Other liabilities		3,051,336	2,600,039
Income tax paid		(392,399)	(393,582)
Net cash flow from operating activities		3,250,946	1,042,658

Interim condensed consolidated statement of cash flows (continued)

	Note	For the three-month periods ended March 31, 2020	2019
		S/000	S/000
NET CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, furniture and equipment		22,453	2,197
Purchase of property, furniture and equipment		(15,348)	(32,084)
Purchase of investment property	13(e)	(6,595)	23
Purchase of intangible assets		(79,958)	(54,298)
Purchase of investment at amortized cost		(1,273,186)	(403,523)
Proceeds from sale and reimbursement of investment to amortized cost		338,099	1,439,604
Net cash flows from investing activities		(1,014,535)	951,919
NET CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid	18(d)	(2,392,844)	(1,595,229)
Dividends paid to non-controlling interest of subsidiaries		(799)	(40,519)
Principal payments of leasing contracts		(42,282)	(40,335)
Interest payments of leasing contracts		(7,803)	(5,985)
Purchase of treasury stock	18(b)	(151,899)	(103,225)
Net cash flows from financing activities		(2,595,627)	(1,785,293)
Net (decrease) increase of cash and cash equivalents before effect of changes in exchange rate		(359,216)	209,284
Effect of changes in exchange rate of cash and cash equivalents		697,368	(257,967)
Cash and cash equivalents at the beginning of the period		25,974,042	22,160,803
Cash and cash equivalents at the end of the period		26,312,194	22,112,120
Additional information from cash flows			
Interest received		3,196,720	3,022,022
Interest paid		(817,727)	(790,420)

Interim condensed consolidated statement of cash flows (continued)

Reconciliation of liabilities arising from financing activities:

For the three-month period ended March 31, 2020	As of January 1, 2020	Changes that generate cash flows		Changes that do not generate cash flows		As of March 31, 2020
		New issues	Amortization of principal	Exchange difference	Others	
Subordinated bonds:						
Amortized cost	4,387,743	–	–	149,395	1,583	4,538,721
	4,387,743	–	–	149,395	1,583	4,538,721

For the three-month period ended March 31, 2019	As of January 1, 2019	Changes that generate cash flows		Changes that do not generate cash flows		As of March 31, 2019
		New issues	Amortization of principal	Exchange difference	Others	
Subordinated bonds:						
Amortized cost	5,424,401	–	–	(92,949)	3,649	5,335,101
	5,424,401	–	–	(92,949)	3,649	5,335,101

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

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 to coordinate the policies and administration of its subsidiaries. It is also engaged in investing activities.

Credicorp Ltd., through its banking and non-banking subsidiaries and its associate Entidad Prestadora de Salud, provides a wide range of financial, insurance and health services and products mainly throughout Peru and in certain other countries (See Note 3(b)). Its major subsidiary is Banco de Crédito del Perú (hereinafter “BCP” or the “Bank”), a Peruvian universal bank. Credicorp’s address is Clarendon House 2 Church Street Hamilton, Bermuda; likewise, administration offices of its representative in Peru are located in Calle Centenario Nº156, La Molina, Lima, Peru.

Credicorp is listed on the Lima and New York stock exchanges.

The consolidated financial statements as of December 31, 2019 and for the year then ended were approved by the Board of Directors on February 27, 2020. The interim condensed consolidated financial statements as of March 31, 2020 and for the three-month periods ended March 31, 2020 were approved by the Management on June 4, 2020 and will be submitted for their final approval by the Board of Directors; in Management’s opinion, these will be approved without modifications.

2 SIGNIFICANT TRANSACTIONS

a) Main acquisitions, incorporations and mergers

During the first quarter of 2020, the Group have not performed any significant transaction of acquisitions, incorporations and mergers.

b) The outbreak of the new coronavirus (hereinafter "COVID-19")

A more recent event that implies risks for the Peruvian economy and our result of operations is the ongoing outbreak of COVID-19, which was first reported in Wuhan, China, on December 31, 2019. Due to the nature of the outbreak, strong measures to mitigate COVID-19 contagion have been taken by governments all around the world, which include closed international borders and severe mobility restrictions (quarantines). As a result, global gross domestic product (GDP) is estimated to contract severely in 2020 (lowest since the Great Depression of 1929), which affects Peru's main trade partners, including China and the U.S. Moreover, Peru's exports prices will also be affected due to lower global demand.

As a result of COVID-19, the economies in which Credicorp operates (mainly Peru, Colombia and Bolivia) will be severely disrupted by two factors: (i) the effect on the global economy (economic growth of our main trade partners like China and the U.S., as well as lower commodity prices), and (ii) the local effect of government measures to stop the COVID-19 outbreak. Estimates suggest that around 60% of GDP growth volatility in Peru is explained by external factors.

In Bolivia, acting president established a state of emergency on March 21, 2020 ordering a nation-wide quarantine, in which the public and private activities were suspended until May 10, 2020. Later, the government resolved have a conditional and a dynamic regional quarantine based on the three risks levels (high, medium and low) until June 30, 2020. The low reproduction rate of COVID-19 in high altitude areas could be a positive factor helping Bolivia to maintain the cases at a low level.

To cope with the economic shock due to COVID-19, Bolivia's government announced fiscal and monetary measures, including monetary transfers for the unemployed and for families with children, coverage of basic services, credits to companies to cover the payment of wages, and a Microcredit Support Program. In addition, the Central Bank injected liquidity into the local market.

In Colombia, the president established the state of emergency on March 23, 2020. The lockdown has been extended until July 1, 2020. However, sectors such as manufacturing and construction (which account for 10% of GDP) were recently reactivated to minimize the economic shock. The COVID-19 pandemic occurred while the economy was in a process of gradual recovery due to the drop in the price of oil. Further, Colombia has the highest level of current account deficit in the region (4.3% of GDP in 2019) while public debt has been expanding over the last years (50% of GDP in 2019). In addition, the government faces the potential loss of their investment grade rating after S&P and Fitch gave the country a BBB- rating with a negative outlook. Finally, a decrease in exports due to the COVID-19 will be a significant challenge for Colombia to overcome this year.

To cope with the economic shock due to COVID-19, Colombia's government gradually implemented fiscal measures such as wage subsidies, deferment of payment of corporate income taxes and social transfers. On the monetary side, the Central Bank has injected close to 1.4% of GDP in liquidity into the local market, and the Central Bank cut the reference rate by 100 basis points to 3.25%, the lowest rate since 2013 and the first cut in almost two years.

In Peru, the president established a state of emergency on March 16, 2020, and ordered a general lockdown on the country. Minor exceptions were made for key sectors (food supply, health, and banking). The lockdown was initially established for 15 calendar days, but was extended on several occasions, to last until June 30, 2020, for a total of 107 calendar days. Even though the Peruvian economy has one of the strongest macroeconomic fundamentals among emerging markets, the quality of the health system in Peru stands below the region's average.

In response to the major sanitary and economic shock from COVID-19, the Ministry of Finance, the Central Bank and the Congress have announced and are implementing ample package of measures to mitigate and stimulate the economy for the equivalent of approximately 20% of GDP. The ability to implement measures of this magnitude stems from prudent macroeconomic policies that have been implemented for decades. The measures enacted include tax relief, public spending, access to private savings (pension fund accounts and severance indemnity deposits), and government-backed liquidity programs.

In particular, the government is supporting the business sector through two government-backed programs:

- "Reactiva Peru" is a liquidity program, implemented through BCRP, that has resources of PEN 60 billion (8% of GDP) and will help mainly small and medium-size companies obtain new working capital and continue operating. The government guarantee coverage level for these loans varies between 80% and 98% for loans between PEN 30 thousand and PEN 10 million. The criteria to establish coverage limits the maximum between three times the contribution to social security during 2019 or one month of average sales in 2019, according to SUNAT. These new loans will have terms of up to 36 months, with up to a 12 month grace period. The interest rates for these loans will be capped according to the auction results published by the Central Bank, which charges a flat 0.5% to participating institutions for the transaction.

- The Enterprise Support Fund (FAE, by its Spanish initials) program enables banks and microfinance entities to provide Small and Micro businesses loans for up to S/4 billion with government guarantee coverage levels between 90%-98%. This amount represents about 9% of the loan portfolio for SMEs systemwide.

Finally, the Central Bank has lowered its reference rate 200 basis points to 0.25%, a historic minimum, and has provided liquidity for 6 and 12 months through Repo operations since the beginning of March. BCRP has also implemented measures to mitigate exchange rate volatility. Additionally, the SBS has authorized credit extensions for up to 6 months with no effect on client credit ratings.

The COVID-19 pandemic has caused disruptions in the world economy, which, in turn, could disrupt the business of both Credicorp and its customers. Due to the travel restrictions, closed international borders and prolonged lockdown periods decreed by governments around the world to manage the COVID-19 outbreak, Credicorp's business may be affected.

As of the first quarter of 2020 some of the impacts already generated by COVID-19 at Credicorp are: (i) about 70% of BCP Stand-alone and Mibanco branches are serving nationwide and work at 50% of their capacity; (ii) financial relief measures have been offered to clients, including debt and insurance premium reprograming, cost-free cash management services, COVID-19 health and life insurance coverage and partial reimbursements of premiums on car insurance; (iii) there has been lower business activity as a result of lockdown, (iv) lower reference rates (-200 bps) which impact NIMs; (v) higher market volatility that impact investment portfolios; (vi) lower GDP growth expectations which negatively impact forward looking provisions; and (vii) new expenses including both one-off donations and operating expenses related to crisis management measures.

The impact of the COVID-19 pandemic may adversely affect the credit risk of Credicorp's investment portfolio and wholesale loan portfolio. In particular, the challenges posed by COVID-19, including reduced business volumes, temporary closures and insufficient liquidity may have a higher impact on clients engaging in certain economic activities such as retail, automobile sales, residential real estate, poultry farming, air travel, tourism, microfinance, transportation and restaurants. As a result, the company expects a downgrade in the financial condition of some of our borrowers, which, in turn, could materially affect Credicorp's business and result of operations.

The impact of the COVID-19 pandemic may adversely affect the credit risk of Credicorp's retail and microfinance loan portfolio, due to its effect in SME and individual clients. SME clients may be adversely impacted by the lockdown period and the resulting inability to perform operations and generate cash flows. After the lockdown period, SMEs may also face a period of reduced level of operations because of the restrictions that may be imposed on the reopening of different economic sectors. Individuals may be adversely impacted by an increase of the unemployment rate and the reduction of business operations. As a result, the company expects an adverse effect on the credit quality of its loan portfolio and an increase of the cost of risk.

The unprecedented shocks to the economy and the high level of uncertainty regarding its recovery, as a result of COVID-19 may increase market risk by causing fluctuations in market prices and loss of liquidity of financial instruments, which may have an adverse impact on our investment portfolio.

Prolonged economic stress and market disruptions as a result of COVID-19 may generate pressure on our liquidity management. This increase in liquidity risk may result in limited and/or costly access to financing sources, inability to access capital markets, an increase in draws of outstanding credit lines and a change in the expected level of cash inflow as consequence of large-scale loan reprogramming.

In terms of non-financial risks, given the high rate of contagion of the disease, a significant number of our employees may acquire the virus, which may affect our ability to continue operating. Additionally, due to prolonged lockdowns, some of our critical suppliers may stop providing us with certain key services for business continuity. Finally, since we have adopted a remote work approach, we may be exposed to a greater risk of cybersecurity threats because many of our employees now connect to Credicorp's systems from outside our controlled technological environments.

The full extent of the effect on Credicorp's operating and financial results is still difficult to predict due to the uncertainty about the duration and concentration of the outbreak, but the COVID-19 pandemic, or any other health crisis beyond our control, could have a material adverse effect on our business, financial condition and results of operations.

3 SIGNIFICANT ACCOUNTING POLICIES

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

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

The accompanying interim condensed consolidated financial statements as of March 31, 2020, and for the three-month period ended March 31, 2020, 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, 2019 (henceforth "2019 Annual consolidated financial statements"), date February 27, 2020.

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, the technical reserves for insurance claims and premiums, 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.

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, 2019, except for the adoption of new standards effective as of January 1, 2020, as described below:

(i) Definition of Material – Amendments to IAS 1 and IAS 8 -

The IASB has made amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors which use a consistent definition of materiality throughout International Financial Reporting Standards and the Conceptual Framework for Financial Reporting, clarify when information is material and incorporate some of the guidance in IAS 1 about immaterial information.

In particular, the amendments clarify:

- That the reference to obscuring information addresses situations in which the effect is similar to omitting or misstating that information, and that an entity assesses materiality in the context of the financial statements as a whole, and
- The meaning of 'primary users of general-purpose financial statements' to whom those financial statements are directed, by defining them as 'existing and potential investors, lenders and other creditors' that must rely on general purpose financial statements for much of the financial information they need.

(ii) Definition of a Business – Amendments to IFRS 3 –

The amended definition of a business requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term 'outputs' is amended to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits.

The amendments will likely result in more acquisitions being accounted as asset acquisitions.

(iii) Revised Conceptual Framework for Financial Reporting –

The IASB has issued a revised Conceptual Framework which will be used in standard-setting decisions with immediate effect. Key changes include:

- Increasing the prominence of stewardship in the objective of financial reporting.
- Reinstating prudence as a component of neutrality.
- Refining a reporting entity, which may be a legal entity, or a portion of an entity.
- Revising the definitions of an asset and a liability.
- Removing the probability threshold for recognition and adding guidance on derecognition.
- Adding guidance on different measurement basis, and
- Stating that profit or loss is the primary performance indicator and that, in principle, income and expenses in other comprehensive income should be recycled where this enhances the relevance or faithful representation of the financial statements.

No changes will be made to any of the current accounting standards. However, entities that rely on the Framework in determining their accounting policies for transactions, events or conditions that are not otherwise dealt with under the accounting standards will need to apply the revised Framework from January 1, 2020. These entities will need to consider whether their accounting policies are still appropriate under the revised Framework.

The modifications indicated above had no impact on the amounts recognized in previous or current periods and are not expected to significantly affect future periods.

b) 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. The method adopted by the Group to consolidate its Subsidiaries is described in Note 3(b) of the 2019 Annual Consolidated Financial Statements.

As of March 31, 2020 and December 31, 2019, the following entities comprise the Group (the individual or consolidated figures of their financial statements are presented in accordance with IFRS and before eliminations for consolidation purposes, except for the elimination of Credicorp's treasury shares and its related dividends):

Entity	Activity and country of incorporation	Percentage of interest (direct and indirect)		Assets		Liabilities		Equity		Net income (loss) for the three-month periods ended March 31,	
		As of March 31, 2020	As of December 31, 2019	As of March 31, 2020	As of December 31, 2019	As of March 31, 2020	As of December 31, 2019	As of March 31, 2020	As of December 31, 2019	2020	2019
		%	%	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	157,270,681	165,072,249	136,994,794	142,514,228	20,275,887	22,558,021	162,642	1,033,387
Pacífico Compañía de Seguros y Reaseguros S.A and Subsidiaries (ii)	Insurance, Peru	98.79	98.79	13,728,994	13,783,515	10,994,137	10,963,533	2,734,857	2,819,982	99,838	78,070
Atlantic Security Holding Corporation and Subsidiaries (iii)	Capital Markets, Cayman Islands	100.00	100.00	8,483,365	6,076,928	7,075,645	4,986,657	1,407,720	1,090,271	436,345	348,530
Credicorp Capital Ltd. and Subsidiaries (iv)	Capital Markets and asset management, Bermuda	100.00	100.00	4,115,320	4,807,905	3,255,430	3,832,287	859,890	975,618	(7,447)	15,571
CCR Inc.(v)	Special purpose Entity, Bahamas	100.00	100.00	362,088	386,146	360,885	385,253	1,203	893	310	672

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

Entity	Activity and country of incorporation	Percentage of interest (direct and indirect)		Assets		Liabilities		Equity		Net income (loss) for the three-month periods ended March 31,	
		As of March 31, 2020	As of December 31, 2019	As of March 31, 2020	As of December 31, 2019	As of March 31, 2020	As of December 31, 2019	As of March 31, 2020	As of December 31, 2019	2020	2019
		%	%	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	97.71	97.71	160,824,748	152,426,848	141,992,056	133,456,760	18,832,692	18,970,088	181,257	937,556
Inversiones Credicorp Bolivia S.A. and Subsidiaries (b)	Banking, Bolivia	99.96	99.96	11,405,835	10,552,154	10,663,937	9,773,372	741,898	778,782	9,893	16,674
Prima AFP (c)	Private pension fund administrator, Peru	100.00	100.00	982,264	982,591	402,446	284,643	579,818	697,948	(4,079)	57,000
Krealo SpA and Subsidiaries (d)	Holding, Chile	100.00	100.00	76,637	72,847	40,639	41,765	35,998	31,082	(2,396)	-

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

Its main Subsidiary is Mibanco, Banco de la Microempresa S.A. (hereinafter "MiBanco"), a banking entity in Peru oriented towards the micro and small business sector. As of March 31, 2020, the assets, liabilities, equity and net income of Mibanco amount to approximately S/13,529.0 million, S/11,408.0 million, S/2,121.0 million and S/34.0 million, respectively (S/13,741.7 million, S/11,655.7 million, S/2,086.0 million, and S/401.0 million, respectively as of December 31, 2019).

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

Its principal Subsidiary is Banco de Crédito de Bolivia (hereinafter “BCB”), a commercial bank which operates in Bolivia. As of March 31, 2020, the assets, liabilities, equity and net profit of BCB were approximately S/11,358.7 million, S/10,648.7 million, S/710.0 million and S/7.0 million, respectively (S/10,480.9 million, S/ 9,743.9 million, S/737.0 million and S/79.0 million, respectively as of December 31, 2019).

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

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

(ii) Pacífico Seguros 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 and Crediseguro Seguros Generales, and it has Pacífico EPS as an associate, which are dynamic participants in the business of multiple and health insurance, respectively.

(iii) Its most important Subsidiary is Atlantic Security Bank (ASB), which is incorporated in the Cayman Islands and operates through branches and offices in Grand Cayman and 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, Ultraserfinco S.A. and Banco Compartir 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 consolidated financial statements in accordance with IFRS and before eliminations for consolidation purposes:

Entity	Percentage of interest (direct and indirect)		Assets		Liabilities		Equity		Net income (loss) for the three-month periods ended March 31,	
	As of March 31, 2020	As of December 31, 2019	As of March 31, 2020	As of December 31, 2019	As of March 31, 2020	As of December 31, 2019	As of March 31, 2020	As of December 31, 2019	2020	2019
	%	%	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	2,771,905	3,400,683	2,159,820	2,692,520	612,085	708,163	(2,444)	5,224
Credicorp Capital Holding Chile and Subsidiaries (b)	100.00	100.00	1,094,288	1,161,991	950,257	1,017,072	144,031	144,919	(5,436)	2,628
Credicorp Capital Holding Perú S.A. and Subsidiaries (c)	100.00	100.00	241,950	228,421	125,208	114,913	116,742	113,508	2,038	2,871

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 subsidiary is Credicorp Capital Colombia S.A.

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

c) Credicorp Capital Holding Perú 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 2000, its main activity is to manage loans granted to BCP by foreign financial entities, See Note 17(a)(vi). These loans are collateralized by transactions performed 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 March 31, 2020:

(i) IFRS 17 "Insurance Contracts" -

IFRS 17 was issued in May 2017 in replacement of IFRS 4 "Insurance Contracts". This standard requires a current measurement model, where estimate are remeasured in each reporting period. The contracts are measured using the building blocks of:

- Discounted- weighted of probability cash flows
- An explicit risk adjustment, and
- A contractual service margin which represents the unearned profit of the contract recognized as income over the coverage.

IFRS 17 applies to all types of insurance contracts (life, non-life and reinsurance insurance), regardless of the type of entities that issue them, as well as certain guarantees and financial instruments with certain discretionary participation characteristics. The general objective of IFRS 17 is to provide an accounting model that is more useful and uniform for insurance entities. Unlike IFRS 4, which relies heavily on the application of existing / local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, which covers all relevant accounting aspects.

The standard permits a choice between recognizing the changes in discount rates, either in the statement of income or directly in other comprehensive income. The choice probably reflects how insurers record their financial assets according to IFRS 9.

An optional, simplified premium allocation approach is permitted for the liability for the remaining coverage for short duration contracts, which are often written by non-life insurers.

There is a modification of the general measurement model denominated "Variable commissions method" for certain contracts of insurers with life insurance in which the insured share the yields from the underlying elements. Upon applying the variable commissions' method, the entity's participation in changes in fair value of the underlying elements is included in the contractual service margin. Therefore, it is probable that the results of the insurers that use this model will be less volatile than under the general model.

The new rules will affect the financial statements and key performance indicators of all entities that issue insurance contracts or investment contracts with discretionary participation features.

Also, its implementation will modify the recognition, measurement, presentation and disclosure of insurance contracts having a significant impact on the underlying valuation models, systems, processes, internal controls and other fundamental aspects of the insurance business.

The Group has established governance structures related to the IFRS 17 project with the Audit Committee as the highest instance. As required by the standard, currently, the entities that make up the Group are in the process of determining the impact of their application.

Initially, IFRS 17 would apply to annual periods beginning on or after January 1, 2021; however, on November 14, 2018, the IASB agreed to defer the effective date of application to annual periods beginning on or after January 1, 2022.

(ii) Amendments to IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in associates and joint ventures”: Sale or contribution of assets between an investor and its associate or joint venture –

The IASB made limited scope amendments to IFRS 10 and IAS 28.

The amendments clarify the accounting treatment of the sales or contribution of assets between an investor and his associates or joint venture. These amendments confirm that the accounting treatment depends on whether the non-monetary assets sold or contributed to an associate or joint venture constitutes “a business” (as defined in IFRS 3 “Business combinations”).

If the non-monetary assets constitute a business, the investor will recognize the total gain or loss on the sale or contribution of assets. If the assets do not comply with the definition of “business”, the investor will recognize the gain or loss only in proportion to the investor’s investment in the associate or joint venture. The amendments will apply prospectively.

The IASB decided to defer the application date of this amendment until it has completed its research project on the equity method.

The Group is in the process of evaluating the impact of the application of these standards, and to date, it considers that there will be no significant impact on the consolidated financial statements, except for IFRS 17.

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

4 CASH AND DUE FROM BANKS

a) The composition of the item is presented below:

	As of March 31, 2020	As of December 31, 2019
	S/(000)	S/(000)
Cash and clearing (b)	5,249,377	4,917,674
Deposits with Central Reserve Bank of Peru (BCRP) (b)	16,626,007	18,367,651
Deposits with Central Bank of Bolivia	927,759	646,865
Deposits with foreign banks (c)	2,598,983	1,408,117
Deposits with local banks (c)	526,810	481,412
Interbank funds	376,289	137,722
Accrued interest	6,969	14,601
Total cash and cash equivalents	26,312,194	25,974,042
Restricted funds	13,592	12,720
Total cash	26,325,786	25,986,762

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 Bank of Peru -

These accounts mainly include the legal cash requirements that Subsidiaries of Credicorp, incorporated in Peru, must keep to be able to honor their obligations with the public. The composition of these funds is as follows:

	As of March 31, 2020	As of December 31, 2019
	S/(000)	S/(000)
Legal cash requirements (i)		
Deposits with Central Reserve Bank of Peru	9,989,397	13,727,222
Cash in vaults of Bank	4,462,793	4,132,347
Total legal cash requirements	14,452,190	17,859,569
Additional funds		
Overnight deposits with Central Reserve Bank of Peru (ii)	6,636,610	4,640,429
Cash in vaults of Bank and others	786,584	785,327
Total additional funds	7,423,194	5,425,756
Total	21,875,384	23,285,325

(i) As of March 31, 2020, cash and deposits subject to legal cash requirements in local and foreign currency are subject to an implicit rate of 5.01 percent and 35.42 percent, respectively, on the total balance of obligations subject to legal cash requirements, as required by the BCRP (5.01 percent and 35.06 percent, respectively, as of December 31, 2019).

In Management's opinion, the Group has complied with the calculation legal cash requirements established by current regulations.

(ii) As of March 31, 2020, the Group maintains three "overnight" deposits with the BCRP, of which are two denominated in soles for S/690.6 million and one in U.S Dollars for US$1,730.0 million, equivalent to S/5,946.0 million. At said date, the deposit in soles and deposits in U.S Dollars accrue interest at annual rates of 0.25 percent and 0.17 percent, respectively, and have maturities at 1 day.

As of December 31, 2019, the Group maintains three “overnight” deposits with the BCRP, which are one denominated in soles for S/360.0 million and two in U.S Dollars for US$1,291.6 million, equivalent to S/4,280.4 million. At said date, deposit in soles and deposits in U.S Dollars accrue interest at annual rates of 1.00 percent and 1.57 percent, respectively, and have maturities at 2 days.

c) Deposits with local and foreign banks -

Deposits with local and foreign banks mainly consist of balances in soles and U.S. dollars; these are cash in hand and earn interest at market rates. As of March 31, 2020 and December 31, 2019 Credicorp and its Subsidiaries do not maintain significant deposits with any bank in particular.

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

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

	As of March 31, 2020	As of December 31, 2019
	S/(000)	S/(000)
Cash collateral on repurchase agreements and security lendings (i)	3,455,245	3,293,837
Reverse repurchase agreement and security borrowings	969,100	899,435
Receivables for short sales	-	95,252
Total	4,424,345	4,288,524

(i) As of March 31, 2020, the balance mainly comprises cash collateral for approximately US$835.5 million, equivalent to S/2,871.6 million, delivered to BCRP to secure a borrowing in soles of approximately S/2,822.6 million from the same entity (cash collateral for approximately US$844.5 million, equivalent to S/2,798.7 million, and borrowing of approximately S/2,800.4 million, as of December 31, 2019).

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” of the interim condensed consolidated statement of financial position, see paragraph (c) below.

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

		As of March 31, 2020						As of December 31, 2019					
	Currency	Average interest rate	Up to 3 days	From 3 to 30 days	More than 30 days	Carrying amount	Fair value of underlying assets	Average interest rate	Up to 3 days	From 3 to 30 days	More than 30 days	Carrying amount	Fair value of underlying assets
		%	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	%	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)
Debt instruments (c)			71,284	-	7,282,252	7,353,536	7,736,198		64,900	25,699	6,240,866	6,331,465	6,709,182
Instruments issued by the Colombian Government	Colombian pesos	5.79	462,739	346,918	1,692	811,349	814,101	5.49	135,997	941,431	-	1,077,428	1,077,917
Instruments issued by the Chilean Government	Chilean pesos	0.13	37,544	-	-	37,544	37,675	0.20	130,551	44,411	-	174,962	175,054
Other instruments		0.50	51,961	336	-	52,297	52,524	2.07	70,997	16,809	6,355	94,161	105,086
			623,528	347,254	7,283,944	8,254,726	8,640,498		402,445	1,028,350	6,247,221	7,678,016	8,067,239

c) As of March 31, 2020 and December 31, 2019, the Group has repurchase agreements secured with: (i) cash, see Note 5(a), and (ii) investments, see Note 6(b). This item consists of the following:

		As of March 31, 2020			As of December 31, 2019		
Counterparties	**Currency**	**Maturity**	**Carrying amount**	**Collateral**	**Maturity**	**Carrying amount**	**Collateral**
			S/(000)			**S/(000)**	
BCRP, Note 5(a)(i)	Soles	April 2020 / March 2023	2,822,600	Cash with BCRP	February 2020 / October 2020	2,800,400	Cash with BCRP
BCRP	Soles	June 2020 / March 2021	2,439,675	Investments	June 2020 / November 2020	1,504,088	Investments
Natixis S.A.	Soles	August 2020 / August 2028	570,000	Investments	August 2020 / August 2028	570,000	Investments
Banco Central de Bolivia	Bolivianos	May 2020 / February 2021	466,354	Cash	May 2020 / February 2021	398,586	Cash
Nomura International PLC	U.S. Dollar	August 2020	274,960	Investments and cash	August 2020	265,120	Investments and cash
Nomura International PLC	U.S. Dollar	August 2020	240,590	Investments and cash	August 2020	231,980	Investments and cash
Citigroup Global Market Limited	U.S. Dollar	August 2026	154,665	Investments	August 2026	149,130	Investments
Citigroup Global Markets Limited	Soles	August 2020	100,000	Investments	August 2020	100,000	Investments
Natixis S.A	U.S. Dollar	August 2026	85,925	Investments	August 2026	82,850	Investments
Banco de la República	Colombian pesos	April 2020	63,265	Investments	January 2020	64,540	Investments
Naitixis	Colombian pesos	October 2020	34,068	-	-	-	-
Other below S/8.0 million	-	April 2020 / April 2033	8,010	Investments	January 2020 / April 2033	64,970	Investments
Accrued interest			93,424			99,801	
			7,353,536			6,331,465	

As of March 31, 2020, said operations accrue interest at fixed and variable rates between 0.72 percent and 7.20 percent and between Libor 3M + 0.80 percent and Libor 6M + 1.90 percent, respectively, (between 2.6 percent and 7.20 percent and between Libor 3M + 0.80 percent and Libor 6M + 1.90 percent, respectively, as of December 31, 2019). Also, certain repurchase agreements were hedged using interest rate swaps (IRS) and cross-currency swaps (CCS), see Note 13(b).

6 INVESTMENTS

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

	As of March 31, 2020 S/(000)	As of December 31, 2019 S/(000)
Government treasury bonds (i)	1,971,197	1,276,573
Mutual funds	831,775	593,552
Restricted mutual funds (ii)	398,111	460,086
Participation in RAL Funds (iii)	328,697	300,398
Corporate bonds	199,285	326,673
Investment funds	89,295	327,659
Royalty Pharma (iv)	79,084	68,584
Central Bank of Chile bonds	64,822	182,540
Shares	41,326	83,085
Subordinated bonds	24,810	80,084
Multilateral organization bonds	17,793	53,353
Others	129,243	93,204
Balance before accrued interest	4,175,438	3,845,791
Accrued interest	10,200	4,971
Total	4,185,638	3,850,762

(i) As of March 31, 2020 and December 31, 2019, the balance of these instruments includes the following government treasury bonds:

	As of March 31, 2020 S/(000)	As of December 31, 2019 S/(000)
Colombian Treasury bonds	972,857	1,102,865
Peruvian Treasury bonds	768,254	95,308
U.S. treasury and federal agency bonds	128,542	78,400
Panama Treasury bonds	67,173	-
Brasil Treasury bonds	25,652	-
Chile Treasury bonds	6,979	-
Mexico Treasury bonds	1,740	-
Total	1,971,197	1,276,573

(ii) The restricted mutual funds comprise the participation quotas in the private pension funds managed by the Group, 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.

(iii) As of March 31, 2020, these funds are approximately S/146.5 million in bolivianos and S/182.2 million in U.S. Dollars (S/166.9 million in bolivianos and S/133.5 million in U.S. Dollars as of December 31, 2019) 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.

(iv) It corresponds to participations in RPI International Holding, LP, who invests in a series of subordinate funds whose objective is to invest in Royalty Pharma Investments, an investment fund established under the laws of Ireland. This investment fund is dedicated to buying medical and biotechnology patents. Participations in RPI International Holdings, LP, are not liquid and require authorization for negotiation.

During the period ended March 31, 2020 and March 31, 2019, the Group has received dividends from these participations for S/1,012,164 and S/930,591, respectively; which are presented in the item of "Interest and similar income" of the interim condensed consolidated statement of income.

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

	As of March 31, 2020				As of December 31, 2019			
		Unrealized gross amount				Unrealized gross amount		
	Amortized cost	Profits	Losses	Estimated fair value	Amortized cost	Profits	Losses	Estimated fair value
	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)
Debts instruments:								
Corporate bonds (i)	9,380,090	495,928	(366,679)	9,509,339	7,974,080	706,394	(8,322)	8,672,152
Certificates of deposit BCRP (ii)	9,644,503	40,800	(37)	9,685,266	8,649,885	15,388	(1)	8,665,272
Government treasury bonds (iii)	6,526,977	519,946	(92,463)	6,954,460	6,009,137	690,048	(1,109)	6,698,076
Securitization instruments (iv)	662,395	43,886	(11,891)	694,390	580,778	53,328	(8,344)	625,762
Negotiable certificates of deposit	466,101	1,492	(671)	466,922	369,016	856	(303)	369,569
Subordinated bonds	155,746	10,042	(5,352)	160,436	150,172	14,085	(100)	164,157
Others	169,816	7,398	(1,687)	175,527	167,529	7,896	-	175,425
	27,005,628	1,119,492	(478,780)	27,646,340	23,900,597	1,487,995	(18,179)	25,370,413
Equity instruments designated at the initial recognition								
Shares issued by:								
Alicorp S.A.A.	12,198	158,582	-	170,780	12,198	201,567	-	213,765
Inversiones Centenario	112,647	190,776	-	303,423	112,647	195,305	-	307,952
Bolsa de Valores de Lima	19,423	1,153	-	20,576	19,423	2,115	-	21,538
Bolsa de Comercio de Santiago	4,964	4,365	-	9,329	4,964	5,688	-	10,652
Compañía Universal Textil S.A.	9,597	248	(3,432)	6,413	9,597	248	(3,432)	6,413
Pagos Digitales Peruanos S.A.	-	-	-	-	5,197	-	-	5,197
Corporación Andina de Fomento	-	-	-	-	4,441	181	-	4,622
Bolsa de Valores de Colombia	819	1,286	(210)	1,895	872	4,070	(53)	4,889
Others	6,962	2,988	-	9,950	2,638	1,533	-	4,171
	166,610	359,398	(3,642)	522,366	171,977	410,707	(3,485)	579,199
Balance before accrued interest	27,172,238	1,478,890	(482,422)	28,168,706	24,072,574	1,898,702	(21,664)	25,949,612
Accrued interest				219,666				253,111
Total				28,388,372				26,202,723

The Management of Credicorp has determined that the unrealized losses on investment at fair value through other comprehensive income as of March 31, 2020 and December 31, 2019 are of a temporary nature, considering factors such as intended strategy in relation with the identified security or portfolio, its underlying collateral and credit rating of the issuers. As of March 31, 2020, as a result of assessment of the impairment of its investments at fair value through other comprehensive income, the Group recorded a provision of credit loss of S/11.8 million (recovery of credit loss of S/0.7 million during the three-month period ended March 31, 2019), which is shown in “Net gain on securities” in the interim condensed consolidated statement of income. Also, Management has decided and has the ability to hold each investment for a period of time sufficient to allow for an anticipated recovery in fair value, until the earlier of its anticipated recovery or maturity.

As of March 31, 2020 and December 31, 2019, the Group has not reclassified instruments from the portfolio of investments at fair value through other comprehensive income to investments at amortized cost.

The maturities and annual market rates of investments at fair value through other comprehensive income as of March 31, 2020 and December 31, 2019, are as follows:

	Maturities		**Annual effective interest rate**											
	As of March 31, 2020	**As of December 31, 2019**	**As of March 31, 2020**						**As of December 31, 2019**					
			S/		**US$**		**Other**		**S/**		**US$**		**Other**	
			Min %	**Max %**	**Min %**	**Max %**	**Min %**	**Max %**	**Min %**	**Max %**	**Min %**	**Max %**	**Min %**	**Max %**
Corporate bonds (*)	Apr-2020 / Feb-2065	Jan-2020 / Feb-2065	(0.57)	33.99	0.41	19.43	0.49	9.92	1.09	8.16	0.47	8.25	0.62	6.55
Certificates of deposit BCRP	Apr-2020 / Mar-2023	Jan-2020 / Jul-2021	1.25	2.41	-	-	-	-	2.02	2.35	-	-	-	-
Government treasury bonds	Apr-2020 / Feb-2055	Jan-2020 / Feb-2055	0.78	5.88	0.62	6.31	2.59	2.89	0.55	5.31	1.11	4.61	0.43	0.82
Securitization instruments	May-2020 / Sep-2045	May-2020 / Sep-2045	2.89	13.32	3.40	9.11	1.68	6.00	2.46	13.26	3.08	9.14	1.68	6.00
Negotiable certificates of deposits	Apr-2020 / Dec 2026	Jan-2020 / Dec-2026	2.47	3.75	1.20	4.00	0.80	4.98	3.27	4.01	2.48	2.68	1.00	4.98
Subordinated bonds	Apr-2022 / Aug-2045	Apr-2022 / Aug-2045	1.28	7.28	3.63	6.78	-	-	1.21	5.52	3.27	5.23	1.53	1.53
Others	Apr-2020 / Feb-2035	Jan-2020 / Jan-2028	1.61	7.05	3.40	6.92	-	-	1.95	3.73	4.73	6.92	-	-

(*) As of March 31, 2020, the annual effective interest rates of (0.57) percent and 33.99 percent correspond to bonds issued by JP Morgan Chase & Co. and ICCGSA Inversiones S.A., respectively; excluding such interest rates, the ranges are from 1.34 percent to 11.90 percent.

Likewise, as of March 31, 2020, the Group entered into repurchase agreement transactions for corporate bonds, multilateral organization bonds and foreign government bonds classified as investments at fair value through other comprehensive income, for an estimated fair value of S/2,552.2 million (S/1,588.7 million as of December 31, 2019), of which the related liability is presented in “Payables from repurchase agreements and securities lending” of the interim condensed consolidated statement of financial position, see note 5(c).

(i) As of March 31, 2020, the largest unrealized loss respect to the balance as of December 31, 2019 is due to the COVID-19 crisis, which had a greater impact in the electricity, gas and water sector and in the financial services sector amounting to S/145.2 million and S/75.2 million, respectively; generated mainly by Peruvian, Colombian and United States issuers for S/113.2 million, S/38.8 million and S/23.0 million, respectively.

(ii) As of March 31, 2020, the Group maintains 97,647 certificates of deposits BCRP (87,530 as of December 31, 2019); which are instruments issued at discount through public auction, traded on the Peruvian secondary market and payable in soles.

(iii) As of March 31, 2020 and December 31, 2019, the balance includes the following Government Treasury Bonds:

	As of March 31, 2020	As of December 31, 2019
	S/(000)	S/(000)
Peruvian treasury bonds	6,126,787	5,959,066
U.S. treasury and federal agency bonds	485,215	391,475
Chilean treasury bonds	179,061	173,364
Bolivian treasury bonds	60,803	72,516
Colombian treasury bonds	61,157	61,009
Others	41,437	40,646
Total	6,954,460	6,698,076

(iv) As of March 31, 2020 and December 31, 2019, the balance of securitization instruments includes the following:

	As of March 31, 2020	As of December 31, 2019
	S/(000)	S/(000)
Inmuebles Panamericana	163,705	169,959
Abengoa Transmisión del Norte	89,961	87,377
Industrias de Aceite S.A.	50,808	32,050
Costa de Sol S.A.	49,807	–
Homecenters Peruanos S.A.	34,537	35,269
Others	305,572	301,107
Total	694,390	625,762

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), accounts receivable for electrical transmission services from the Carhuamayo - Cajamarca line (Abengoa Transmisión Norte) and accounts receivable for the transformation and commercialization of agribusiness products (Industrias de Aceite S.A.).

c) Amortized cost investments consist of the following:

	As of March 31, 2020	
	Carrying amount	Fair value
	S/(000)	S/(000)
Peruvian sovereign bonds (i)	4,086,569	4,332,415
Foreign government bonds (i)	18,360	18,363
Certificates of payment on work progress (CRPAO) (ii)	99,226	103,432
Sub total	4,204,155	4,454,210
Accrued interest	39,080	39,080
Total investments at amortized cost	4,243,235	4,493,290
Provision for credit losses	(592)	(592)
Total investments at amortized cost, net	4,242,643	4,492,698

	As of December 31, 2019	
	Carrying amount	Fair value
	S/(000)	S/(000)
Peruvian sovereign bonds (i)	3,277,667	3,694,631
Foreign government bonds (i)	21,168	21,168
Certificates of payment on work progress (CRPAO) (ii)	100,298	103,015
Sub total	3,399,133	3,818,814
Accrued interest	78,180	78,180
Total investments at amortized cost	3,477,313	3,896,994
Provision for credit losses	(267)	(267)
Total investments at amortized cost, net	3,477,046	3,896,727

(i) As of March 31, 2020, said bonds have maturities between April 2020 and February 2042, accruing interest at an annual effective interest rate between 1.27 percent and 5.88 percent on bonds denominated in soles and between 0.47 percent and 2.62 percent annual on bonds issued in other currencies (as of December 31, 2019, have maturities between January 2020 and February 2042, accruing interest at an annual effective interest rate between 2.14 percent and 5.28 percent on bonds denominated in soles and between 0.45 percent and 2.53 percent on bonds issued in other currencies).

Likewise, Credicorp Management has determined that as of March 31, 2020, the difference between amortized cost and the fair value of these investments is temporary in nature and Credicorp has the intention and ability to hold each of these investments until its maturity.

As of March 31, 2020, the Group has repurchase agreement transactions for investments at amortized cost for an estimated fair value of S/1,536.5 million (S/1,569.3 million as of December 31, 2019), the related liability for which is presented in the caption “Payables from repurchase agreements and securities lending” of the interim condensed consolidated statement of financial position, see note 5(c).

(ii) As of March 31, 2020, there are 145 certificates of Annual Recognition of Payment on Work Progress - CRPAO from Spanish acronym (153 CRPAOs as of December 31, 2019), 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 matures between April 2020 and April 2026, accruing interest at an annual effective rate between 2.48 percent and 4.52 percent as of March 31, 2020 (between January 2020 and April 2026, accruing interest at an annual effective rate between 3.74 percent and 4.67 percent as of December 31, 2019).

On July 30, 2019, the Assets and Liabilities Committee (ALCO) approved the request to change the Atlantic Security Bank (ASB) business model to manage its investments according to its new balance sheet structure, which generated a reclassification of the entire investment portfolio classified as amortized cost to the investment portfolio at fair value with changes in other comprehensive income and then sell them and acquire new investments that adapt to the new investment portfolio strategy.

The value of the investments at amortized cost as of July 30, 2019 amounted to US$73,030.4 (in thousands) with a fluctuation amounting to US$2,117.5 (in thousands), with a market value of US$ 75,147.9 (in thousands) and finally an expected credit loss of US$82.4 (in thousands). The fluctuation and expected credit loss were recorded in other comprehensive income.

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

	As of March 31, 2020		
	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	80,620	3,096,776	9,930
From 3 months to 1 year	227,761	7,395,276	900,711
From 1 to 3 years	301,369	2,992,056	43,921
From 3 to 5 years	406,610	2,724,779	687,704
More than 5 years	1,488,621	11,437,457	2,561,889
Without maturity	1,670,457	522,362	-
Total	4,175,438	28,168,706	4,204,155

	As of December 31, 2019		
	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	237,624	2,420,464	9,969
From 3 months to 1 year	269,199	6,694,486	908,271
From 1 to 3 years	472,215	2,155,053	42,440
From 3 to 5 years	289,393	2,961,767	690,289
More than 5 years	1,029,883	11,138,643	1,748,164
Without maturity	1,547,477	579,199	-
Total	3,845,791	25,949,612	3,399,133

7 LOANS, NET

a) This item consists of the following:

	As of March 31, 2020 S/(000)	As of December 31, 2019 S/(000)
Direct loans -		
Loans	96,511,233	91,481,200
Leasing receivables	6,082,888	5,978,421
Credit cards	8,317,732	8,479,355
Discounted notes	1,985,466	2,200,142
Factoring receivables	1,870,705	2,015,513
Advances and overdrafts in current account	388,912	162,149
Refinanced loans	1,128,730	1,186,167
Restructured loans	129	125
Total direct loans	116,285,795	111,503,072
Internal overdue loans and under legal collection loans	3,586,794	3,304,886
	119,872,589	114,807,958
Add (less) -		
Accrued interest	964,985	870,410
Unearned interest	(129,059)	(68,689)
Total direct loans	120,708,515	115,609,679
Allowance for loan losses (c)	(5,931,772)	(5,123,962)
Total direct loans, net	114,776,743	110,485,717

b) As of March 31, 2020 and December 31, 2019, the composition of the gross credit balance is as follows:

	As of March 31, 2020 S/(000)	As of December 31, 2019 S/(000)
Direct loans	119,872,589	114,807,958
Indirect loans, Note 21(a)	20,426,402	21,081,035
Banker's acceptances outstanding	555,598	535,222
Total	140,854,589	136,424,215

The composition of gross balance of direct and indirect loans and the allowance of loan losses by stages is as follows:

Loans by class	Direct and indirect loans		Allowance for loan losses of direct and indirect loans	
	As of March 31, 2020	As of December 31, 2019	As of March 31, 2020	As of December 31, 2019
	S/000	S/000	S/000	S/000
Stage 1				
Commercial loans	80,554,815	75,838,248	481,034	388,685
Residential mortgage loans	18,198,762	17,903,028	53,844	38,085
Micro-business loans	13,636,094	13,782,323	572,593	425,642
Consumer loans	12,120,435	12,222,858	548,288	248,355
Total	124,510,106	119,746,457	1,655,759	1,100,767
Stage 2				
Commercial loans	4,662,246	4,883,039	215,280	166,135
Residential mortgage loans	847,285	778,702	33,381	25,684
Micro-business loans	1,644,333	1,839,597	305,838	249,960
Consumer loans	2,366,810	2,210,504	625,724	513,431
Total	9,520,674	9,711,842	1,180,223	955,210
Stage 3				
Commercial loans	3,800,246	3,771,417	1,396,146	1,315,227
Residential mortgage loans	1,032,404	994,991	500,544	472,711
Micro-business loans	1,221,634	1,350,858	924,955	960,885
Consumer loans	769,525	848,650	674,194	702,959
Total	6,823,809	6,965,916	3,495,839	3,451,782
Consolidated 3 Stages				
Commercial loans	89,017,307	84,492,704	2,092,460	1,870,047
Residential mortgage loans	20,078,451	19,676,721	587,769	536,480
Micro-business loans	16,502,061	16,972,778	1,803,386	1,636,487
Consumer loans	15,256,770	15,282,012	1,848,206	1,464,745
Total	140,854,589	136,424,215	6,331,821	5,507,759

The growth in the stock of the allowance for loan losses of Credicorp is mainly due to the impact of COVID-19, which explains the variation of 83% in stock of the allowance for loan losses compared to the period 2019.

The impact of COVID-19 mainly due to the updates of the projections of the macroeconomic scenarios to more severe conditions, which has had a different impact on each loan portfolio, mainly affecting the credits of the Stage 1 and Stage 2.

Additionally, considering the extent of the quarantine and its impact on the country's economic activity, we expect that the recovery level of our loan portfolio will be affected, especially in the retail portfolio of consumer and Small and medium businesses (PYME, from Spanish acronym) and, in a minor degree, in the wholesale portfolio.

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

	For the three-month periods ended March 31,	
	2020	2019
	S/(000)	S/(000)
Balance at beginning of period	5,507,759	5,314,531
Provision for credit losses on loan	1,388,711	453,285
Written-offs loans	(519,532)	(434,759)
Exchange differences and others	(45,117)	(120,772)
Balance ended of period (*)	6,331,821	5,212,285

(*) The movement in the allowance for loan losses for the three-month period ended March 31, 2020 includes the allowance for direct and indirect loans for approximately S/5,931.8 million and S/400.0 million, respectively (approximately S/5,124.0 million and S/383.8 million, respectively, as of December 31, 2019). The expected loan loss for indirect loan is included in "Other liabilities" of the interim condensed consolidated statement of financial position, Note 13(a). In Management's opinion, the allowance for loan losses recorded as of March 31,2020 and December 31, 2019 has been established in accordance with IFRS 9 and is sufficient to cover incurred losses on the loan portfolio.

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

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

f) The following table presents the gross direct loan portfolio as of March 31, 2020 and December 31, 2019 by maturity based on the remaining period to the payment due date:

	As of March 31, 2020	As of December 31, 2019
	S/(000)	S/(000)
Outstanding loans -		
Up to 1 year	55,562,538	53,306,936
From 1 to 3 years	25,639,567	24,586,441
From 3 to 5 years	10,194,090	9,615,514
More than 5 years	24,889,600	23,994,181
	116,285,795	111,503,072
Internal overdue loans -		
Overdue 90 days	861,596	692,161
Over 90 days	2,725,198	2,612,725
	3,586,794	3,304,886
Total	119,872,589	114,807,958

See credit risk analysis in Note 34.1.

8 FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group issues Investment Link life insurance contracts whereby the policyholder takes the investment risk on the assets held in the Investment Link funds as the policy benefits are directly linked to the value of the assets in the fund. The Group's exposure to market risk is limited to the extent that income arising from asset management charges is based on the value of assets in the fund.

The profit resulting from these assets is shown in "Net premiums earned" in the interim condensed consolidated statement of income. The composition of the generated returns is presented below:

	As of March 31, 2020	As of December 31, 2019
	S/(000)	S/(000)
Net profit on sale of financial investments	10,560	21,879
Changes in the fair value of financial assets	(110,691)	58,351
Dividends, interests and others	1,888	13,434
Total	(98,243)	93,664

The variation in the result of these assets is a consequence of COVID-19, which generated that the financial markets as of March 31, 2020 experienced a drop of close to 20 percent compared to the period 2019.

At the date of this report, there has been a recovery of the global indices, and what Credicorp seeks is to control the volatility of the portfolio in order to minimize the losses of our clients in these difficult times.

The offsetting of this effect is included in the technical reserve adjustment, which is part of the item "Net premiums earned" of the interim condensed consolidated statement of income, see Note 25.

9 ACCOUNTS RECEIVABLE AND PAYABLE FROM INSURANCE CONTRACTS

a) As of March 31, 2020 and December 31, 2019, "Premiums and other policies receivable" in the interim condensed consolidated statement of financial position includes balances for approximately S/822.7 million and S/838.7 million, respectively, which are primarily of current maturity, have no specific collateral and present no material past due balances.

b) The movements of the captions "Accounts receivable and payable to reinsurers and coinsurers" are as follows:

Accounts receivable:

	As of March 31, 2020	As of December 31, 2019
	S/(000)	S/(000)
Balances as of January 1	791,704	842,043
Reported claims of premiums ceded, Note 26	42,407	321,375
Reserve risk in progress of premiums ceded, Note 25(a)(**)	(35,618)	(14,935)
Premiums assumed	-	668
Settled claims of premiums ceded by reinsurance contracts	(18,918)	(226,769)
Collections and others, net	8,097	(130,678)
Balances at the end of the period	787,672	791,704

Accounts receivable as of March 31, 2020 and December 31, 2019, include S/162.0 million and S/201.0 million, respectively, which correspond to the assigned portion of technical reserves for premiums ceded to the reinsurers.

Accounts Payable:

	As of March 31, 2020	As of December 31, 2019
	S/(000)	S/(000)
Balances as of January 1	216,734	291,693
Premiums ceded for automatic contracts (mainly excess of loss), Note 25(a)(**)	78,084	254,839
Premiums ceded to reinsurers in facultative contracts, Note 25(a)(**)	39,752	289,386
Coinsurance granted	2,745	4,332
Payments and other, net	(138,842)	(623,516)
Balances at the end of the period	198,473	216,734

Accounts payable to reinsurers are primarily related to proportional facultative contracts (on an individual basis) for ceded premiums, automatic non-proportional contracts (excess loss) and reinstallation premiums. For facultative contracts the Group transfers to the reinsurers a percentage or an amount of an insurance contract or individual risk, based on the premium and the coverage period.

10 PROPERTY, FURNITURE AND EQUIPMENT, NET

a) The composition of property, furniture and equipment and accumulated depreciation as of March 31, 2020 and December 31, 2019 was as follows:

	As of March 31, 2020			As of December 31, 2019		
	Cost	Accumulated depreciation	Net carrying amount	Cost	Accumulated depreciation	Net carrying amount
	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)
Land	402,089	-	402,089	401,553	-	401,553
Buildings and other constructions	1,157,318	(665,274)	492,044	1,156,252	(657,690)	498,562
Installations	660,978	(486,658)	174,320	653,728	(478,294)	175,434
Furniture and fixtures	475,819	(312,539)	163,280	479,748	(308,020)	171,728
Computer hardware	640,145	(559,112)	81,033	635,203	(552,023)	83,180
Vehicles and equipment	115,708	(89,476)	26,232	116,625	(88,277)	28,348
Work in progress	58,091	-	58,091	69,368	-	69,368
Total	3,510,148	(2,113,059)	1,397,089	3,512,477	(2,084,304)	1,428,173

Banks, financial institutions and insurance entities operating in Peru are not allowed to pledge their fixed assets.

In the three-month period ended March 31, 2020, the Group did not have any significant commitments to purchase property, furniture and equipment. During the year 2019, the Bank has made disbursements mainly related to the remodeling of its headquarters in La Molina and integral remodeling to the Sucursal Cusco.

Credicorp’s subsidiaries hold insurance contracts over its main assets in accordance with the policies established by Management.

Management periodically reviews the residual value, useful life and method of depreciation of the Group’s property, furniture and equipment to ensure that they are consistent with their actual economic benefits and life expectations. In Management’s opinion, as of March 31, 2020 and December 31, 2019, there is no evidence of impairment of the Group’s property, furniture and equipment.

11 INTANGIBLE ASSETS AND GOODWILL, NET

a) Intangible assets -

The composition of intangible assets with limited useful life and accumulated amortization as of March 31, 2020 and December 31, 2019 was as follows:

	As of March 31, 2020			As of December 31, 2019		
	Cost	Accumulated amortization	Net carrying amount	Cost	Accumulated amortization	Net carrying amount
	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)
Client relationships	362,450	(238,649)	123,801	378,896	(243,951)	134,945
Brand name	191,346	(60,745)	130,601	193,247	(60,643)	132,604
Fund manager contract	82,139	(12,141)	69,998	94,143	(12,441)	81,702
Relationships with holders	21,100	(21,100)	-	21,100	(20,219)	881
Software and developments	2,725,960	(1,848,784)	877,176	2,704,561	(1,774,183)	930,378
Intangible in progress	376,112	-	376,112	363,347	-	363,347
Other	68,592	(41,214)	27,378	49,695	(27,287)	22,408
	3,827,699	(2,222,633)	1,605,066	3,804,989	(2,138,724)	1,666,265

In the three-month period ended March 31, 2020, the Group did not have any significant commitments to purchase or make intangibles. During the year 2019, the Group has made disbursements mainly related with the implementation and development of various IT projects such as DataLake, Holístico, SpotLigth, DWH, Operating Model, Client 360, Connex, Mainframe, Kalignite NDC, Small and medium businesses.

Also, during the year 2019, the activation of various intangibles in progress was carried out, mainly the DataLake system for a total cost of US$19.7 million, equivalent to S/64.9 million. This system manages the Bank's customer database and provides various financial reports.

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.

The recoverable amount of all of the CGUs has been determined based on the calculations of the fair value less selling costs, which is the present value of the discounted cash flows determined principally with assumptions of revenue and expenses projection (based on efficiency ratios).

As of March 31, 2020 and December 31, 2019, the net book balance amounted to S/819.3 million and S/886.0 million, respectively.

As of March 31, 2020, the Group has evaluated the impairment of goodwill by making an interim estimate based on the information available to date about the unusual and uncertain situation generated by COVID-19, concluding that there is no evidence of impairment at said date; therefore, during the three-month period ended March 31, 2020 and during the year 2019, the Group did not recorded any impairment loss.

12 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

a) Right-of-use

The Group has leased agreements according to the following composition:

	As of March 31, 2020			As of December 31, 2019		
	Cost	Accumulated depreciation	Net carrying amount	Cost	Accumulated depreciation	Net carrying amount
	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)
Property: Agencies and offices	821,503	(162,460)	659,043	819,046	(130,761)	688,285
Servers and technology platforms	171,374	(50,488)	120,886	168,371	(40,591)	127,780
Spaces for ATM	29,150	(9,689)	19,461	25,146	(7,900)	17,246
Transport units	3,300	(1,107)	2,193	3,006	(971)	2,035
Other leases	8,724	(4,310)	4,414	7,394	(3,654)	3,740
	1,034,051	(228,054)	805,997	1,022,963	(183,877)	839,086

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 those cases, the period of lease used to measure the liability and assets corresponds to an estimation of future renovations.

13 OTHER ASSETS AND OTHER LIABILITIES

a) This item consists of the following:

	As of March 31, 2020	As of December 31, 2019
	S/(000)	S/(000)
Other assets -		
Financial instruments:		
Receivables	1,718,496	1,311,892
Derivatives receivable (b)	1,790,770	1,092,107
Receivables from sale of investments (g)	998,947	278,580
Operations in process (c)	55,648	110,389
	4,563,861	2,792,968
Non-financial instruments:		
Deferred fees (f)	1,119,810	1,056,656
Investment in associates (d)	618,310	628,822
Investment properties, net (e)	456,009	450,929
Income tax prepayments, net	278,628	191,502
Adjudicated assets, net	142,072	143,349
Improvements in leased premises	105,719	112,385
VAT (IGV) tax credit	26,424	75,605
Others	9,190	6,254
	2,756,162	2,665,502
Total	7,320,023	5,458,470

	As of March 31, 2020	As of December 31, 2019
	S/(000)	S/(000)
Other liabilities -		
Financial instruments:		
Dividends payable by Credicorp Ltd. (h)	2,392,844	-
Accounts payable	1,589,995	1,670,525
Derivatives payable (b)	1,751,719	1,040,282
Accounts payable for acquisitions of investments (g)	1,029,208	311,348
Salaries and other personnel expenses	486,924	760,140
Allowance for indirect loan losses, Note 7(c)	400,049	383,797
Operations in process (c)	95,643	80,734
	7,746,382	4,246,826
Non-financial instruments:		
Taxes	753,447	644,802
Provision for sundry risks	361,280	359,853
Others	190,766	229,807
	1,305,493	1,234,462
Total	9,051,875	5,481,288

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

The table below shows as of March 31, 2020 and December 31, 2019 the fair value of derivative financial instruments, recorded as an asset or a liability, together with their notional amounts and maturities. The nominal amount, recorded gross, is the amount of a derivative's underlying asset and is the basis upon which fair value of derivatives is measured.

	As of March 31, 2020				As of December 31, 2019				2020 and 2019
	Assets	Liabilities	Notional amount	Maturity	Assets	Liabilities	Notional amount	Maturity	Related instruments
	S/(000)	S/(000)	S/(000)		S/(000)	S/(000)	S/(000)		
Derivatives held for trading (i) -									
Foreign currency forwards	472,830	427,076	27,928,979	April 2020 / October 2022	306,148	246,960	27,422,634	January 2020 / October 2020	-
Interest rate swaps	689,397	869,448	23,693,862	April 2020 / December 2031	268,633	350,938	26,268,071	January 2020 / December 2031	-
Currency swaps	477,578	337,654	9,219,526	April 2020 / January 2033	411,656	366,545	8,177,179	January 2020 / January 2033	-
Foreign exchange options	25,976	22,149	1,564,752	April 2020 / March 2021	6,489	6,089	1,565,083	January 2020 / December 2020	-
Futures	-	56	17,185	June 2020	10	139	16,901	March 2020	-
	1,665,781	1,656,383	62,424,304		992,936	970,671	63,449,868		
Derivatives held as hedges									
Cash flow hedges -									
Interest rate swaps (IRS)	-	1,758	687,400	May 2020 / November 2020	102	1,111	662,800	May 2020 / November 2020	Debt to banks
Interest rate swaps (IRS)	-	1,460	653,030	May 2020 / June 2020	-	1,046	629,660	May 2020 / June 2020	Debt to banks
Interest rate swaps (IRS)	-	1,281	168,413	November 2020	55	714	984,258	February 2020 / November 2020	Debt to banks
Interest rate swaps (IRS)	-	3,093	1,031,100	May 2020 / August 2020	315	839	994,200	May 2020 / August 2020	Debt to banks
Interest rate swaps (IRS)	-	1,380	343,700	August 2020	114	-	331,400	August 2020	Debt to banks
Interest rate swaps (IRS)	-	1,087	343,700	June 2020	-	447	331,400	June 2020	Debt to banks
Interest rate swaps (IRS)	-	4,686	240,590	March 2021	-	2,555	231,980	March 2021	Bonds issued
Interest rate swaps (IRS)	-	2,216	103,110	March 2022	-	-	-	-	Bonds issued
Cross currency swaps (CCS)	33,453	9,748	467,467	October 2020 / September 2024	20,803	1,167	107,425	May 2021 / September 2024	Investments (*)
Cross currency swaps (CCS)	40,274	-	240,590	August 2020	30,741	-	231,980	August 2020	Repurchase agreements
Cross currency swaps (CCS)	-	28,599	154,665	August 2026	-	30,352	149,130	August 2026	Repurchase agreements
Cross currency swaps (CCS)	-	11,449	85,925	August 2026	-	12,236	82,850	August 2026	Repurchase agreements
Cross currency swaps (CCS)	-	-	-	-	7,624	-	331,400	January 2020	Debt to banks
Cross currency swaps (CCS)	1,749	-	171,850	January 2025	-	8,197	165,700	January 2025	Bonds issued
Cross currency swaps (CCS)	-	2,152	159,630	August 2021	-	2,823	152,545	August 2021	Bonds issued
Cross currency swaps (CCS) and Interest rate swaps (IRS)	49,513	101	274,960	August 2020	39,417	-	265,120	August 2020	Repurchase agreements
Fair value hedges -									
Interest rate swaps (IRS)	-	26,326	596,732	March 2022 / May 2023	-	8,124	618,790	June 2021 / May 2023	Investments (*)
	124,989	95,336	5,722,862		99,171	69,611	6,270,638		
	1,790,770	1,751,719	68,147,166		1,092,107	1,040,282	69,720,506		

(*) Corresponds to investments classified at the fair value through other comprehensive income under IFRS 9 as of March 31, 2020 and December 31, 2019.

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

	As of March 31, 2020						As of December 31, 2019					
	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	339,049	128,097	5,684	-	-	472,830	199,070	104,265	2,813	-	-	306,148
Interest rate swaps	15,350	13,731	84,869	26,728	548,719	689,397	3,716	8,409	38,569	8,067	209,872	268,633
Currency swaps	2,100	133,620	130,438	64,976	146,444	477,578	7,124	101,368	102,703	67,826	132,635	411,656
Foreign exchange options	14,846	11,130	-	-	-	25,976	1,844	4,645	-	-	-	6,489
Futures	-	-	-	-	-	-	10	-	-	-	-	10
Total assets	371,345	286,578	220,991	91,704	695,163	1,665,781	211,764	218,687	144,085	75,893	342,507	992,936

	As of March 31, 2020						As of December 31, 2019					
	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	310,699	111,613	4,764	-	-	427,076	154,424	89,739	2,797	-	-	246,960
Interest rate swaps	16,745	20,908	99,918	59,901	671,976	869,448	7,705	13,837	46,840	18,477	264,079	350,938
Currency swaps	34,887	124,121	97,233	42,093	39,320	337,654	41,729	92,917	79,844	50,663	101,392	366,545
Foreign exchange options	11,509	10,640	-	-	-	22,149	836	5,253	-	-	-	6,089
Futures	-	56	-	-	-	56	139	-	-	-	-	139
Total liabilities	373,840	267,338	201,915	101,994	711,296	1,656,383	204,833	201,746	129,481	69,140	365,471	970,671

c) 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.

d) Credicorp's principal associate is Entidad Prestadora de Salud (EPS), whose balance amounts to S/560.5 million and S/571.9 million as of March 31, 2020 and December 31, 2019, respectively.

e) Investment properties -

The movement of investment properties is as follows:

	As of March 31, 2020			As of December 31, 2019
	Own assets			
	Land	Buildings	Total	Total
	S/(000)	S/(000)	S/(000)	S/(000)
Cost				
Balance at January 1	253,041	238,325	491,366	484,782
Additions (i)	-	6,595	6,595	33,321
Sales (ii)	-	-	-	(26,775)
Disposals and others	147	23	170	38
Ending Period	253,188	244,943	498,131	491,366
Accumulated depreciation				
Balance at January 1	-	39,027	39,027	43,488
Depreciation for the year	-	1,682	1,682	6,727
Sales (ii)	-	-	-	(11,435)
Disposals and others	-	3	3	247
Ending Period	-	40,712	40,712	39,027
Impairment losses (iii)	689	721	1,410	1,410
Net carrying amount	252,499	203,510	456,009	450,929

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

(i) As of March 31, 2020, in order to consolidate the real estate projects, the Group has made disbursements mainly for the improvements of the following buildings: one of them located in Trujillo for approximately S/3.8 million and the other one located in Arequipa for approximately S/1.5 million.

As of December 31, 2019, the most important additions corresponded to the acquisition of 13th floor of Panorama Building located in the district of Santiago de Surco for approximately S/10.1 million (S/1.3 million for land and S/8.8 million for building) and land located in the district of San Martín de Porres for approximately S/8.7 million.

(ii) The amount for the sales in the year 2019, is mainly made up of the sale of a property located in Camino Real 348, San Isidro, whose sale value was S/27.5 million (cost of disposal of the property amounted to S/6.3 million); and a property located in Manuel Maria Izaga Street, located in the province of Chiclayo, whose value was S/3.4 million (cost of disposal of the property amounted to S/4.2 million).

(iii) The Group's Management has determined that the recoverable value of its investment properties is greater than their net carrying amount, with the exception of a property located in the city of Ica, for which an impairment of S/0.3 million was recorded during 2019.

As of March 31, 2020 and December 31, 2019, the market value of the property amounts to approximately S/978.3 million and S/937.8 million, respectively; which was determined through a valuation made by an independent appraiser.

f) As of March 31, 2020 the balances corresponds mainly to the payment in favor of Latam Airlines Group S.A. Sucursal Perú for US$188.9 million, equivalent in soles to S/649.2 million (US$202.0 million, equivalent in soles to S/669.4 million, as of December 31, 2019) on account of Latam Pass Miles that the Bank must acquire from January 2020.

g) As of March 31, 2020 and December 31, 2019, 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.

h) The Board of Directors held in February 27, 2020, agreed to distribute dividends, net of the effect of treasury stock, for approximately S/2,392.8 million from the retain earnings. Said dividends were declared in soles and paid in U.S. Dollars May 8, 2020 using the weighted exchange rate of the professional market registered by the SBS at the close of business on May 6, 2020. See Note 18(e).

14 DEPOSITS AND OBLIGATIONS

a) This item consists of the following:

	As of March 31, 2020	As of December 31, 2019
	S/(000)	S/(000)
Demand deposits	38,746,240	34,213,188
Time deposits (c)	33,954,557	32,853,576
Saving deposits	37,872,955	35,179,770
Severance indemnity deposits	7,204,922	7,897,199
Bank’s negotiable certificates	1,090,657	1,180,461
Total	118,869,331	111,324,194
Interest payable	694,214	681,191
Total	119,563,545	112,005,385

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 are presented below:

	As of March 31, 2020	As of December 31, 2019
	S/(000)	S/(000)
Non-interest-bearing -		
In Peru	35,407,187	31,155,442
In other countries	3,075,190	2,674,724
	38,482,377	33,830,166
Interest-bearing -		
In Peru	71,224,757	68,899,966
In other countries	9,162,197	8,594,062
	80,386,954	77,494,028
Total	118,869,331	111,324,194

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

	As of March 31, 2020	As of December 31, 2019
	S/(000)	S/(000)
Up to 3 months	14,909,932	14,674,773
From 3 months to 1 year	9,526,978	8,975,269
From 1 to 3 years	6,004,161	6,096,891
From 3 to 5 years	795,182	819,446
More than 5 years	2,718,304	2,287,197
Total	33,954,557	32,853,576

In Management's opinion the Group's deposits and obligations are diversified with no significant concentrations as of March 31, 2020 and December 31, 2019.

As of March 31, 2020 and December 31, 2019, of the total balance of deposits and obligations, approximately S/35,356.0 million and S/35,511.9 million, respectively, are secured by the Peruvian "Fondo de Seguro de Depósitos" (Deposit Insurance Fund). At said dates, maximum amount of coverage per depositor recognized by "Fondo de Seguro de Depósitos" totaled S/100,123 and S/100,661, respectively.

15 DUE TO BANKS AND CORRESPONDENTS

a) This item consists of the following:

	As of March 31, 2020	As of December 31,2019
	S/(000)	S/(000)
International funds and others (b)	6,738,811	5,654,014
Promotional credit lines (c)	3,056,167	2,938,981
Inter-bank funds	-	205,000
	9,794,978	8,797,995
Interest payable	59,652	43,737
Total	9,854,630	8,841,732

b) This item consists of the following:

	As of March 31, 2020	As of December 31, 2019
	S/(000)	S/(000)
Bank of America, N.A.	1,044,825	994,200
Citibank N.A.	1,031,100	662,800
Sumitomo Mitsui Banking Corporation	683,963	984,258
Wells Fargo Bank, N.A.	653,030	730,074
Bank of New York Mellon	515,551	331,400
Corporación Andina de Fomento - CAF	343,700	662,800
Corporación Financiera de Desarrollo (COFIDE)	298,331	406,710
Banco de la Nación	260,000	-
Brown Brothers Harriman	210,010	-
Pershing Usd - Rfi	183,860	-
Standard Chartered Bank	183,104	86,827
JP Morgan Chase Bank, National Association	171,850	-
Wachovia Bank N.A.	103,110	-
Caja Municipal de Ahorro y Crédito de Arequipa S.A.	100,000	140,000
Scotiabank Perú S.A.A.	100,000	100,000
Banco Internacional del Perú S.A.A. (Interbank)	110,000	50,000
Banco BBVA Perú	100,500	85,000
Bofa - Casa De Valores C1	69,133	-
Banco de Occidente	68,553	-
Bancoldex	58,430	-
Banco ICBC	55,000	-
International Finance Corporation (IFC)	4,022	91,558
Others less than S/52.5 million	390,739	328,387
Total	6,738,811	5,654,014

As of March 31, 2020, the loans have maturities between April 2020 and March 2032 (between January 2020 and March 2032, as of December 31, 2019) and accrue interest in foreign currency at rates that fluctuate between 0.50 percent and 9.63 percent and accrue interest in soles at rates that fluctuate between 3.10 percent and 3.90 percent (between 0.50 percent and 9.65 percent and between 3.17 percent and 8.67 percent, respectively as of December 31, 2019).

c) Promotional credit lines represent loans granted by Corporación Financiera de Desarrollo and Fondo de Cooperación para el Desarrollo Social (COFIDE and FONCODES for their Spanish acronyms, respectively) to promote the development of Peru, they mature between April 2020 and July 2029 and bear annual interest in soles at rates that fluctuate between 4.20 percent and 7.60 percent and interest in foreign currency at 7.75 percent as of March 31, 2020 (between January 2020 and July 2029 and with annual interest in soles at rates that fluctuate between 4.20 percent and 7.60 percent and interest in foreign currency at 7.75 percent as of December 31, 2019). These credit lines are secured by a loan portfolio totaling S/3,056.2 million and S/2,939.0 million, as of March 31, 2020 and December 31, 2019, respectively.

d) The following table presents the maturities of due to banks and correspondents as of March 31, 2020 and December 31, 2019 based on the period remaining to maturity:

	As of March 31, 2020	**As of December 31, 2019**
	S/(000)	**S/(000)**
Up to 3 months	3,416,750	2,062,121
From 3 months to 1 year	3,035,700	3,693,328
From 1 to 3 years	796,272	559,511
From 3 to 5 years	604,233	614,265
More than 5 years	1,942,023	1,868,770
Total	9,794,978	8,797,995

e) As of March 31, 2020 and December 31, 2019, lines of credit granted by various local and foreign financial institutions, to be used for future operating activities total S/9,795.0 million and S/8,593.0 million, respectively.

f) 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 consolidated financial statements.

16 TECHNICAL RESERVES FOR INSURANCE CLAIMS AND PREMIUMS

a) This item consists of the following:

	As of March 31, 2020		
	Technical reserves for claims	Technical reserves for premiums (*)	Total
	S/(000)	S/(000)	S/(000)
Life insurance	956,564	7,524,137	8,480,701
General insurance	599,840	633,859	1,233,699
Health insurance	81,387	180,158	261,545
Total	1,637,791	8,338,154	9,975,945

	As of December 31, 2019		
	Technical reserves for claims	Technical reserves for premiums (*)	Total
	S/(000)	S/(000)	S/(000)
Life insurance	908,362	7,548,684	8,457,046
General insurance	590,588	651,129	1,241,717
Health insurance	77,278	174,192	251,470
Total	1,576,228	8,374,005	9,950,233

(*) As of March 31, 2020, the life insurance technical reserves include the mathematical reserves of income amounting to S/5,939.0 million (S/5,961.0 million as of December 31, 2019).

Insurance claims reserves represent reported claims and an estimate for incurred but non reported claims (IBNR). Reported claims are adjusted on the basis of technical reports received from independent adjusters.

Insurance claims to be paid by reinsurers and co-insurers represents ceded claims, which are presented in “Accounts receivable from reinsurers and coinsurers” of the interim condensed consolidated statement of financial position, See note 9(b).

As of March 31, 2020, the reserves for direct claims include reserves for IBNR for life, general and health insurance for an amount of S/414.8 million, S/26.8 million and S/69.5 million, respectively (S/393.4 million, S/24.3 million and S/63.5 million, respectively, as of December 31, 2019).

As of March 31, 2020, and in previous years, the differences between the estimates for the incurred and non-reported claims and the settled and pending liquidation claims have not been significant. In the case of general risks and health, retrospective analysis indicates that the amounts accrued are adequate and Management believes that the estimated IBNR reserve is sufficient to cover any liability as of March 31, 2020 and December 31, 2019.

Technical reserves include reserves for obligations for future benefits under insurance of life and personal accidents in force; and the unearned premium reserves in respect of the portion of premiums written that is allocable to the unexpired portion of the related policy periods of related coverage.

17 BONDS AND NOTES ISSUED

a) This item consists of the following:

	Annual interest rate	Interest payment	As of March 31, 2020 Maturity	Issued amount	Carrying amount	As of December 31, 2019 Maturity	Issued amount	Carrying amount
	%			(000)	S/(000)		(000)	S/(000)
Senior notes - BCP (i)	From 2.70 to 5.38	Semi-annual	September 2020 / January 2025	US$1,074,628	3,599,045	September 2020 / January 2025	US$1,074,628	3,464,199
Senior notes - BCP (ii)	4.25	Semi-annual	April 2023	US$716,301	2,410,715	April 2023	US$716,301	2,318,975
Senior notes - BCP (iii)	From 4.65 to 4.85	Semi-annual	October 2020 / September 2024	S/2,900,000	2,869,747	October 2020 / September 2024	S/2,900,000	2,872,355
Senior notes - BCP (iv)	Libor 3M + 100 pb	Quarterly	March 2021	US$70,000	240,376	March 2021	US$70,000	231,738
Senior notes - BCP (v)	0.42	Semi-annual	August 2021	¥ 5,000,000	159,082	August 2021	¥5,000,000	151,888
Senior notes - BCP	Libor 3M + 0.55	Quarterly	March 2022	US$30,000	102,883	-	-	-
MMT 100 - Secured notes- CCR Inc. (vi)								
2012 Series C Floating rate certificates	4.75	Monthly	July 2022	US$315,000	360,886	July 2022	US$315,000	385,253
Corporate bonds -								
Fourth program								
Tenth issuance (Series A, B and C) - BCP	From 5.31 to 7.25	Semi-annual	December 2021 / November 2022	S/550,000	528,087	December 2021/ November 2022	S/550,000	527,868
Fifth program								
First issuance (Series D) - BCP	5.91	Semi-annual	-	-	-	January 2020	S/182,410	182,061
Third issuance (Series A) - BCP	4.59	Semi-annual	July 2021	S/70,770	63,496	July 2021	S/70,770	63,430
Third issuance (Series B) - BCP	4.88	Semi-annual	October 2021	S/42,200	29,056	October 2021	S/42,200	29,183
Third issuance (Series C) - BCP	4.25	Semi-annual	July 2022	S/109,310	108,851	July 2022	S/109,310	108,821
Third issuance (Series D) - BCP	3.88	Semi-annual	August 2022	S/42,660	42,366	August 2022	S/42,660	42,337
					771,856			953,700

	Annual interest rate	Interest payment	As of March 31, 2020 Maturity	Issued amount	Carrying amount	As of December 31, 2019 Maturity	Issued amount	Carrying amount
	%			(000)	S/(000)		S/(000)	S/(000)
Subordinated bonds - BCP (vii)	6.13	Semi-annual	April 2027	US$720,000	2,472,234	April 2027	US$720,000	2,383,860
Subordinated bonds - BCP (viii)	6.88	Semi-annual	September 2026	US$476,120	1,600,491	September 2026	US$476,120	1,549,702
Subordinated bonds - First program								
First issuance (Series A) - BCP	6.22	Semi-annual	May 2027	S/15,000	15,000	May 2027	S/15,000	15,000
First issuance (Series A) - Pacífico Seguros	6.97	Quarterly	November 2026	US$60,000	206,220	November 2026	US$60,000	198,840
Second program								
First issuance (Series A) - Mibanco	8.50	Semi-annual	May 2026	S/100,000	100,000	May 2026	S/100,000	99,934
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 I - Banco de Crédito de Bolivia	6.25	Semi-annual	August 2028	Bs70,000	35,179	August 2028	Bs70,000	33,816
Issuance II - Banco de Crédito de Bolivia	5.25	Semi-annual	August 2022	Bs137,200	69,422	August 2022	Bs137,200	66,782
					455,821			444,372
Negotiable certificate of deposit - Mibanco	From 3.01 to 5.80	Annual	April 2020 / March 2025	S/1,301	1,301	January 2020 / January 2024	S/997	997
Subordinated negotiable certificates - BCP	Libor 3M + 279 bp	Semi-annual	November 2021	US$2,960	10,175	November 2021	US$2,960	9,809
					15,054,612			14,766,848
Interest payable					123,536			179,515
Total					15,178,148			14,946,363

During the three-month period ended March 31, 2018, in accordance with the risk exposure strategy of the interest rate, the Group discontinued the fair value hedge of certain bonds, issued in U.S. Dollars at a fixed rate, through the liquidation of the IRS. The accumulated profit of the fair value of these bonds at the time of the liquidation of the derivatives amounted to US$22.0 million (equivalent to S/71.7 million), recorded in the liability, which has been transferred to the consolidated statement of income up to the date of maturity of said bonds. As of March 31, 2020, the liability amounts to US$7.5 million, equivalent to S/25.7 million, (US$8.7 million, equivalent to S/28.8 million, as of December 31, 2019). The amount recorded in the interim condensed consolidated statement of income ended March 31, 2020 amounts to US$1.2 million, equivalent to S/4.2 million (US$1.6 million, equivalent to S/5.4 million, during the period ended as of March 31, 2019).

(i) In September 2019, the Bank announced a repurchase offer and propose an exchange to the holders of senior notes of the US$800.0 million issued in September of 2010, managing to repurchase US$220.3 million and exchanging US$ 205.0 million with new senior notes, at market rates , whose terms and conditions were very similar to the previous issue. At the end of said offer, the Bank keeps a notional value payable amounting to US$374.6 million, which can be redeemed by the Bank in whole or in part, in any date, having as a penalty an interest rate equal to the Treasury of the United States of America’s rate plus 40 basis points.

In the same way, in September 2019, the Bank issued senior notes of approximately US$700 million (that amount includes the US$205.0 million of the exchange mentioned in the paragraph before). The Bank can redeem all or part of the notes at any date, between October 11, 2021 and December 10, 2024, at a redemption price equal to or greater than: (i) 100 percent of the aggregate principal amount of the notes to be redeemed; and (ii) the sum of the present value of each remaining scheduled payment discounted at interest rate equal to the Treasury of the United States of America’s rate plus 20 basis points. From December 11, 2024 onwards, the Bank can redeem the total or part of the notes to a redemption price equal to 100 percent of the aggregate principal amount of the notes to be redeemed.

The payment of principal will take place on the due date or when the Bank redeems the notes.

(ii) The Bank can redeem the total or part of the notes in any time, having as a penalty an interest rate equal to the Treasury of the United States of America’s rate plus 50 basis point. The payment of principal will take place on the due date of the notes or when the Bank redeems these notes.

(iii) In September 2019, the Bank announced a repurchase offer and propose an exchange to the holders of senior notes of the S/2,000 million issued in October of 2017, managing to repurchase S/291.2 million and exchanging S/1,308.8 million with new senior notes, at market rates, whose terms and conditions are very similar to the previous issue. At the end of said offer, the Bank keeps a notional value payable amounting to S/400.0 million, which can be redeemed by the Bank in whole or in part, as of October 15, 2020 without penalties.

At the same date, the Bank issued senior notes for approximately S/2,500.0 million (this amount includes the S/1,308.8 million of the exchange mentioned in the paragraph before). The Bank can redeem the whole or part of the senior notes between October 17, 2021 and August 16, 2024, at a redemption price equal to or greater than: (i) 100 percent of the aggregate principal amount of the notes, and (ii) the sum of the present value of cash flows discounted at interest rate equivalent to sovereign bonds issued by the government of Perú or other comparable titles plus 25 basis points. As of August 17, 2024, the Bank may redeem all or part of the senior notes at a redemption price equal to 100 percent of the aggregate amount of the principal to be redeemed.

The payment of principal will take place on the due date or when the Bank redeems the notes.

(iv) In February of 2019, the Bank issued Senior Notes for approximately US$70.0 million at variable rate.

(v) In July of 2019, the Bank issued Senior Notes for approximately JPY5,000.0 million at fixed interest rate.

(vi) This issue is guaranteed by the future collection of electronic payment orders sent to BCP (including foreign branches) through the Society Worldwide Interbank Financial Telecommunications, through which the correspondent bank uses the network to places orders of payment to beneficiary that is not a financial institution.

(vii) The Bank as of the year of 2022 will pay a three-month Libor plus 70.3 basis points. Between April 24, 2017 and April 24, 2022, the Bank can redeem the whole or part of the bonds having a penalty of an interest rate equal to the Treasury of United States of América's rate plus 50 basis points. Also, as of April 25, 2022 or at any date after interest payment, the Bank can redeem all or part of the bonds without penalty. Payment of the principal will take place on the due date of the bonds or when the Bank redeems them.

(viii) The Bank as of September 16, 2021, will pay a three-month Libor plus 770.8 basis points. Between the dates of September 16, 2016 and September 15, 2021, the Bank can redeem the whole or part of the bonds, having a penalty of an interest rate equal to the Treasury of United States of America´s rate plus 50 basis point. Also, as of September 16, 2021 or at any time after at the payment of interests, the Bank can redeem the whole or part of the bonds without penalties. The payment of the principal amount will take place on due date or in the redemptions of them.

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

	As of March 31, 2020	**As of December 31, 2019**
	S/(000)	**S/(000)**
Up to 3 months	39,080	182,365
From 3 months to 1 year	2,026,599	1,739,358
From 1 to 3 years	1,250,592	1,438,732
From 3 to 5 years	4,959,838	4,863,708
More than 5 years	6,778,503	6,542,685
Total	15,054,612	14,766,848

18 EQUITY

a) Capital stock -

As of March 31, 2020 and December 31, 2019, a total of 94,382,317 shares have been issued at US$5 per share.

b) Treasury stock -

We present below the stocks of Credicorp Ltd., that the entities of the Group maintain as of March 31, 2020 and 2019:

	Number of shares		
As of March 31, 2020	**Shares of the Group**	**Shared-based payment (*)**	**Total**
Atlantic Security Holding Corporation	14,620,846	-	14,620,846
BCP	-	159,339	159,339
Pacífico Seguros	-	29,845	29,845
Credicorp Perú	-	32,512	32,512
Credicorp Capital Servicios Financieros	-	17,598	17,598
Other minors	63,307	53,946	117,253
	14,684,153	293,240	14,977,393

	Number of shares		
As of March 31, 2019	**Shares of the Group**	**Shared-based payment (*)**	**Total**
Atlantic Security Holding Corporation	14,620,846	-	14,620,846
BCP	-	134,041	134,041
Pacífico Seguros	-	29,539	29,539
Credicorp Perú	-	21,695	21,695
Credicorp Capital Servicios Financieros	-	12,667	12,667
Other minors	12,202	45,354	57,556
	14,633,048	243,296	14,876,344

(*) 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 20.

During the three-month period ended March 31, 2020 and 2019, the Group purchased 240,151 and 129,807 shares of Credicorp Ltd., respectively, for a total of US$44.4 million (equivalent to S/151.9 million) and US$31.0 million (equivalent to S/103.2 million), respectively.

c) Reserves -

Certain Group's subsidiaries are required to keep a reserve that equals a percentage of paid-in capital (20, 30 or 50 percent, depending on its activities and the country in which production takes place); this reserve must be constituted with annual transfers of not less than 10 percent of net profits. As of March 31, 2020 and December 31, 2019, the balance of this reserves amounts approximately to S/6,248.0 million, S/6,236.5 million, respectively.

At the Board meetings held on February 27, 2020 and February 27, 2019, the decision was made to transfer from "Retained earnings" to "Reserves" S/1,977.1 million and S/1,858.8 million, respectively.

d) Dividend distribution –

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

	As of March 31, 2020	**As of December 31, 2019**
Date of Meeting - Board of Directors	27.02.2020	27.02.2019
Dividends distribution, net of treasury shares effect (in thousands of soles)	2,392,844	1,595,229
Payment of dividends per share (in soles)	30.0000	20.0000
Date of dividends payout	08.05.2020	10.05.2019
Exchange rate published by the SBS	3.4081	3.3150
Dividends payout (equivalent in thousands of US$)	702,105	481,215

In the Board of Directors held in September 25, 2019, they agreed an additional dividend payment, net of the effect of treasury stock, for approximately S/638.4 million from the retain earnings and reserves. Said dividends have been paid in November 22, 2019.

In accordance with current Peruvian legislation, there is no restriction for overseas remittance of dividends or the repatriation of foreign investment. As of March 31, 2020 and December 31, 2019, dividends paid by the Peruvian subsidiaries to Credicorp are subject to a 5.0 percent withholding tax.

e) Regulatory capital -

As of March 31, 2020 and December 31, 2019, 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/27,868.3 million and S/25,732 million, respectively. At those dates, the Group's regulatory requirement exceeds by approximately S/7,202.4 million and S/4,151.6 million, respectively, the minimum regulatory capital required by the SBS

19 TAX SITUATION

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

The income tax rate in Peru as of March 31, 2020 and December 31, 2019 was 29.5 percent of the taxable income after calculating the worker's participation, which is determined using a rate of 5.0 percent.

The income tax rate in Bolivia is 25.0 percent as of March 31, 2020 and December 31, 2019. 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.

In the case of Chile, there are two tax regimes: partially integrated regime and attributed regime. Credicorp Capital Holding Chile and all their Subsidiaries are under partially integrated regime, whose tax rate for domiciled legal entities under this regime is 27.0 percent as of March 31, 2020 and December 31, 2019.

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

In the case of Colombia, the income tax rate as of December 31, 2019, under the law called "Financing Law" N° 1943 dated December 28, 2018, the income tax rate of 33.0 percent was established for all entities without surcharge. As of March 31, 2020, under the law N° 2010 issued in December 27, 2019, the tax rates are as follows:

Taxable year	Rate	Additional rate (surcharge) (*)
2020	32	4
2021	31	3
2022	30	3
As of 2023	30	-

(*) The additional rate (surcharge) will be applicable only to financial entities, that in the corresponding year, with a taxable rate equal or greater than 120,000 Unit of tax value ("UVT" from its Spanish acronym) which as of March 31, 2020 amounts to a total of S/3.9 million; in that sense, Credicorp Capital Colombia, Credicorp Capital Fiduciaria and Banco Compartir must pay the income tax taking into account the aforementioned.

Atlantic Security Holding Corporation and its Subsidiaries are not subject to taxes in the Cayman Islands or Panama. As of March 31, 2020 and December 31, 2019, no taxable income was generated from the operations in the United States of America.

b) Income tax expense for the three-month periods ended March 31, 2020 and 2019 comprises:

	For the three-month periods ended March 31,	
	2020	2019
	S/(000)	S/(000)
Current -		
In Peru	312,877	329,339
In other countries	45,768	50,377
	358,645	379,716
Deferred -		
In Peru	(208,779)	51,522
In other countries	(4,067)	(9,073)
	(212,846)	42,449
Total	145,799	422,165

The deferred income tax has been calculated on all temporary differences, considering the income tax rates effective where Credicorp's Subsidiaries are located.

c) The Peruvian Tax Authority has the right to review and, if necessary, amend the annual income tax returns filed by Peruvian subsidiaries up to four years after their filing date. Income tax returns of the major Subsidiaries open for examination by the tax authorities are as follows:

Banco de Crédito del Perú S.A.	2016 to 2019
Mibanco, Banco de la Microempresa S.A.	2015 to 2019
Prima AFP S.A	2016 to 2019
Pacífico Compañía de Seguros y Reaseguros	2015, 2017 to 2019
Pacífico Peruano Suiza	2015 to 2017

On September 10, 2019 and December 20, 2019, the Peruvian Tax Authority started the examination of income tax returns of Banco de Crédito del Perú for the year 2014 and 2015, respectively, of Banco de Crédito del Perú, a tax control process that is still in process. Likewise, on December 10, 2019 the Tax Administration notified a Resolution finalizing the process of inspection of the Income Tax declaration of 2013 fiscal year in which a lower tax payment was determined.

It is important to mentioned that the Peruvian Tax Authority is auditing the Income Tax declaration of 2014 of Mibanco and the Income Tax declaration of 2016 of Pacífico Compañía de Seguros y Reaseguros.

The Bolivian, Chilean and Colombian Tax Authorities have the power to review and, if applicable, make a new determination for the income tax calculated by the Subsidiaries located in said countries in the previous 8 years, 3 years and 3 years, respectively, upon presentation of their Income Tax declarations. Additionally, in the case of Colombia, a period of 6 years was established for the taxpayers obliged to apply Transfer Prices or taxpayers who report tax losses. The annual income tax declarations pending examination by the overseas tax authorities are the following:

Banco de Crédito de Bolivia	2011, 2012, 2014 to 2019
Credicorp Capital Colombia	2016 to 2019
Credicorp Capital Holding Chile	2018 to 2019

Since tax regulations are subject to interpretation by the different Tax Authorities where Credicorp's Subsidiaries are located, it is not possible to determine at the present date whether any significant additional liabilities may arise from any eventual tax examinations of the Credicorp's 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, Management of Credicorp and its Subsidiaries and their legal counsel consider that any additional tax assessments would not have a significant impact on the interim condensed consolidated financial statements as of March 31, 2020 and December 31, 2019.

20 SHARE-BASED COMPENSATION PLANS

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

As of March 31, 2020 and December 31, 2019, the Group has granted 175,564 and 116,594 Credicorp shares, of which 293,240 and 246,931 shares not vested as of March 31, 2020 and December 31, 2019, respectively. During the three-month periods ended March 31, 2020 and 2019, the recorded expense amounted to approximately S/20.1 million and S/26.4 million, respectively, see Note 27.

21 OFF-BALANCE SHEET ACCOUNTS

a) This item consists of the following:

	As of March 31, 2020 S/(000)	As of December 31, 2019 S/(000)
Contingent credits – indirect loans (b)		
Guarantees and standby letters	18,138,220	18,894,456
Import and export letters of credit	2,288,182	2,186,579
Sub-total, Note 7(b)	20,426,402	21,081,035
Responsibilities under credit line agreements (c)	79,706,040	75,615,563
Total	100,132,442	96,696,598

Reference values of operations with derivatives are recorded in off-balance sheet accounts in the committed currency, as shown in Note 13(b).

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.

22 INTEREST, SIMILAR INCOME AND SIMILAR EXPENSES

This item consists of the following:

	For the three-month periods ended March 31,	
	2020	2019
	S/(000)	S/(000)
Interest and similar income		
Interest on loans	2,770,351	2,562,286
Interest on investments at fair value through other comprehensive income	261,189	269,603
Interest on investments at amortized cost	50,848	51,531
Interest on due from banks	49,113	86,699
Interest on investments at fair value through profit or loss	10,697	11,654
Dividends received	7,879	9,667
Other interest and similar income	13,532	10,234
Total	3,163,609	3,001,674
Interest and similar expense		
Interest on deposits and obligations	(364,107)	(353,834)
Interest on bonds and notes issued	(198,114)	(226,498)
Interest on due to banks and correspondents	(137,126)	(145,303)
Deposit Insurance Fund	(40,030)	(36,857)
Interest on lease liabilities	(7,803)	(5,985)
Other interest and similar expense	(37,129)	(36,029)
Total	(784,309)	(804,506)

23 COMMISSIONS AND FEES

	For the three-month periods ended March 31,	
	2020	2019
	S/(000)	S/(000)
Maintenance of accounts, transfers and credit and debit card services	306,906	319,612
Funds and equity management	180,307	169,738
Contingent loans and foreign trade fees	90,596	87,439
Commissions for banking services	57,878	69,095
Brokerage, securities and custody services	22,122	13,091
Penalty commissions	19,809	20,304
Collection services	28,984	32,866
Others	53,727	70,777
Total	760,329	782,922

24 NET GAIN ON SECURITIES

This item consists of the following:

	For the three-month periods ended March 31,	
	2020	2019
	S/(000)	S/(000)
Net gain on investments at fair value through other comprehensive income	37,531	50,588
Net gain in associates (*)	19,225	14,786
Net (loss) gain on financial assets at fair value through profit or loss (**)	(146,020)	62,235
(Provision) recovery of credit loss for investments at fair value through other comprehensive income, Note 6(b)	(11,752)	72
Others	(392)	650
Total	(101,408)	128,331

(*) It mainly includes the gain of its associated "Entidad Prestadora de Salud" for approximately S/17.2 million during the three-month period ended March, 31 2020 (S/8.9 million during the three-month period ended March 31, 2019).

(**) The variation is due to the realized losses mainly from the following Subsidiaries occurred during the three-month period ended March 31, 2020:

- Banco de Crédito del Perú for approximately S/64.9 million, of which: (i) S/63.0 million correspond to realized losses on the sale of financial investments mainly from the Peruvian Treasury bonds (S/37.1 million), Colombian Treasury bonds (S/19.8 million), Colombian Treasury bonds (S/3.3 million) and Mexico Treasury bonds (S/2.5 million), y (ii) S/1.9 million correspond to unrealized losses.

- Prima AFP for approximately S/62.1 million. It corresponds to the drop of the restricted mutual funds, which was due to the reduction in the profitability of Fund 1 in 10.93 percent, Fund 2 in 13.22 percent and Fund 3 in 18.90 percent, all of this caused by the global crisis of COVID-19. These losses are mainly concentrated in fixed income government securities from emerging countries (Fund 1), and in emerging variable income and local variable income assets (Fund 2 and Fund 3).

25 NET PREMIUMS EARNED

a) This item consists of the following:

For the three-month periods ended March 31,	Gross written premiums	Technical reserve adjustment(*)	Total gross written premiums (**)	Premiums ceded to reinsurers and co-insurers, net (***)	Results of financial assets designated at fair value through profit and loss, Note 8	Total Net premiums earned
	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)
2020						
Life insurance	512,946	(48,867)	464,079	(30,130)	(98,243)	335,706
Health insurance	147,757	(8,427)	139,330	(3,281)	–	136,049
General insurance	240,850	35,373	276,223	(120,043)	–	156,180
Total	901,553	(21,921)	879,632	(153,454)	(98,243)	627,935
2019						
Life insurance	513,409	(221,772)	291,637	(32,402)	47,242	306,477
Health insurance	141,596	(9,974)	131,622	(2,995)	–	128,627
General insurance	237,533	13,294	250,827	(101,722)	–	149,105
Total	892,538	(218,452)	674,086	(137,119)	47,242	584,209

(*) The variation during the three-month period ended March 31, 2020 respect to the previous period is mainly due to the following: (i) lower sales in annuities, generating a lower constitution of reserves, and (ii) increase in the market participation of pension insurance and increase in the withholding percentage.

(**) This item includes earned premiums, reinsurance premiums accepted, and coinsurance premiums accepted and received.

(***) “Premiums ceded to reinsurers and coinsurers, net” include:

	For the three-month periods ended March 31, 2020	2019
	S/(000)	S/(000)
Premiums ceded for automatic contracts (mainly excess of loss), Note 9(b)	(78,084)	(75,656)
Premiums ceded for facultative contracts, Note 9(b)	(39,752)	(33,216)
Annual variation of reserve risk in progress of premiums ceded, Note 9(b)	(35,618)	(28,247)
	(153,454)	(137,119)

b) Gross written premiums by insurance type are described below:

	For the three-month periods ended March 31,			
	2020		2019	
	S/(000)	%	S/(000)	%
Life insurance (i)	464,079	52.76	291,637	43.26
Health insurance (ii)	139,330	15.84	131,622	19.53
General insurance (iii)	276,223	31.40	250,827	37.21
Total	879,632	100.00	674,086	100.00

(i) The breakdown of life insurance gross written premiums is as follows:

	For the three-month periods ended March 31,			
	2020		2019	
	S/(000)	%	S/(000)	%
Credit life	154,895	33.38	130,892	44.88
Disability and survival (*)	123,524	26.62	101,571	34.83
Individual life (**)	135,916	29.29	(8,834)	(3.03)
Group life	31,705	6.83	52,471	17.99
Annuities	18,039	3.88	15,537	5.33
Total	464,079	100.00	291,637	100.00

(*) This item includes Complementary Work Risk Insurance (“SCTR” from its Spanish acronym).

(**) Individual life insurance premiums include Investment Link insurance contracts.

(ii) Health insurance gross written premiums after adjustments include medical assistance which amounts to S/119.5 million and S/110.7 million during the three-month periods ended March 31, 2020 and 2019, respectively; and represents 85.72 percent and 84.05 percent of this line of business at said periods, respectively.

(iii) General insurance gross written premiums consist of the following:

	For the three-month periods ended March 31,			
	2020		2019	
	S/(000)	%	S/(000)	%
Automobile	90,957	32.93	86,702	34.57
Fire and allied lines	67,668	24.50	67,746	27.01
Theft and robbery	33,240	12.03	22,615	9.02
Technical lines (*)	17,433	6.31	16,779	6.69
Third party liability	14,444	5.23	13,810	5.51
Transport	11,334	4.10	10,233	4.08
SOAT (Mandatory automobile line)	9,548	3.46	9,971	3.97
Marine Hull	6,180	2.24	6,822	2.72
Aviation	15,310	5.54	3,048	1.21
Others	10,109	3.66	13,101	5.22
Total	276,223	100.00	250,827	100.00

(*) Technical lines include Contractor’s All Risk (CAR), Machinery breakdown, All Risk (EAR), Electronic equipment (EE), All Risk Contractor’s Equipment (ARCE).

26 NET CLAIMS INCURRED FOR LIFE, GENERAL AND HEALTH INSURANCE CONTRACTS

This item consists of the following:

	For the three-month periods ended March 31, 2020			
	Life insurance	General insurance	Health insurance	Total
	S/(000)	S/(000)	S/(000)	S/(000)
Gross claims	260,122	80,319	75,468	415,909
Ceded claims, Note 9(b)	(23,606)	(19,428)	627	(42,407)
Net insurance claims	236,516	60,891	76,095	373,502

	For the three-month periods ended March 31, 2019			
	Life insurance	General insurance	Health insurance	Total
	S/(000)	S/(000)	S/(000)	S/(000)
Gross claims	246,516	163,865	82,202	492,583
Ceded claims	(27,126)	(80,602)	(1,038)	(108,766)
Net insurance claims	219,390	83,263	81,164	383,817

27 SALARIES AND EMPLOYEES BENEFITS

This item consists of the following:

	For the three-month periods ended March 31,	
	2020	2019
	S/(000)	S/(000)
Salaries	493,689	445,750
Vacations, medical assistance and others	86,734	78,562
Bonuses	69,505	67,410
Workers' profit sharing	57,102	58,293
Social security	60,286	56,699
Additional participation	63,247	62,095
Severance indemnities	40,500	39,118
Share-based payment plans	20,120	26,390
Total	891,183	834,317

28 ADMINISTRATIVE EXPENSES

This item consists of the following:

	For the three-month periods ended March 31,	
	2020	2019
	S/(000)	S/(000)
Repair and maintenance	106,360	102,916
Publicity	75,256	76,175
Taxes and contributions	68,017	66,709
Leases of low value and short-term	18,843	22,418
Consulting and professional fees	39,485	41,360
Transport and communications	35,466	41,636
Sundry supplies	23,424	17,564
Security and protection	15,286	17,002
Electricity and water	11,175	12,027
Subscriptions and quotes	10,752	9,570
Services by third-party and others (*)	135,580	130,780
Total	539,644	538,157

(*) The balances consists mainly of cleaning service, representation expenses, insurance policy expenses and commission expenses.

29 OTHER INCOME AND EXPENSES

This item consists of the following:

	For the three-month periods ended March 31,	
	2020	**2019**
	S/(000)	**S/(000)**
Other income		
Revenue from sale of loan portfolio	26,078	14,166
Rental income	9,962	13,879
Net income from the sale of property, furniture and equipment	10,319	-
Recoveries of other accounts receivable and other assets	219	128
Net gain from sale of adjudicated assets	1,312	-
Others (*)	69,880	47,432
Total other income	117,770	75,605

	For the three-month periods ended March 31,	
	2020	**2019**
	S/(000)	**S/(000)**
Other expenses		
Donations (**)	114,454	4,419
Losses due to operational risk	8,330	6,869
Expenses on improvements in building for rent	6,738	7,144
Provision for sundry risks	5,772	6,195
Association in participation	6,430	2,736
Provision for other accounts receivable	3,367	2,228
Net loss from sale adjudicated assets	-	5,533
Administrative and tax penalties	262	52
Others	30,707	15,001
Total other expenses	176,060	50,177

(*) During the three-month periods ended March 31, 2020 and 2019, the balance mainly comprises liquidation for sale of Credicorp shares, penalty for breach of contract, commissions for recovery in civil and judicial lawsuits of Personal Credits and Credit Card products; also, collection of commission for relocation, vehicle taxes, municipal property taxes, fines and penalties to clients related to the Leasing product.

(**) During the three-month period ended March 31, 2020, the Group has made donations mainly through their subsidiaries BCP and MiBanco, a donation amounted of S/100.0 million was the fundraising campaign named "#YoMeSumo" of BCP and S/10.0 million a donation of MiBanco, in both cases, in order to raise funds for the poorest families affected by COVID19.

30 EARNING PER SHARE

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

	For the three-month periods ended March 31,	
	2020	**2019**
Net income attributable to equity holders of Credicorp (in thousands of Soles)	209,274	1,100,867
Number of stock		
Ordinary stock, Note 18(a)	94,382,317	94,382,317
Less – opening balance of treasury stock	(14,872,164)	(14,883,274)
(Acquisition) sale of treasury stock, net	(92,761)	(65,095)
Weighted average number of ordinary shares for basic earnings	79,417,392	79,433,948
Plus - dilution effect - stock awards	134,201	113,814
Weighted average number of ordinary shares adjusted for the effect of dilution	79,551,593	79,547,762
Basic earnings per share (in Soles)	2.64	13.86
Diluted earnings per share (in Soles)	2.63	13.84

31 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.

- 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 current accounts of the small and microenterprises: carried out through Mibanco, Banco de la Microempresa S.A., Banco Compartir S.A. and Edyficar S.A.S. (Encumbra).

d) Investment Banking and Wealth Management –

Brokerage service and investment management services offered to a broad and diverse clientele, which includes corporations, institutional investors, governments and foundations; also, 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 of these services are provided through Credicorp Capital Ltd. and subsidiaries; Atlantic Security Bank (ASB) and the Wealth Management team of BCP.

Management of these business lines is designed to:

- Promote the joint action of our businesses in order to take advantage of the synergies which resulting from the diversification of our portfolio.

- Strengthening our leadership in the financial sector through our growth in new businesses, and the establishment of an investment banking platform available not only to the corporate world, but also to the retail segment, especially to the Small and Medium Enterprise (SME) and Consumer sectors.

- Improve the ongoing search to bring to adapt our business models, processes and procedures into line with best practices worldwide.

  The operating results of the Group's new business lines are monitored separately by the Board of Directors and Senior Management on a monthly basis, in order to make decisions regarding the allocation of resources and the evaluation of the performance of each one of the segments. The Chief Operating Decision Maker (CODM) of Credicorp is the Chief Executive Officer (CEO). The performance of the segments is evaluated based on the operating profits or losses and is measured consistently with the operating profits and losses presented in the interim condensed consolidated statement of income.

  Financial information by segment is prepared subject to the minimum controls necessary and on a uniform basis, with coherent grouping according to the type of activity and customer. The transfer prices used for determining income and expenses generated among the operating segments are similar to the prices that would be applicable to transactions carried out at arm's length.

  None of the income derives from transactions carried out with a single customer or counterparty which is equal to or greater than 10 percent or more of the total income of the Group for the first three-month period ended March 31, 2020 and the first three-month period ended March 31, 2019.

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

	For the three-month period ended March 31, 2020								As of March 31, 2020	
	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	Total assets	Total liabilities
Universal Banking										
Banco de Crédito del Perú	2,820	121	1,616	762	(1,152)	(110)	(81)	146	148,697	132,075
Banco de Crédito de Bolivia	190	1	87	25	(38)	(5)	(6)	7	11,359	10,649
Insurance and Pension funds										
Pacífico Seguros and Subsidiaries	807	19	128	683	-	(15)	(2)	100	13,740	11,005
Prima AFP	41	1	-	41	-	(5)	(3)	(4)	974	427
Microfinance										
Mibanco	628	12	485	41	(189)	(23)	(17)	34	13,529	11,408
Banco Compartir S.A.	51	12	35	6	(8)	(3)	-	(4)	836	708
Edyficar S.A.S.	12	-	11	(104)	(1)	-	(1)	1	116	64
Investment Banking and Wealth Management	197	(2)	14	146	–	(5)	(3)	(4)	10,715	9,423
Other segments	3	(2)	443	(8)	–	(6)	(33)	(63)	3,878	4,223
Eliminations	–	–	(440)	(492)	(1)	–	–	–	(6,022)	(5,883)
Total consolidated	4,749	162	2,379	1,100	(1,389)	(172)	(146)	213	197,822	174,099

	For the three-month period ended March 31, 2019								As of December 31, 2019	
	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	Total assets	Total liabilities
Universal Banking										
Banco de Crédito del Perú	2,821	95	1,489	831	(331)	(86)	(314)	835	139,832	123,057
Banco de Crédito de Bolivia	175	1	78	29	(15)	(3)	(7)	13	10,481	9,744
Insurance and Pension funds										
Pacífico Seguros and Subsidiaries	766	(4)	121	808	–	(14)	(2)	78	13,785	10,964
Prima AFP	123	1	1	123	–	(4)	(24)	57	909	211
Microfinance										
Mibanco	600	29	468	45	(106)	(12)	(40)	102	13,576	11,489
Banco Compartir S.A.	–	–	–	–	–	–	–	–	1,046	888
Edyficar S.A.S.	12	–	11	(80)	(1)	–	(1)	2	141	80
Investment Banking and Wealth Management	238	3	24	175	–	(5)	(5)	65	9,423	7,950
Other segments	27	38	305	43	–	(7)	(29)	(29)	2,998	992
Eliminations	–	–	(300)	(689)	–	–	–	–	(4,314)	(4,245)
Total consolidated	4,762	163	2,197	1,285	(453)	(131)	(422)	1,123	187,877	161,130

(*) Corresponds to total interest and similar income, other income (includes income and expenses on commissions) and net earned premiums from insurance activities.
(**) 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 insurance underwriting result.

(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:

	For the three-month period ended March 31, 2020		As of March 31, 2020		For the three-month period ended March 31, 2019		As of December 31, 2019	
	Total income (*)	Operating income (**)	Total non current assets (***)	Total liabilities	Total income (*)	Operating income (**)	Total non current assets (***)	Total liabilities
Peru	4,322	2,360	3,835	149,850	4,337	2,177	3,943	142,178
Bermuda	11	-	115	3,098	14	6	117	266
Panama	-	-	-	-	-	-	-	-
Cayman Islands	38	27	20	7,122	94	35	20	5,008
Bolivia	209	97	99	10,769	193	87	93	9,815
Colombia	138	38	427	2,195	81	3	435	2,769
United States of America	10	-	3	7	2	-	3	6
Chile	21	(1)	128	1,058	41	(2)	209	1,088
Total consolidated	4,749	2,521	4,627	174,099	4,762	2,306	4,820	161,130

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

32 TRANSACTIONS WITH RELATED PARTIES

a) The Group's interim condensed consolidated financial statements as of March 31, 2020 and December 31, 2019 include transactions with related companies, the Board of Directors, the Group's key executives (defined as the Management of Credicorp) and the companies which are controlled by these individuals through their majority shareholding or their role as Chairman or CEO.

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

	As of March 31, 2020	As of December 31, 2019
	S/(000)	S/(000)
Statement of financial position -		
Direct loans	2,269,648	1,657,206
Investments	876,807	935,286
Deposits	(1,846,410)	(751,990)
Derivatives at fair value	3,390	4,984
Off-balance sheet		
Indirect loans	421,168	373,865

	For the three-month periods ended March 31,	
	2020	2019
	S/(000)	S/(000)
Statement of income		
Interest income related to loans	8,012	7,225
Interest expenses related to deposits	(2,794)	(3,431)
Other income	1,520	2,595

c) All transactions with related parties are made in accordance with normal market conditions available to other customers. As of March 31, 2020, direct loans to related companies are secured by collateral, had maturities between Abril 2020 and January 2030, at an annual soles average interest rate of 6.21 percent and at an annual foreign currency average interest rate of 4.79 percent (as of December 31, 2019, maturities where between January 2020 and December 2028, and the annual soles average interest rate was 6.21 percent and the annual foreign currency average interest rate was 5.70). Also, as of March 31, 2020 and December 2019, the Group maintains an allowance for loan losses for related parties amounting to S/30.1 million and S/12.6 million, respectively.

d) As of March 31, 2020 and December 31, 2019, directors, officers and employees of the Group have been involved, directly and indirectly, in credit transactions with certain subsidiaries of the Group, as permitted by Peruvian Banking and Insurance Law Nº26702, which regulates and limits certain transactions with employees, directors and officers of a bank or an insurance company. As of March 31, 2020 and December 31, 2019, direct loans to employees, directors, key management and family members amounted to S/993.4 million and S/1,003.2 million, respectively; they are repaid monthly and earn interest at market rates.

33 FINANCIAL INSTRUMENTS CLASSIFICATION

The table below shows the carrying amounts of the financial assets and liabilities captions in the interim condensed consolidated statement of financial position, by categories as defined under IFRS 9 as of March 31,2020 and IAS 39 as of December 31, 2019:

	As of March 31, 2020						As of December 31, 2019					
	Financial assets and liabilities at fair value through profit or loss		Financial assets at fair value through other comprehensive income				Financial assets and liabilities at fair value through profit or loss		Financial assets at fair value through other comprehensive income			
	Investments and hedges	Investments designated at inception	Investments	Investments designated at inception	Financial assets and liabilities measured at amortized cost	Total	Investments and hedges	Investments designated at inception	Investments	Investments designated at inception	Financial assets and liabilities measured at amortized cost	Total
	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)
Assets												
Cash and due from banks	-	-	-	-	26,325,786	26,325,786	-	-	-	-	25,986,762	25,986,762
Guarantee funds, reverse repurchase agreements and securities borrowings	-	-	-	-	4,424,345	4,424,345	-	-	-	-	4,288,524	4,288,524
At fair value through profit or loss	4,185,638	-	-	-	-	4,185,638	3,850,762	-	-	-	-	3,850,762
Investments at fair value through other comprehensive income, note 6(b)	-	-	27,865,207	523,165	-	28,388,372	-	-	25,623,934	578,789	-	26,202,723
Amortized cost investments	-	-	-	-	4,242,643	4,242,643	-	-	-	-	3,477,046	3,477,046
Loans, net	-	-	-	-	114,776,743	114,776,743	-	-	-	-	110,485,717	110,485,717
Financial assets designated at fair value through profit or loss	-	559,321	-	-	-	559,321	-	620,544	-	-	-	620,544
Premiums and other policies receivable	-	-	-	-	822,669	822,669	-	-	-	-	838,731	838,731
Accounts receivable from reinsurers and coinsurers	-	-	-	-	787,672	787,672	-	-	-	-	791,704	791,704
Due from customers on acceptances	-	-	-	-	555,598	555,598	-	-	-	-	535,222	535,222
Other assets, note 13(a)	1,790,770	-	-	-	2,773,091	4,563,861	1,092,107	-	-	-	1,700,861	2,792,968
	5,976,408	559,321	27,865,207	523,165	154,708,547	189,632,648	4,942,869	620,544	25,623,934	578,789	148,104,567	179,870,703
Liabilities												
Deposits and obligations	-	-	-	-	119,563,545	119,563,545	-	-	-	-	112,005,385	112,005,385
Payables from repurchase agreements and securities lending	-	-	-	-	8,254,726	8,254,726	-	-	-	-	7,678,016	7,678,016
Due to banks and correspondents	-	-	-	-	9,854,630	9,854,630	-	-	-	-	8,841,732	8,841,732
Bankers' acceptances outstanding	-	-	-	-	555,598	555,598	-	-	-	-	535,222	535,222
Accounts payable to reinsurers and coinsurers	-	-	-	-	198,473	198,473	-	-	-	-	216,734	216,734
Lease liabilities	-	-	-	-	838,248	838,248	-	-	-	-	847,504	847,504
Financial liabilities at fair value through profit or loss	533,146	-	-	-	-	533,146	493,700	-	-	-	-	493,700
Bonds and notes issued	-	-	-	-	15,178,148	15,178,148	-	-	-	-	14,946,363	14,946,363
Other liabilities, note 13(a)	1,751,719	-	-	-	5,994,663	7,746,382	1,040,282	-	-	-	3,206,544	4,246,826
	2,284,865	-	-	-	160,438,031	162,722,896	1,533,982	-	-	-	148,277,500	149,811,482

34 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 -

This Board of Directors is responsible for the overall risk management approach and for the approval of the levels of risk appetite that the Group is prepared to assume. Furthermore, it approves the guidelines and policies for Integral Risk Management. On the other hand, the Board establishes an organizational culture which emphasizes the importance of risk management, oversees the internal control system and ensures the adequate performance of the compliance function.

Group Company Boards -

The Board of each of the Group companies is responsible for aligning the risk management established by the Board of Credicorp 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 Board of Credicorp in risk management decision-making. 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 a Board member of Credicorp, it also consists of a second member of the Board of Credicorp, a Board member of BCP, the General Manager of BCP, the Central Manager of Planning and Finance of BCP, the Central Risk Manager of BCP and the Manager of the Risk Management Division of BCP.

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

Credit Risk Committees (retail and non-retail) -

The Credit Risk Committees 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 Risk Committee.

Treasury and ALM (Asset Liability Management) Risk Committee -

The Treasury Risk Committee and ALM Credicorp are responsible for analyzing and proposing the corporate objectives, guidelines and policies for Treasury Risk Management and ALM of all the companies of the Group. As well as, monitoring the indicators and limits of Credicorp market risk appetite and each of the companies of the Group. Further, they are responsible of be aware of the actions for the implementation of the corrective measures if there are deviations from appetite levels and risk tolerance assumed by the companies of Group. Furthermore, they are responsible for proposing the approval of any changes in the functions described above and for reporting any finding to the Risk Committee.

Credicorp Model Risk Committee -

The Credicorp 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 Credicorp Risks on exposures, related to model risk, which involve variations in the risk profile.

Operational Risk Methodology Committee -

The Credicorp Methodological Committee of Operational Risk has as main responsibilities to review the main indicators of Operational Risk of the companies of the Credicorp 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 Credicorp Group companies.

(iii) Central Risk Management -

The Central Risk Management is responsible for implementing policies, procedures, methodologies and actions to identify, measure, monitor, mitigate, report and control the different types of risks to which the Group is exposed. Also, it participates in the design and definition of the strategic plans of the business units to ensure that they are framed within the risk appetite metrics approved by Credicorp Board of Directors. Likewise, it also broadcasts the importance of adequate risk management, specifying in each of the units, their role in the timely identification and definition of actions corresponding.

The Central Risk Management is divided into the following units:

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 Credicorp Board, respecting the laws and regulations in force.

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 about: global exposure and by type of risk, as well as the specific exposure of each Group company.

Retail Banking Risk Division -

This division is responsible for ensuring the quality of retail portfolio and the development of credit policies that are consistent with the overall guidelines and risk policies set by the Board of Credicorp.

Cybersecurity Management -

The Cybersecurity Management area establishes polices and regulatory framework for information security and cybersecurity risk management. It is also responsible for designing and implementing the strategies used to create and monitor controls that enable the permanent evaluation of regulatory framework effectiveness. In addition, the area supervises the performance of the functions of the responsible units, monitoring the processes used for the identification, assessment, recording and treatment of information security and cybersecurity risks.

Corporate Security and Cybernetic Crime Management -

The Corporate Security and Cybernetic Crime Management is responsible for implementing policies, procedures and actions that safeguard the security of employees, customers and assets of the organization, and protect the Group against incidents of fraud, security and reputational risk. In addition, it fosters a culture of prevention, which minimizes risks in fraud and security.

Non-financial Risks Division -

The Non-financial Risks Division is responsible for defining a non-financial risk strategy aligned with the objectives and risk appetite set by the Board of Credicorp. 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.

(iv) 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 for ensure that Credicorp Group companies specifically comply with regulations that apply to 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. Credicorp has 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, the Group uses mitigating instruments 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, Group'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.

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 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 to guarantee a diversified portfolio.

34.1 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 the management of this type of risk, Credicorp assigns impairment provisions for its loan portfolio at the date of the interim condensed consolidated statement of financial position.

The Group defines the levels of credit risk assumed 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 and cash.

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 goods are sold in seniority order. The proceeds of the sale are used to reduce or amortize the outstanding credit. In general, the Group does not 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. Collateral or other security is not usually obtained for this type of risk exposure.

(iii) Credit-related commitments -

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

b) The maximum exposure to credit risk as of March 31, 2020 and December 31, 2019, before the effect of mitigation through any collateral, is the carrying amount of each class of financial assets described in Notes 34.7(a), 34.7(b) and the contingent credits detailed in Note 21(a).

Management is confident of its ability to continue controlling and maintaining minimal credit risk exposure within the Group, considering both its loan and securities portfolio.

c) Credit risk management for loans -

The management of credit risk is mainly based on rating and scoring of the internal models of each company of the Group. In Credicorp, a quantitative and qualitative analysis is made of each client, with regard to his financial position, his credit behavior in the System and the market in which it operates; which is carried out continuously, so as to assemble the risk profile of each operation and client with a credit position in the Group.

In the Group, a loan is internally classified as past due, depending on three aspects: the number of days in arrears based on the contractually agreed due date, the subsidiary and the type of credit. In that sense:

- Banco de Crédito del Perú, Mibanco and Solución Empresa Administradora Hipotecaria S.A. consider a past due loan:

  - For corporate enterprises, large and medium companies after 15 days past due.
  - For small and micro-business after 30 days past due.
  - For overdrafts, after 30 days past due.
  - For consumer, mortgage and lease operation products, quotas are considered past due internally when they are between 30 and 90 days past due; after 90 days, the pending loan balance is considered past due.

- Atlantic Security Bank considers a credit past due when its payment schedule of capital and/or interest exceed 30 days in arrears.

- Banco de Crédito de Bolivia, Edyficar S.A.S. and Bancompartir consider a credit as an internal past due with effect from day 30 in arrears.

Estimate of the expected loss -

The measurement of the credit loss is based on the product of the following parameters: (i) probability of default (PD) (ii) loss given default (LGD), and (iii) Exposure at default (EAD); discounted at the reporting period, 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 customer, designed to estimate their probability of default within a specific horizon. The process of obtaining the PD is carried out through scoring and rating tools.

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

  - Consumer Products, Credit Card and SME: If the costumer, at some 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 Product: If the customer, at some point, presents arrears equal to or greater 120 days and/or has operations that are refinanced, restructured, in pre-judicial, judicial proceedings or written off.

  - Commercial Banking: Those customers that are in the Special Accounts portfolio or have risk classification as deficient, doubtful or lost, or have refinanced, judicial or written off operations. Also, a customer can be considered as Default in case there are signs of significant qualitative impairment to consider it in said stage.

- Investments: If the instrument has a Default rating according to external rating agencies such as Fitch, Standard & Poor's or Moody's or with an indicator of arrears equal to or greater than 90 days. Also, a customer can be considered as Default in case of signs of significant qualitative impairment.

- Loss Given Default (LGD): Is a measurement which estimates the severity of the loss which would be incurred at the time of the default. It has two approaches in the estimate of the severity of the loss, depending on the stage of the customer:

  - LGD Workout: The LGD workout is the real loss of the customers who have arrived at the stage of default. The recoveries and costs of each one of the operations are used in order to calculate it (Includes open and closed recovery processes).

  - LGD ELBE (Expected Loss Best Estimate): The LGD ELBE 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 level).

- Exposure at Default (EAD): Is a measurement which estimates the exposure at the time of the customer goes into default, taking into account changes in future exposure, for example, in the case of prepayments and/or greater utilization of unused lines.

Accordingly, the estimated of the parameters take into consideration 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 analyzed in order to obtain the expected loss.

The fundamental difference between the credit loss of an account considered as Stage 1 and Stage 2 is the PD horizon. Specifically, the estimates of Stage 1 use a maximum PD of 12 months, while those in Stage 2 will use a PD measured for the entire life of the instrument. The estimates of Stage 3 will be carried out on the basis of a best estimate LGD.

In those cases, in which the portfolio is immaterial and does not have credit score models, the option was to extrapolate the loss ratio of portfolios with comparable characteristics.

Prospective information:

The measurement of expected credit losses for each stage and the evaluation of significant increases 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 provision 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 calculating the expected loss considers projections of relevant macroeconomic variables, such as the gross domestic product (GDP), employment, terms of trade, inflation, among others, for a period of 3 years and a long-term projection.

The estimate of the expected loss for stages 1, 2 and 3 is a weighted estimate that considers three future macroeconomic scenarios. The base, optimistic and pessimistic scenarios, as well as the probability of occurrence of each scenario, are macroeconomic projections provided by the Economic Studies Management. It should be noted that the scenario design is adjusted quarterly. All the scenarios considered apply to portfolios subject to expected credit losses 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. 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 of delay.
- Additionally, significant risk thresholds were established based on absolute and relative thresholds that depend on the level of risk in which the instrument originated. The thresholds differ for each of the portfolios considered.
- Additional qualitative reviews are carried out based on the segmentation of risks used in the management of Retail Banking and an individual review in Wholesale Banking.

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

Evaluations of a significant increase in risk from initial recognition and credit deterioration are carried out independently on each reporting date. Assets can be moved in both directions from one phase 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 the credit is no longer considered to be impaired.

Expected life

For the instruments in stage 2 or 3, the reserves for losses will cover the expected credit losses during the expected time of the remaining useful life 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 in order to determine what would be the expected life period.

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

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

e) Credit risk management on investments -

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

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

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

	As of March 31, 2020		As of December 31, 2019	
	S/(000)	**%**	**S/(000)**	**%**
Instruments rated in Peru:				
AAA	-	-	1,621,270	4.8
AA- a AA+	3,846,829	10.4	1,853,042	5.5
A- to A+	6,680,686	18.1	8,970,590	26.8
BBB- to BBB+	5,491,524	14.9	1,874,556	5.6
BB- to BB+	496,934	1.3	517,146	1.5
Lower and equal to +B	-	-	-	-
Unrated:	-	-	-	-
BCRP certificates of deposit	9,685,268	26.3	8,665,272	25.8
Listed and unlisted securities	518,883	1.4	573,485	1.7
Restricted mutual funds	398,111	1.1	460,086	1.4
Investment funds	123,521	0.3	102,085	0.3
Mutual funds	324,989	0.9	291,024	0.9
Other instruments	129,502	0.4	264,497	0.8
Subtotal	27,696,247	75.1	25,193,053	75.1

	As of March 31, 2020		As of December 31, 2019	
	S/(000)	%	S/(000)	%
Instruments rated abroad:				
AAA	779,762	2.2	657,787	2.0
AA- a AA+	829,310	2.3	854,501	2.5
A- to A+	1,481,441	4.1	1,581,995	4.7
BBB- to BBB+	2,925,325	7.9	2,974,639	8.9
BB- to BB+	1,379,199	3.7	996,917	3.0
Lower and equal to +B	146,408	0.4	54,316	0.2
Unrated:	-	-	-	-
Listed and unlisted securities	44,824	0.1	88,799	0.3
Participations of RAL funds	328,697	0.9	300,398	0.9
Mutual funds	301,075	0.8	302,528	0.9
Investment funds	250,573	0.7	294,158	0.9
Hedge funds	32,830	0.1	33,223	0.1
Other instruments	620,962	1.7	198,217	0.5
Subtotal	9,120,406	24.9	8,337,478	24.9
Total	36,816,653	100.0	33,530,531	100.0

f) Concentration of financial instruments exposed to credit risk -

As of March 31, 2020 and December 31, 2019, financial instruments with exposure to credit risk were distributed considering the following economic sectors:

	As of March 31, 2020					As of December 31, 2019				
	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	352	-	10,680,069	9,685,268	20,365,689	-	-	21,166,346	8,665,272	29,831,618
Financial services	3,071,100	179,082	24,898,280	4,123,657	32,272,119	2,856,512	237,240	13,281,408	2,883,301	19,258,461
Manufacturing	35,138	28,972	17,223,380	1,177,084	18,464,574	202,554	36,686	15,608,834	1,225,118	17,073,192
Mortgage loans	-	-	19,399,960	-	19,399,960	-	-	18,985,407	-	18,985,407
Consumer loans	-	-	14,783,831	-	14,783,831	-	-	14,809,503	-	14,809,503
Micro-business loans	-	-	5,072,017	-	5,072,017	-	-	13,902,760	-	13,902,760
Commerce	35,752	2,673	18,198,251	508,875	18,745,551	21,228	12,468	12,636,843	452,214	13,122,753
Government and public administration	2,307,534	14,290	4,779,421	7,420,833	14,522,078	1,581,527	12,994	3,985,158	7,170,624	12,750,303
Electricity, gas and water	86,950	47,173	3,736,550	1,990,593	5,861,266	91,055	50,929	3,014,319	2,286,932	5,443,235
Community services	1,773	-	5,362,445	-	5,364,218	-	-	4,858,427	5,798	4,864,225
Communications, storage and transportation	41,437	260,127	6,117,569	1,242,577	7,661,710	17,306	59,392	4,421,095	1,071,335	5,569,128
Mining	91,577	-	3,219,283	163,673	3,474,533	41,687	27,875	3,195,049	146,362	3,410,973
Construction	31,464	979	2,525,297	354,674	2,912,414	20,847	3,967	2,089,164	322,864	2,436,842
Agriculture	19,112	-	3,511,248	19,667	3,550,027	1,963	-	3,050,141	17,887	3,069,991
Insurance	19,713	-	8,483	858	29,054	5,100	-	123,771	986	129,857
Education, health and others	95,426	15,650	1,583,002	747,672	2,441,750	4,543	53,792	1,364,542	644,143	2,067,020
Real estate and leasing	53,950	3,769	7,586,771	437,970	8,082,460	43,203	125,201	7,158,667	1,276,941	8,604,012
Fishing	720	-	455,967	7,955	464,642	321	-	417,067	-	417,388
Others	84,410	6,606	5,566,723	507,016	6,164,755	55,023	-	4,036,066	32,946	4,124,035
Total	5,976,408	559,321	154,708,547	28,388,372	189,632,648	4,942,869	620,544	148,104,567	26,202,723	179,870,703

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

As of March 31, 2020 and December 31,2019 financial instruments with exposure to credit risk were distributed by the following geographical areas:

	As of March 31, 2020					As of December 31, 2019				
	At fair value through profit for loss					At fair value through profit for loss				
	Held for trading, hedging and others (*)	Designated at inception	Financial assets at amortized cost	At fair value through other comprehensive income investments	Total	Held for trading, hedging and others (*)	Designated at inception	Financial assets at amortized cost	At fair value through other comprehensive income investments	Total
	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)
Peru	1,894,058	41,164	132,810,079	21,787,681	156,532,982	688,099	138,293	130,436,702	20,674,142	151,937,236
United States of America	692,809	320,851	1,969,194	2,825,298	5,808,152	568,588	275,991	982,944	2,770,903	4,598,426
Bolivia	535,454	-	9,869,666	674,603	11,079,723	494,547	-	9,218,219	555,028	10,267,794
Colombia	1,135,593	8,138	2,970,059	1,289,064	5,402,854	1,346,042	21,289	2,627,353	385,794	4,380,478
Panama	71,906	-	687,553	96,235	855,694	-	-	905,675	91,571	997,246
Chile	576,763	9,039	2,251,710	471,382	3,308,894	683,822	34,606	2,047,951	450,382	3,216,761
Brazil	25,899	5,057	512,815	43,690	587,461	6,023	5,867	485,594	40,472	537,956
Mexico	27,137	9,818	7,264	231,683	275,902	28,846	18,093	5,962	247,713	300,614
Canada	19,200	210	66,206	99,182	184,798	29,976	-	109,233	108,494	247,703
Europe:										
United Kingdom	189,749	18,905	899,530	75,852	1,184,036	189,658	14,950	273,477	80,965	559,050
Others in Europe	129,072	15,893	129,250	45,071	319,286	127,915	17,184	83,979	46,331	275,409
France	572,122	2,083	17,808	171,725	763,738	227,823	8,850	27,244	169,632	433,549
Spain	11,971	-	36,476	34,278	82,725	11,105	-	32,836	32,366	76,307
Switzerland	704	1,138	36,879	39,141	77,862	514	-	980	26,136	27,630
Netherlands	1,072	1,716	17,147	66,214	86,149	-	-	26,024	108,343	134,367
Others	92,899	125,309	2,426,911	437,273	3,082,392	539,911	85,421	840,394	414,451	1,880,177
Total	5,976,408	559,321	154,708,547	28,388,372	189,632,648	4,942,869	620,544	148,104,567	26,202,723	179,870,703

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

g) Offsetting financial assets and liabilities -

The disclosures set out in the tables below include 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. Financial instruments such as loans and deposits are not disclosed in the tables below because they are not offset in the interim condensed consolidated statement of financial position.

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 interim condensed consolidated statement of financial position, because said agreements were created in order 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 but have to 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.

34.2 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 nature of the Group’s current activities, commodity price risk is not applicable.

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

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

a) Trading Book -

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

(i) Value at Risk (VaR) -

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

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

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

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

The assessment of portfolio movements has been based on annual historical information and 110 market risk factors, which are detailed below; 18 market curves, 70 stock prices, 18 mutual fund values, 3 series of volatility and 1 survival probability curves. 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 Credicorp 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 34.2 (b)(ii).

The Group's VaR showed an increase at March 31, 2020, by Interest Rate and Price effect due to the increase in the Fixed Income position, as well as an increase in the volatility of interest rates and equities prices caused by the COVID-19 pandemic. The VaR remains contained within the limits of the risk appetite established by the Bank's Risk Management of each subsidiary.

As of March 31, 2020 and December 2019, the Group’s VaR by risk type is as follows:

	As of March 31, 2020	**As of December 31, 2019**
	S/(000)	**S/(000)**
Interest rate risk	94,647	9,274
Price risk	14,711	7,809
Volatility risk	2,052	463
Diversification effect	(26,094)	(6,245)
Consolidated VaR by type of risk	85,316	11,301

In VaR calculation, financial instruments from the trading book were taken.

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

b) Banking Book -

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

(i) Interest rate risk -

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

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

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

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

The Group measures potential changes in market prices for 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. A 10, 25 and 30 percent of changes in market prices is conducted to these price-sensitivity securities.

The market price sensitivity tests as of March 31, 2020 and December 31, 2019 are presented below:

Equity securities

Measured at fair value through other comprehensive income	Change in market prices	As of March 31, 2020	As of December 31, 2019
	%	S/(000)	S/(000)
Equity securities	+/-10	52,237	57,920
Equity securities	+/-25	130,592	144,800
Equity securities	+/-30	156,710	173,760

Funds

Measured at fair value through profit or loss	Change in market prices	As of March 31, 2020	As of December 31, 2019
	%	S/(000)	S/(000)
Participation in mutual funds	+/-10	61,408	59,127
Participation in mutual funds	+/-25	153,519	147,818
Participation in mutual funds	+/-30	184,223	177,381
Restricted mutual funds	+/-10	39,811	46,009
Restricted mutual funds	+/-25	99,528	115,022
Restricted mutual funds	+/-30	119,433	138,026
Participation in RAL funds	+/-10	32,870	30,040
Participation in RAL funds	+/-25	82,174	75,100
Participation in RAL funds	+/-30	98,609	90,119
Investment funds	+/-10	37,409	30,576
Investment funds	+/-25	93,523	76,440
Investment funds	+/-30	112,227	91,728
Hedge funds	+/-10	3,369	3,364
Hedge funds	+/-25	8,423	8,410
Hedge funds	+/-30	10,108	10,092
Exchange Trade Funds	+/-10	2,115	1,360
Exchange Trade Funds	+/-25	5,287	3,399
Exchange Trade Funds	+/-30	6,344	4,079

(ii) Foreign currency exchange risk -

The Group is exposed to fluctuations in foreign currency exchange rates on its financial position and cash flows. Management sets limits on the level of exposure by currency and overnight and intra-day total positions, which are monitored daily.

As of March 31, 2020, the free market exchange rate for buying and selling transactions for each United States of Dollars, the main foreign currency held by the Group, was S/3.437 (S/3.314 as of December 31, 2019).

Foreign currency transactions are made at the free market exchange rates of the countries where Credicorp's Subsidiaries are established. As of March 31, 2020 and December 31, 2019, the Group's assets and liabilities by currencies were as follows:

	As of March 31, 2020				As of December 31, 2019			
	Soles	U.S. Dollars	Other currencies	Total	Soles	U.S. Dollars	Other currencies	Total
	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)
Monetary assets								
Cash and due from banks	4,268,564	20,135,678	1,921,544	26,325,786	3,960,190	20,762,648	1,263,924	25,986,762
Cash collateral, reverse repurchase agreements and securities borrowing	300,011	3,491,080	633,254	4,424,345	150,009	3,389,090	749,425	4,288,524
Investments:								
At fair value through profit or loss	1,353,563	1,364,827	1,467,248	4,185,638	800,370	1,053,925	1,996,467	3,850,762
At fair value through other comprehensive income	19,247,296	7,644,031	974,809	27,866,136	18,221,102	6,869,840	532,582	25,623,524
At amortized cost	4,125,015	99,227	18,401	4,242,643	3,355,579	100,299	21,168	3,477,046
Loans, net	67,391,910	39,083,898	8,300,935	114,776,743	66,737,870	35,598,141	8,149,706	110,485,717
Financial assets designated at fair value through profit or loss	13,399	545,922	-	559,321	44,223	576,321	-	620,544
Other assets	2,246,770	3,618,423	842,207	6,707,400	2,072,867	2,142,237	678,111	4,893,215
Total monetary assets	98,946,528	75,983,086	14,158,398	189,088,012	95,342,210	70,492,501	13,391,383	179,226,094
Monetary liabilities								
Deposits and obligations	(60,565,799)	(49,512,600)	(9,485,146)	(119,563,545)	(56,769,748)	(46,319,179)	(8,916,458)	(112,005,385)
Payables from repurchase agreements and securities lending	(6,022,646)	(759,021)	(1,473,059)	(8,254,726)	(5,068,896)	(734,441)	(1,874,679)	(7,678,016)
Due to bank and correspondents	(3,839,029)	(5,622,718)	(392,883)	(9,854,630)	(3,798,717)	(4,709,610)	(333,405)	(8,841,732)
Lease liabilities	(153,145)	(634,193)	(50,910)	(838,248)	(162,103)	(605,036)	(80,365)	(847,504)
Financial liabilities at fair value through profit or loss	-	(210,530)	(322,616)	(533,146)	-	(94,475)	(399,225)	(493,700)
Technical reserves for claims and insurance	(5,378,623)	(4,590,650)	(6,672)	(9,975,945)	(5,642,772)	(4,301,468)	(5,993)	(9,950,233)
Bonds and notes issued	(3,824,085)	(11,087,837)	(266,226)	(15,178,148)	(4,028,893)	(10,660,989)	(256,481)	(14,946,363)
Other liabilities	(5,630,568)	(3,213,874)	(1,056,248)	(9,900,690)	(3,541,350)	(1,951,682)	(874,416)	(6,367,448)
Total monetary liabilities	(85,413,895)	(75,631,423)	(13,053,760)	(174,099,078)	(79,012,479)	(69,376,880)	(12,741,022)	(161,130,381)
	13,532,633	351,663	1,104,638	14,988,934	16,329,731	1,115,621	650,361	18,095,713
Forwards position, net	1,368,178	(823,070)	(469,265)	75,843	1,534,948	(1,351,414)	(116,899)	66,635
Currency swaps position, net	(311,660)	311,660	-	-	281,672	(281,672)	-	-
Cross currency swaps position, net	(808,229)	1,044,793	(396,194)	(159,630)	(787,355)	692,525	(57,715)	(152,545)
Options, net	282,420	(282,420)	-	-	25,071	(25,071)	-	-
Net monetary position	14,063,342	602,626	239,179	14,905,147	17,384,067	149,989	475,747	18,009,803

The Group manages foreign exchange risk by monitoring and controlling the currency position values exposed to changes in exchange rates. The Group measures its performance in soles. (since 2014 considering its change in functional currency, it was measured in U.S. Dollars before), so if the net foreign currency exchange position (U.S. Dollar) is positive, any depreciation of soles would positively affect the Group's interim condensed consolidated statement of financial position. The current position in a foreign currency comprises exchange rate-linked assets and liabilities in that currency. An institution's open position in individual currencies comprises assets, liabilities and off-balance sheet items denominated in the respective foreign currency for which the institution itself bears the risk; any appreciation/depreciation of the foreign exchange would affect the interim condensed consolidated statement of income.

The Group's net foreign exchange position is the sum of its positive open non-soles positions (net long position) less the sum of its negative open non-soles positions (net short position). Any depreciation/appreciation of the foreign exchange position would affect the interim condensed consolidated statement of income. A currency mismatch would leave the Group's interim condensed consolidated statement of financial position vulnerable to a fluctuation of foreign currency (exchange rate shock).

The table below shows the sensitivity analysis of the U.S. Dollar, the currency to which the Group had significant exposure as of March 31, 2020 and December 31, 2019 in its monetary assets and liabilities and its forecast cash flows. The analysis determines the effect of a reasonably possible variation of the exchange rate against Soles with all other variables held constant on the interim condensed consolidated statement of income, before income tax. A negative amount in the table reflects a potential net reduction in the interim condensed consolidated statement of income, while a positive amount reflects a net potential increase:

Currency rate sensitivity	**Change in currency rates**	**As of March 31, 2020**	**As of December 31, 2019**
	%	**S/000**	**S/000**
Depreciation -			
Soles in relation to U.S. Dollar	5	28,696	7,142
Soles in relation to U.S. Dollar	10	54,784	13,635
Appreciation -			
Soles in relation to U.S. Dollar	5	(31,717)	(7,894)
Soles in relation to U.S. Dollar	10	(66,958)	(16,665)

34.3 Liquidity risk

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

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

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

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

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

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

Commercial banking and Microfinance:

Liquidity risk exposure in BCP Peru, BCP Bolivia, Mibanco and Atlantic Security Bank 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% and any excess is 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 Grupo Asegurador 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 (mathematical technical reserves); 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 the Grupo Credicorp Capital 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 Atlantic Security Bank, 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% and any excess is presented in the Credicorp Treasury Risk Committee, Credicorp Risk Committee and the Assets Liabilities Committee (ALCO) of the respective subsidiary.

During the first quarter of 2020, the Group maintained a comfortable position, supported by a robust high-quality liquid assets buffer, with ratios well above limits.

34.4 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 (with the exception of 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.

34.5 Risk of the insurance activity -

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

The above risk exposure is mitigated by diversification across a large portfolio of insurance contracts. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of reinsurance arrangements. The Group's placement of reinsurance is diversified so that it is neither dependent on a single reinsurer nor are the operations of the Group substantially dependent upon any single reinsurance contract.

Life insurance contracts -

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

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

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

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

Management has performed a sensitivity analysis of the technical reserve estimates, Note 16(c).

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. The variability of risk is improved by careful selection and implementation of underwriting strategies, 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 geography. 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.

Credit risk of the insurance activity –

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge the total obligation at maturity.

The following policies and procedures are in place to mitigate the Group's exposure to credit risk:

- The Group sets the maximum amounts and limits that may be granted to corporate counterparties according to their long- term credit ratings.

- Credit risk from customer balances related to non-payment of premiums or contributions, will only persist during the grace period specified in the policy document or trust deed until the policy is paid up or terminated. Commissions paid to intermediaries are netted off against amounts receivable from them in order to reduce the risk of doubtful accounts.

- Reinsurance is placed with counterparties that have a good credit rating and concentration of risk is avoided by following guidelines in respect of counterparties' limits which are set each year by the Board of Directors and are subject to regular reviews. At each reporting date, Management performs an assessment of creditworthiness of reinsurers and updates the reinsurance contracts strategy, determining whether the need exists to establish an allowance for impairment.

- A Group policy setting out the assessment and determination of what constitutes credit risk for the Group is in place, its compliance is monitored, and exposures and breaches are reported to the Group risk committee. The policy is regularly reviewed for pertinence and for changes in the risk environment.

- The Group issues Investment Link life insurance contracts whereby the policyholder bears the investment risk on the financial assets held in the Company's investment portfolio as the policy benefits are directly linked to the value of the assets in the portfolio. Therefore, the Group has no material credit risk on Investment Link financial assets.

34.6 Capital management -

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

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

As of March 31, 2020 and December 31, 2019, the regulatory capital for the Subsidiaries engaged in financial and insurance activities amounted to approximately S/27,868.3 million and S/25,732 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/7,202.4 million the minimum regulatory capital required as of March 31, 2020 (approximately S/4,151.6 million as of December 31, 2019).

34.7 Fair values –

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

Financial instruments included in the Level 1 category are those that are measured on the basis 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 on the basis of observable market factors. This category includes instruments valued using: quoted prices for similar instruments, either in active or less active markets and other valuation techniques (models) where all significant inputs are directly or indirectly observable based on market data.

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

- Valuation of derivative financial instruments -

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

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

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

As of March 31, 2020, the balance of receivables and payables corresponding to derivatives amounted to S/1,790.8 million and S/1,751.7 million respectively, See Note 13(b), generating DVA and CVA immaterial adjustments that have not changed significantly compared to the period 2019. As of December 31, 2019, the balance of receivables and payables corresponding to derivatives amounted to S/1,092.1 million and S/1,040.3 million, respectively, See Note 13(b), generating DVA and CVA adjustments for approximately S/12.6 million and S/14.0 million, respectively. Also, the net impact of both items in the interim condensed consolidated statement of income amounted to S/3.2 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 the majority of assumptions are market observable.

- Valuation of financial instruments included in level 3 -

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

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

As of March 31, 2020 and December 31, 2019, the net unrealized loss of Level 3 financial instruments amounted to S/1.6 million and S/1.9 million, respectively. 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 -

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

(i) Long-term fixed-rate and variable-rate loans are evaluated by the Group based on parameters such as interest rates, specific country risk factors, and individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the incurred losses of these loans. As of March 31, 2020 and December 31, 2019, 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 assumption 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.

34.8 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 consolidated financial statements. These services give rise to the risk that the Group will be accused of mismanagement or under-performance.

As of March 31, 2020 and December 31, 2019, the value of the net assets under administration off the balance sheet (in millions of soles) is as follows:

	As of March 31, 2020	**As of December 31, 2019**
	S/(000)	**S/(000)**
Pension funds	46,607	53,912
Investment funds and mutual funds	39,469	43,635
Equity managed	17,792	18,387
Bank trusts	4,753	4,834
Total	108,621	120,768

35 COMMITMENTS AND CONTINGENCIES

Legal claim contingencies –

i) Madoff Trustee Litigation -

In September 2011, the Trustee for the liquidation of Bernard L. Madoff Investment Securities LLC (BLMIS) and the substantively consolidated estate of Bernard L. Madoff (the Madoff Trustee) filed a complaint (the Madoff Complaint) against Credicorp's subsidiary ASB in the U.S. Bankruptcy Court for the Southern District of New York (the Bankruptcy Court). The Madoff Complaint seeks recovery of approximately US$120 million, which is alleged to be equal to the amount of redemptions between the end of 2004 and the beginning of 2005 of ASB-managed Atlantic U.S. Blue Chip Fund assets invested in Fairfield Sentry Limited (Fairfield Sentry). The Madoff Complaint seeks the recovery of these redemptions from ASB as "subsequent transfers" or "avoided transfers" from BLMIS to Fairfield Sentry that Fairfield Sentry in turn subsequently transferred to ASB. The Madoff Trustee has filed similar "clawback" actions against numerous other alleged "subsequent transferees" that invested in Fairfield Sentry and its sister entities, which, in turn, invested in and redeemed funds from BLMIS.

There has been significant briefing on issues related to these Madoff Trustee actions, and these cases have been pending for many years. In November 2016, the Bankruptcy Court issued a Memorandum Decision Regarding Claims to Recover Foreign Subsequent Transfers (the Memorandum Decision) holding that the recovery of certain subsequent foreign transfers is barred under the doctrine of comity and/or extraterritoriality, and it dismissed the claims brought by the Madoff Trustee against a number of parties, including ASB. In March 2017, the Madoff Trustee filed an appeal (the Appeal) of the Memorandum Decision to the United States Court of Appeals for the Second Circuit, which reversed the Dismissal Order and remanded the matter to the Bankruptcy Court (the Second Circuit Opinion). In April 2019, the defendant-appellees, including ASB, filed, and the Second Circuit granted, a motion to stay the issuance of the mandate pending the filing of a petition for a writ of certiorari in the United States Supreme Court. The petition for a writ of certiorari was filed in the United States Supreme Court in August 2019. The mentioned petition was denied by the Supreme Court in June 2020. Therefore, the defense counsel will need to coordinate with Madoff Trustee´s counsel on a briefing schedule related to their pending motion to replead and request for limited discovery if that is still the desire of the Trustee. The Group believes that ASB has other defenses against the Madoff Trustee's claims alleged in the Madoff Complaint.

ii) Fairfield Liquidator Litigation -

In April 2012, Fairfield Sentry (In Liquidation) and its representative, Kenneth Krys (the Fairfield Liquidator), filed a complaint against ASB (the Fairfield Complaint) in the Bankruptcy Court (the Fairfield v. ASB Adversary Proceeding). The Fairfield Complaint seeks to recover US$115.2 million from ASB, representing the amount of ASB's redemptions of certain investments in Fairfield Sentry. These are essentially the same funds that the Madoff Trustee seeks to recover in the Madoff Trustee litigation described above. After the Fairfield Complaint was filed, the Bankruptcy Court procedurally consolidated the Fairfield v. ASB Adversary Proceeding with other adversary actions brought by the Fairfield Liquidator against former investors in Fairfield Sentry.

Similar to the Madoff Trustee litigation described above, the Fairfield v. ASB Adversary Proceeding and related adversary actions have been pending for many years. In October 2016, the Fairfield Liquidator filed a Motion for Leave to Amend (the Motion for Leave) various complaints, including the Fairfield Complaint. Certain defendants, including ASB, filed a motion to dismiss (the Motion to Dismiss) and a consolidated memorandum of law (i) in opposition to the Motion for Leave and (ii) in support of the Motion to Dismiss. In December 2018, the Bankruptcy Court entered a memorandum decision granting in part and denying in part the Motion to Dismiss and the Motion for Leave (the Memorandum Decision). In March 2019, the Fairfield Liquidator submitted a form of a stipulated order dismissing the adversary proceeding against ASB (the Dismissal Order), as directed by the Bankruptcy Court, but filed notices of appeal, including of the dismissal of the claims asserted against ASB and other defendants, in May 2019. The appeal remains pending.

The Group believes that ASB has substantial defenses against the Fairfield Liquidator's claims alleged in the Amended Complaint and the Fairfield Liquidator's appeal.

36 EVENTS OCCURRED AFTER THE REPORT PERIOD

From April 1, 2020 until the date of this report, no significant event of a financial-accounting nature has occurred which affects the interpretation of the consolidated financial statements, except for the following paragraphs.

Due COVID-19 Pandemic effects (see Note 2(b)), since April, 2020 Credicorp and subsidiaries have offered its clients in Retail Banking the opportunity to reschedule their loans for 30 or 90 days without incurring in overdue fees and interest on capital during this period, which could generate impairment charges in the short term, according to IFRS9. For this type of loans, IFRS9 require to recalculate the gross carrying amount, and the company shall recognize a modification loss. The gross carrying amount of the loan shall be recalculated as the present value of the new contractual cash flows that are discounted at market effective interest rate. This charge represents a temporal difference which will be amortized over the remaining term of the zero-interest-rate loan. At this time, Management is determining the impacts that could be generated in relation to these rescheduled loans.

Finally, on May 26, 2020 the Peruvian Government was enacted the Supreme Decree 094-2020-PCM to extend the National Emergency period from May 25, 2020 to June 30, 2020.

Exhibit 99.2

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SUMMARY

The discussion that follows highlights selected information about Credicorp Ltd. ("Credicorp," "we," "us" and "our") and our business as of and for the three months ended March 31, 2020, together with certain information regarding recent developments since such date, and should be read together with our unaudited condensed consolidated interim financial information as of and for the three months ended March 31, 2020, presented above and our consolidated financial statements included in our 2019 Form 20-F filed on May 29, 2020.

Overview

We are the largest financial services holding company in Peru. We conduct our financial services business through our lines of business as follows: (1) universal banking, (2) microfinance, (3) insurance and pensions and (4) investment banking and wealth management. Each line of business is further broken down into segments. According to IFRS, an operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the entity's chief operating decision maker, who makes decisions about resources allocated for the segment and assesses its performance, and for which discrete financial information is available.

The financial information as of and for each of the three months ended March 31, 2019 and 2020 and each of the three years ended December 31, 2017, 2018 and 2019 has been derived from our consolidated financial statements included in our Form 20-F filed on May 29, 2020. The financial statements have been prepared in accordance with IFRS as issued by the IASB.

The following tables provide certain financial information about our lines of business as of and for the three months ended March 31, 2020, as derived from Note 31 to our interim unaudited financial statements:

	As of and for the Three Months Ended March 31, 2020							
	External Income[(1)]		Net Interest, Similar Income and Expenses		Other Income, Net[(2)]		Total Assets	
	Amount	% Total	Amount	% Total	Amount	% Total	Amount	% Total
	(Soles in millions, except percentages)							
Universal Banking								
BCP Stand-alone	2,820	59.4	1,616	67.9	762	69.3	148,697	75.2
BCP Bolivia	190	4.0	87	3.7	25	2.3	11,359	5.7
Insurance and Pension funds								
Grupo Pacifico	807	17.0	128	5.4	683	62.1	13,740	6.9
Prima AFP	41	0.9	—	0.0	41	3.7	974	0.5
Microfinance								
Mibanco	628	13.2	485	20.4	41	3.7	13,529	6.8
Banco Compartir S.A.	51	1.0	35	1.4	6	0.5	836	0.4
Edyficar S.A.S.	12	0.3	11	0.5	(104)	(9.5)	116	0.1
Investment Banking and Wealth Management	197	4.1	14	0.6	146	13.3	10,715	5.4
Other segments	3	0.1	443	18.6	(8)	(0.7)	3,878	2.0
Eliminations	-	0.0	(440)	(18.5)	(492)	(44.7)	(6,022)	(3.0)
Total consolidated	4,749	100.0	2,379	100.0	1,100	100.0	197,822	100.0

(1) Corresponds to total interest and similar income, other income (includes income and expenses on commissions) and net earned premiums from insurance activities.

(2) Corresponds to total other income (includes income and expenses for commissions) and insurance underwriting result.

The following tables provide certain financial information about our lines of business as of December 31, 2019 and for the three months ended March 31, 2019, as derived from Note 31 to our interim unaudited financial statements:

	As of December 31, 2019 and for the Three Months Ended March 31 , 2019							
	External Income(1)		Net Interest, Similar Income and Expenses		Other Income, Net(2)		Total Assets	
	Amount	% Total	Amount	% Total	Amount	% Total	Amount	% Total
	(Soles in millions, except percentages)							
Universal Banking								
BCP Stand-alone	2,821	59.2	1,489	67.8	831	64.7	139,832	74.4
BCP Bolivia	175	3.7	78	3.6	29	2.3	10,481	5.6
Insurance and Pension funds								
Grupo Pacifico	766	16.1	121	5.5	808	62.9	13,785	7.3
Prima AFP	123	2.6	1	0.0	123	9.6	909	0.5
Microfinance								
Mibanco	600	12.6	468	21.3	45	3.5	13,576	7.2
Banco Compartir S.A.	—	—	—	—	—	—	1,046	0.6
Edyficar S.A.S.	12	0.2	11	0.5	(80)	(6.2)	141	0.1
Investment Banking and Wealth Management	238	5.0	24	1.1	175	13.6	9,423	5.0
Other segments	27	0.6	305	13.9	43	3.2	2,998	1.6
Eliminations	—	—	(300)	(13.7)	(689)	(53.6)	(4,314)	(2.3)
Total consolidated	4,762	100.0	2,197	100	(1,285)	100.0	187,877	100.0

(1) Corresponds to total interest and similar income, other income (includes income and expenses on commissions) and net earned premiums from insurance activities.

(2) Corresponds to total other income (includes income and expenses for commissions) and insurance underwriting result.

The following table sets forth the net cash dividends available to Credicorp Ltd, as principal shareholder, from other group companies in 2015, 2016, 2017, 2018 and 2019, as derived from Credicorp's standalone financial statements as of and for the years ended December 31, 2019 and 2018:

	As of and for the years ended December 31,									
	2015		2016		2017		2018		2019	
	(Soles in millions)	(U.S. dollars in millions)(1)	(Soles in millions)	(U.S. dollars in millions)(1)	(Soles in millions)	(U.S. dollars in millions)(1)	(Soles in millions)	(U.S. dollars in millions)(1)	(Soles in millions)	(U.S. dollars in millions)(1)
BCP(2)	376	114	1,134	342	1,425	430	1,457	440	1,989	600
Pacifico	27	8	102	31	243	73	247	75	249	75
Prima AFP	135	41	164	49	169	51	131	39	131	40
ICBSA	—	—	—	—	47	14	46	14	79	24
Credicorp Capital	—	—	—	—	82	25	98	30	141	42
ASHC(3)	115	35	18	6	148	45	129	39	407	123
Others(4)	40	12	37	11	31	9	23	7	24	7
Total	**694**	**209**	**1,455**	**439**	**2,146**	**648**	**2,132**	**643**	**3,020**	**911**

Source: Credicorp and Grupo Credito Separate Financial Statements as of Years ended December 31, 2019 and 2018.

(1) For the convenience of the reader, data as of and for the period ended December 31, 2015, 2016, 2017, 2018 and 2019 have been translated from Soles into U.S. dollars at a rate of S/3.314 to U.S.$1.00 (the exchange rate as of December 31, 2019 as published by the SBS).

(2) Includes dividends received from BCP's majority participation in Mibanco.

(3) Dividends received from Treasury Shares held by ASHC are not included.

(4) Includes direct dividends from Mibanco.

Our Operations

Universal Banking

Our universal banking business, which focuses on lending and investment, is organized into (i) wholesale banking activities, including our corporate and middle-market banking business segments, which are carried out by BCP Stand-alone's Wholesale Banking Group ("WBG"); (ii) retail banking activities, including our SME-Business, SME-Pyme, mortgage, consumer financing, credit card segments, which are carried out by BCP Stand-alone's Retail Banking Group ("RBG"); (iii) treasury activities, including money market trades, foreign exchange trading, derivatives and proprietary trading which are carried out by BCP Stand-alone's Treasury; and (v) wholesale and retail banking activities in Bolivia.

The majority of our banking business is carried out through BCP Stand-alone. We conduct banking activities in Bolivia through BCP Bolivia, a full-service commercial bank. As of March 31, 2020, BCP Stand-alone and BCP Bolivia together represented approximately 80.9% of Credicorp's total assets, 71.8% of Credicorp's net profit, and 73.1% of equity attributable to Credicorp's shareholders.

We apply uniform credit policies and approval and review procedures, which are based on conservative criteria adopted by BCP Stand-alone and BCP Bolivia. Our Chief Executive Officer is in charge of setting the general credit policies for each business areas. These policies are set within the guidelines established by the laws and regulations of the markets in which we operate, and the guidelines set forth by our Board of Directors.

Microfinance

The microfinance line of business consists of a group of subsidiaries offering commercial banking activities and specialized financial services to support small and micro business clients in Peru through Mibanco and in Colombia through Edyficar S.A.S. (whose commercial name is Encumbra), incorporated in 2013 and Bancompartir incorporated in December 2019. As of March 31, 2020, Mibanco represented approximately 93.4% of the total loans of the microfinance line of business, 6.7% of Credicorp's total assets, 15.9% of Credicorp's net profit, and 8.9% of equity attributable to Credicorp's shareholders.

Mibanco's credit policies are set within the guidelines established by the laws and regulations of the markets in which we operate and by the guidelines set forth by the Board of Directors.

Insurance and Pensions

We conduct our insurance business exclusively through Grupo Pacifico, which operates in Peru and Bolivia and is the largest Peruvian insurance company by collections and contributions in 2019, according to the SBS and the Peruvian Superintendency of Health (*Superintendencia Nacional de Salud*) ("Susalud"). Grupo Pacifico provides a broad range of insurance products focusing on three business areas: property and casualty ("P&C)", life insurance business, and corporate health insurance and medical services. Grupo Pacifico, like other major Peruvian insurance companies, sells its products both directly (through its own sales force) and through independent brokers, *bancassurance*, and sponsors.

Credicorp conducts its pension fund business through Prima AFP, which operates through individual capitalization accounts and provides its affiliates with retirement, disability, survival, and burial benefits. For this purpose, Prima AFP collects affiliates' mandatory and voluntary contributions, and invests the funds in local and foreign financial markets. The funds that Prima AFP holds in custody for its affiliates are non-attachable by it and autonomous assets and are not affected by Prima AFP's financial results. Prima AFP offers four types of funds, which differ by risk profile and the asset classes in which they invest. The investment and risk management policies are defined by internal committees and supervised by the SBS and the SMV.

As of March 31, 2020, Grupo Pacifico represented approximately 6.9% of Credicorp's total assets, 46.9% of Credicorp's net profit, and 11.5% of equity attributable to Credicorp's shareholders.

Investment Banking and Wealth Management

Credicorp Capital carries out its investment banking and wealth management operations in the Latin America region through Credicorp Capital Peru, Credicorp Capital Colombia, and Credicorp Capital Chile which hold a considerable market share in the Peruvian, Colombian and Chilean markets, respectively. In 2018, the creation of the Investment banking and wealth management Line of business included the addition of BCP Stand-alone's Wealth Management Division and Atlantic Security Bank to Credicorp Capital. The main objective of this new Line of business is to operate as a single regional wealth management model within one business unit, instead of three different models under different business units. This new structure facilitates sharing of best practices and delivery of a regional value proposition, with Atlantic Security Bank supporting all wealth management business units and clients (instead of focusing on Peru-based wealth management customers). With the same objective, in 2019, Credicorp Capital completed the acquisition of Ultraserfinco and its subsidiaries expanding our wealth management business in Colombia and also strengthening our geographical presence in Medellin.

Our investment banking and wealth management line of business's four main business units are asset management, capital markets, corporate finance and wealth management.

As of March 31, 2020, our investment banking and wealth management business represented approximately 5.4% of Credicorp's total assets, 1.9% of Credicorp's net profit, and 5.4% of equity attributable to Credicorp's shareholders.

Our Strategies

Credicorp operates mainly in Peru, an important emerging market economy that has been growing at a solid pace for the past few decades, with a gross domestic product ("GDP") of U.S.$230 billion in 2019, according to the figures of BCRP, that has grown at a compound annual growth rate ("CAGR") of 8.3% from 2001 to 2019, and which still has an under-penetrated banking system. These two characteristics represent an important opportunity for long-term growth in Peru. Credicorp has consistently diversified and solidified its presence in the region through its operations in Peru, Bolivia, Colombia and Chile, contributing to its financial development and accompanying its clients in their growth.

Since Credicorp was created nearly 25 years ago, it has evolved into a much larger and complex company. In 2018, the management of the several businesses was organized into the four lines of business: universal banking, microfinance, insurance and pensions, and investment banking and wealth management. Our strategies include:

- ***Universal Banking.*** The universal banking line of business continues with its strategy to improve its clients' experiences in all segments by upgrading and innovating digital banking, which implies, in many cases, educating and accompanying clients in the use of digital channels. In 2019, we continued to advance in our transformation strategy by improving our digital sales and customer satisfaction. This line of business aims to maintain an adequate balance between risk, growth, profitability and operating efficiency.

- ***Microfinance.*** The microfinance line of business continues to invest in building capacities to fuel local and regional growth based on its current business model. This will be accomplished by focusing on consolidating the new hybrid model and in creating new business alliances to scale the business. It will continue to drive efforts to capture deposits, which in addition to benefitting the funding structure, allows the organization to analyze and take advantage of information to continuously improve its business model and value proposition for its clients. In 2019, we acquired Bancompartir, a subsidiary that will allow us to consolidate our business in the microfinance market in Colombia with Encumbra.

- ***Insurance and Pensions.*** The insurance and pensions line of business continues to focus on capturing growth in the Peruvian market, which has one of the lowest penetration levels in the region. As such, this Line of business will continue to focus on growing in different channels and in bancassurance to take advantage of the group's synergies. Furthermore, Grupo Pacifico and Prima AFP will leverage the experience in the Centro de InnovaCXion at Banco de Credito del Peru to innovate different channels and products. Furthermore, Grupo Pacifico will focus on improving the profitability of the health insurance business, which is managed alongside the strategic partner, United Health/Banmedica. In 2019, we continued to improve the synergies between various teams from Prima AFP and Pacifico, which will help us reduce our operating expenses and improve our efficiency.

- ***Investment Banking and Wealth Management.*** The investment banking and wealth management line of business continues to consolidate its position as the best financial advisory service in Peru, Chile and Colombia by strengthening the regional offering of asset management and wealth management services to provide clients with a complete vision of all of their assets while increasing the market share in Colombia and Chile. In 2019 we acquired Ultraserfinco, which will increase our presence in Colombia.

Recent Developments

Declaration of dividends

At a meeting held on February 27, 2020, our Board of Directors approved the distribution of a cash dividend of S/2,831,469,510.00, for a total of 94,382,317 outstanding shares, which is equivalent to S/30.00 per share. The cash dividend was paid on May 8, 2020, without withholding tax at source, to shareholders of record on April 13, 2020.

The dividend was paid in U.S. dollars using the weighted exchange rate reported by the SBS for transactions at the close of business on May 6, 2020 (S/3.4081 per U.S. dollar). As a result, the dividend paid per share was U.S.$8.8026, equivalent to the declared dividend of S/30.00 per share.

Board of Directors

On April 24, 2020, we announced that Dionisio Romero Paoletti, Chairman of the Board of Directors, would not stand for reelection to our Board of Directors. At our Annual General Meeting of Shareholders held on June 5, 2020, the following individuals were re-elected as members of our Board of Directors: Fernando Fort Marie, Patricia Lizarraga Guthertz, Raimundo Morales Dasso and Luis Enrique Romero Belismelis. The following individuals were newly-elected as independent members of our Board of Directors: Mr. Alexandre Gouvea, Ms. Maite Aranzabal Harreguy, Mr. Antonio Abruña Puyol and Mr. Irzio Pinasco Menchelli. The shareholders also decided to increase the number of directors from eight to nine. As per our Bye-laws, after the Annual General Meeting of Shareholders, the new Board of Directors in its first session shall designate the new Chairman and the new composition of committees of the Board of Directors.

Response to COVID-19

We expect Peru's GDP to experience a contraction due to the current global spread of COVID-19. The measures implemented to contain the COVID-19 contagion, both locally and abroad, have had disruptive effects on economic activity. Since March 15, 2020, President Vizcarra has taken swift and stringent action to control the COVID-19 pandemic through a countrywide lockdown, initially set for 15 days, which has been extended various times, and is currently in place until June 30, 2020. This has impacted several indicators, such as electricity demand and public investment. Our estimates suggest that the economy is operating at 40%-45% of its capacity during the lockdown. A package of measures to mitigate and stimulate the economy have been implemented for an equivalent of approximately 20% of GDP. These measures are designed to provide economic support for households and companies, access to private savings (pension funds, CTS, etc.) for individuals, injections of liquidity into the economy through Government-backed guarantees via the Reactiva Peru program and FAE program, tax alleviation and public spending measures, as well as other economic stimulus measures yet to be announced. For further detail about the COVID-19 risk related to the economy, please refer to "Item 3.D. Risk Factors—(12) Our business and results of operations could continue to be negatively impacted by the COVID-19 outbreak or other public health crises beyond our control" in our 2019 Form 20-F.

At Credicorp, we are managing the impact of COVID-19 by tailoring responses by asset type and client segments. In terms of our investment portfolio, around 90% is comprised of fixed income investments (U.S. Treasuries, global and sovereign bonds, and Peruvian Certificated Deposits), as such, most value changes do not materially impact our results (as such fixed-income investments continue to provide the same level of payments regardless of market value), but do directly affect our equity because of changes in the value of the portfolio. In terms of our loan portfolio, the most highly exposed economic sectors include retail, vehicle, real estate (residential), poultry, airlines, tourism, microfinance, transportation and restaurants. From a client segmentation perspective, we consider Microfinance clients, SME Retail clients and part of our Wholesale clients to be the most exposed.

In order to help our clients through these difficult times, Credicorp has offered debt extensions, installment-freezing solutions and cost-free services, as well as zero-interest-rate financings, which, according to IFRS 9, may generate impairments in the short term. As a complementary measure for business clients, we are participating in the "Reactiva Peru" program, where BCP has been awarded a significant share of the amount auctioned.

The drivers that will impact Credicorp's results throughout 2020 will be the macroeconomic environment, the special interest-free and cost-free solutions offered to clients and a marked decline in business activity during the lockdown, all of which will impact our sources of income. Additionally, the use of IFRS 9 will result in a significantly higher amount of provisions, since we are using judgement and adjusting our approach to determining expected losses in different circumstances, based on reasonable and supportable information. In line with the IFRS 9 methodology, forward looking COVID-19 provisions are estimated based on a macroeconomic perspective. Given that macroeconomic projections continue to worsen significantly, materially higher provisions than those already accounted for could be recorded in the future. Finally, in order to manage expenses, we are taking measures to optimize operating costs and to re-prioritize strategic projects.

In terms of our liquidity and capital management, Credicorp operates through strict risk management standards. For management decisions, Credicorp relies on liquidity coverage ratios of 15, 30 and 60 days, in line with Basel III. In the context of the COVID-19 pandemic, as measured through the first quarter of 2020, Credicorp has maintained its high quality liquid assets. As of the first quarter of 2020, each subsidiary maintains capital levels well above statutory requirements. In addition, Credicorp reduced dividends from all subsidiaries to strengthen the capital base of its operating units. For more detail about liquidity and regulatory capital, please see "Item 5. Operating and Financial Review and Prospects—5.B. Liquidity and Capital Resources" in our 2019 Form 20-F and "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources."

In terms of relationships with clients, Credicorp clients have been able to rely on the strong relationships we have built over several years and have benefited from our digital network. During the lockdown period, in the three months ended March 31, 2020, loans and deposits have increased materially. Wholesale clients increased their short-term funding needs and part of the fresh liquidity obtained by the aforementioned segment has been maintained at the bank as demand deposits.

With respect to retail banking, the first quarter of 2020 has also been an opportunity for our clients to benefit from our digital channels. Yape welcomed more than 500,000 new users from January to April this year. As of April 2020, the monthly amount transacted through this app had grown almost four-fold compared to April 2019. Moreover, our BCP Stand-alone digital channels have registered a material gain in their share of our distribution network due to an uptick in use during lockdown.

As a result of the above and due to the adoption of certain measures listed below, since the adoption of governmental measures to control the COVID-19 pandemic, there has been an increase in our provisions, and as a result our net income for the current period may be adversely impacted.

Some of the measures that Credicorp adopted in order to provide relief and assistance to its customers and the general population, include:

- the donation of S/100 million through BCP Stand-alone and S/10 million through Mibanco to help families in need, with the "Yo me sumo" program;
- the reimbursement by Pacifico of 50% of car premiums in April and May to Individual clients which where up to date in their payments;
- the donation by Pacifico of S/5 million through life insurance to health services professionals, police and the Peruvian army;
- the negative effect of Prima AFP's fee income by the exemption of contributions to the pension fund system in April, and the measures decreed by the government and congress that allow affiliates to withdraw a portion of the pension funds; and

- an increase in the operating expenses of our lines of business as a result of measures taken to protect the health of employees and clients, and to ensure business continuity.

We are aware of the level of uncertainty we are facing, and as such, the need to adapt our businesses and organization in a changing environment. In this context, we are reviewing our strategic initiatives on a constant basis and adjusting them to each line of business:

Universal banking will focus on:

- engaging with customers to understand their financial needs post COVID-19;
- implementing the “Reactiva Peru” program;
- adjusting risk management measures and designing medium-term restructuring initiatives;
- re-starting sales capabilities coupled with dynamic pricing, and accelerating customer digital adoption; and
- rethinking and implementing the new operating model.

Microfinance will focus on:

- engaging with customers, assessing new needs and risks and executing refinancing initiatives;
- implementing the FAE program;
- accelerating the path to the hybrid decision making model, leveraging the use of data and analytics;
- redefining the new remote operating model; and
- finalizing the Bancompartir merger by the third quarter of 2020.

Insurance and pensions will focus on:

- re-starting the Insurance sales force, coupled with digital capabilities;
- adjusting Pacifico’s new operating model;
- managing the liquidity and profitability of the Pension investment portfolio in the context of expected withdrawals; and
- actively participating in pension system reform.

Investment banking and wealth management will focus on:

- developing business opportunities in Wealth Management and Asset Management by offering a diversified portfolio;
- developing the Corporate Finance pipeline;
- improving efficiency by re-prioritizing operating expenses and investments;
- defining support functions and technological platforms to improve the customer experience and enable future growth; and
- finalizing the integration of Ultraserfinco in the first half of 2020.

Finally, on a consolidated level, Credicorp has launched a project to develop a strategy aimed at integrating ESG more deeply and consistently into business planning and activities. Additionally, to take advantage of the new opportunities, we will accelerate select specific initiatives at Krealo.

SELECTED FINANCIAL INFORMATION

The following tables present certain of our consolidated financial and other information derived from (1) our unaudited condensed consolidated interim financial information as of and for the three months ended March 31, 2019 and 2020 presented above, and (2) our audited consolidated financial statements as of and for the years ended December 31, 2017, 2018 and 2019 included in our 2019 Form 20-F filed on May 29, 2020.

Consolidated Income Statement Data

The following table sets forth certain of our statement of our income statement data for each of the periods presented:

	For the Years Ended December 31,				For the Three Months Ended March 31,		
	2017	2018	2019	2019	2019	2020	2020
	(Soles in thousands)			(U.S. dollars in thousands)(1)	(Soles in thousands)		(U.S. dollars in thousands) (1)
	(audited)			(audited)	(unaudited)		(unaudited)
Interest income and expense							
Interest and dividend income	11,030,683	11,522,634	12,381,664	3,602,463	3,001,674	3,163,609	920,457
Interest expense (2)	(2,959,196)	(3,033,529)	(3,290,867)	(957,482)	(804,506)	(784,309)	(228,196)
Net interest income	8,071,487	8,489,105	9,090,797	2,644,981	2,197,168	2,379,300	692,261
Gross provision for credit losses on loan portfolio	(2,057,478)	(1,814,898)	(2,100,091)	(611,024)	(453,285)	(1,388,711)	(404,047)
Recoveries of written-off loans	268,313	283,190	254,155	73,947	70,074	47,230	13,742
Provision for credit losses on loan portfolio, net of recoveries	(1,789,165)	(1,531,708)	(1,845,936)	(537,077)	(383,211)	(1,341,481)	(390,305)
Risk-adjusted net interest income	6,282,322	6,957,397	7,244,861	2,107,904	1,813,957	1,037,819	301,956
Non-financial income							
Fee income	2,911,408	3,126,857	3,232,781	940,582	782,922	760,329	221,219
Net gain on foreign exchange transactions	650,228	737,954	748,382	217,743	178,423	166,983	48,584
Net gain on sales of securities (3)	731,261	170,575	466,970	135,866	113,545	(120,633)	(35,098)
Net gain from associates (3)(4)	29,511	72,254	79,844	23,231	14,786	19,225	5,594
Net gain on derivatives held for trading	103,580	13,262	6,043	1,758	(2,434)	35,430	10,308
Net gain from exchange differences	17,394	16,022	19,735	5,742	13,490	(21,240)	(6,180)
Other non-financial income	249,197	273,882	344,229	100,154	75,605	117,770	34,265
Total non-financial income	4,692,579	4,410,806	4,897,984	1,425,076	1,176,337	957,864	278,692
Insurance underwriting result							
Net earned premiums	1,875,973	2,091,366	2,419,349	703,913	584,209	627,935	182,699
Net claims	(1,118,304)	(1,239,635)	(1,554,477)	(452,277)	(383,817)	(373,502)	(108,671)
Acquisition costs (5)	(269,504)	(380,310)	(365,848)	(106,444)	(91,281)	(112,507)	(32,734)
Total insurance underwriting result	488,165	471,421	499,024	145,192	109,111	141,926	41,294
Total expenses							
Salaries and employee benefits	(3,071,020)	(3,219,875)	(3,411,023)	(992,442)	(834,317)	(891,183)	(259,291)
Administrative, general and tax expenses	(2,158,823)	(2,330,044)	(2,354,630)	(685,083)	(538,157)	(539,644)	(157,010)
Depreciation and amortization (6)	(419,975)	(429,122)	(455,032)	(132,392)	(131,325)	(125,150)	(36,413)
Depreciation for right-of-use assets	—	—	(177,307)	(51,588)	—	(46,598)	(13,558)

	For the Years Ended December 31,				For the Three Months Ended March 31,		
	2017	2018	2019	2019	2019	2020	2020
	(Soles in thousands) (audited)			(U.S. dollars in thousands)(1) (audited)	(Soles in thousands) (unaudited)		(U.S. dollars in thousands) (1) (unaudited)
assets							
Impairment loss on goodwill	—	(38,189)	—	—	—	—	—
Association in participation (7)	(19,757)	(14,526)	(22,636)	6,586	(2,736)	(6,430)	(1,871)
Other expenses	(218,557)	(215,654)	(245,833)	(71,525)	(47,441)	(169,630)	(49,354)
Total expenses	(5,888,132)	(6,247,410)	(6,666,461)	(1,939,616)	(1,553,976)	(1,778,635)	(517,496)
Profit before income tax	5,574,934	5,592,214	5,975,408	1,738,556	1,545,429	358,974	104,446
Income tax	(1,393,286)	(1,520,909)	(1,623,077)	(472,237)	(422,165)	(145,799)	(42,420)
Net profit	4,181,648	4,071,305	4,352,331	1,266,319	1,123,264	213,175	62,025
Non-controlling interest	89,895	87,440	87,027	25,321	22,397	3,901	1,135
Net profit attributable to Credicorp	4,091,753	3,983,865	4,265,304	1,240,998	1,100,867	209,274	60,890

(1) For the convenience of the reader data as of and for the three months ended March 31, 2020 and the year ended December 31, 2019 have been translated from Soles into U.S. dollars at a rate of S/3.437 for U.S.$1.00 (the March 31, 2020 exchange rate as published by the SBS).

(2) As of 2019, financing expenses related to lease agreements is included according to the application of IFRS 16.

(3) Starting in 2019 the gain from other investments in related companies has been included in the item "Net gain in associates"; which previously was presented in the item "Net gain on securities."

(4) Includes gains on other investments, mainly made up of the profit of Banmedica.

(5) The acquisition costs of Pacifico include net fees and underwriting expenses.

(6) From the first quarter of 2019, the effect is being incorporated by the application of IFRS 16, which corresponds to a greater depreciation for the asset for right-of-use." Likewise, the expenses related to the depreciation of improvements in building for rent is being reclassified to the item "Other expenses."

(7) From this quarter, the item "Association in participation" was incorporated, which previously was presented in the item "Net gain on securities."

Consolidated Statement of Financial Position Data

The following table sets forth certain of our consolidated statement of financial position data as of the periods indicated:

	As of December 31,				As of March 31,	
	2017	2018	2019	2019	2020	2020
	(Soles in thousands) (audited)			(U.S. dollars in thousands)(1) (audited)	(Soles in thousands) (unaudited)	(U.S. dollars in thousands)(1) (unaudited)
ASSETS						
Cash and due from banks(1)						
Non-interest bearing	6,019,776	7,435,807	6,177,356	1,797,310	6,787,357	1,974,791
Interest bearing	17,202,211	14,732,709	19,809,406	5,763,575	19,538,429	5,684,733
Total cash and due from banks	23,221,987	22,168,516	25,986,762	7,560,885	26,325,786	7,659,525
Cash collateral, reverse repurchase agreements and securities borrowing(1)	7,480,420	4,082,942	4,288,524	1,247,752	4,424,345	1,287,269
Fair value through profit or loss investments	4,024,737	3,512,445	3,850,762	1,120,385	4,185,638	1,217,817
Fair value through other comprehensive income investments	—	25,195,835	26,202,723	7,623,719	28,388,371	8,259,637
Available for sale	24,423,891	—	—	—	—	—
Amortized cost investments	—	4,154,838	3,477,046	1,011,651	4,242,643	1,234,403
Held-to-maturity	4,413,373	—	—	—	—	—
Loans	100,477,775	110,759,390	115,609,679	33,636,799	120,708,515	35,120,313
Current	97,458,552	107,642,312	112,311,888	32,677,302	117,129,011	34,078,851
Internal overdue loans	3,019,223	3,117,078	3,297,791	959,497	3,579,504	1,041,462
Less - allowance for loan losses	(4,500,498)	(4,952,392)	(5,123,962)	(1,490,824)	(5,931,772)	(1,725,857)
Loans, net	95,977,277	105,806,998	110,485,717	32,145,975	114,776,743	33,394,455
Financial assets designated at fair value through profit or loss(2)	537,685	521,186	620,544	180,548	559,321	162,735
Accounts receivable from reinsurers and coinsurers	715,695	842,043	791,704	230,347	787,672	229,174
Premiums and other policyholder receivables	656,829	887,273	838,731	244,030	822,669	239,357
Property, plant and equipment, net(3)	1,509,492	1,480,702	1,428,173	415,529	1,397,089	406,485
Right-of-use assets, net	—	—	839,086	244,133	805,997	234,506
Due from customers on acceptances	532,034	967,968	535,222	155,724	555,598	161,652
Investments in associates(4)	708,873	582,132	628,822	182,957	618,310	179,898
Intangible assets and goodwill, net	1,978,865	2,055,702	2,552,274	742,588	2,424,404	705,384
Other assets(5)	4,291,125	5,004,621	5,350,601	1,556,765	7,507,302	2,184,260
Total Assets	170,472,283	177,263,201	187,876,691	54,662,988	197,821,889	57,556,558
LIABILITIES AND EQUITY						
Deposits and obligations						
Non-interest bearing	29,382,909	32,249,606	33,830,166	9,842,935	38,482,377	11,196,502
Interest bearing	67,787,502	72,301,704	78,175,219	22,745,190	81,081,168	23,590,680
Total deposits and obligations	97,170,411	104,551,310	112,005,385	32,588,125	119,563,545	34,787,182
Payables from repurchase agreements and securities lending	13,415,843	9,415,357	7,678,016	2,233,930	8,254,726	2,401,724
BCRP instruments	9,467,943	5,226,870	4,381,011	1,274,661	5,346,373	1,555,535
Repurchase agreements with third parties	2,360,763	2,638,231	1,820,911	529,797	1,935,879	563,247
Repurchase agreements with customers	1,587,137	1,550,256	1,476,094	429,472	972,474	282,943
Due to banks and correspondents	7,996,889	8,448,140	8,841,732	2,572,514	9,854,630	2,867,219

	As of December 31,				As of March 31,	
	2017	2018	2019	2019	2020	2020
	(Soles in thousands)			(U.S. dollars in thousands)(1)	(Soles in thousands)	(U.S. dollars in thousands)(1)
	(audited)			(audited)	(unaudited)	(unaudited)
Bonds and notes issued	16,242,257	15,457,540	14,946,363	4,348,665	15,178,148	4,416,104
Banker's acceptances outstanding	532,034	967,968	535,222	155,724	555,598	161,652
Lease Liabilities	—	—	847,504	246,582	838,248	243,889
Reserves for property and casualty claims	1,180,852	1,366,669	1,576,228	458,606	1,637,791	476,518
Reserve for unearned premiums	6,262,908	7,086,002	8,374,005	2,436,429	8,338,154	2,425,998
Accounts payable to reinsurers	235,185	291,693	216,734	63,059	198,473	57,746
Financial liabilities at fair value through profit or loss(6)	168,089	362,310	493,700	143,643	533,146	155,120
Other liabilities	5,014,112	5,050,136	5,615,492	1,633,835	9,146,619	2,661,222
Total Liabilities	148,218,580	152,997,125	161,130,381	46,881,112	174,099,078	50,654,372
Net equity	21,756,567	23,839,243	26,237,960	7,633,971	23,205,639	6,751,713
Capital stock	1,318,993	1,318,993	1,318,993	383,763	1,318,993	383,763
Treasury stock	(208,937)	(207,994)	(207,839)	(60,471)	(209,309)	(60,899)
Capital surplus	271,948	246,194	226,037	65,766	165,188	48,062
Reserves	14,647,709	17,598,556	19,437,645	5,655,410	21,360,272	6,214,801
Unrealized gains and losses	1,455,594	708,453	1,088,189	316,610	359,565	104,616
Retained earnings	4,271,260	4,175,041	4,374,935	1,272,894	210,930	61,370
Non-controlling interest	497,136	426,833	508,350	147,905	517,172	150,472
Total Net Equity	22,253,703	24,266,076	26,746,310	7,781,877	23,722,811	6,902,185
Total liabilities and equity	170,472,283	177,263,201	187,876,691	54,662,988	197,821,889	57,556,558
Off-balance sheet	65,840,952	121,222,849	125,344,301	36,469,101	131,725,399	38,325,691
Total performance bonds, stand-by and L/Cs.	19,369,559	20,774,271	21,081,035	6,133,557	20,426,402	5,943,090
Undrawn credit lines, advised but not committed	23,553,406	74,234,033	75,613,805	21,999,943	79,703,253	23,189,774
Total derivatives (notional) and others	22,917,987	26,214,545	28,649,461	8,335,601	31,595,744	9,192,826

(1) For the convenience of the reader data as of and for the three months ended March 31, 2020 and the year ended December 31, 2019 have been translated from Soles into U.S. dollars at a rate of S/3.437 for U.S.$1.00 (the March 31, 2020 exchange rate as published by the SBS).

(2) The amounts differ from those previously reported in 2018 period, due to the reclassification to the item "Cash collateral, reverse repurchase agreements and securities borrowing" mainly for the cash collateral in dollars delivered to the BCRP, previously presented in the item "Cash and due from banks."

(3) In the 2019 period, this item was opened in the statement of financial position; previously presented under the item "Investments at fair value through profit or loss."

(4) The amounts differ from those previously reported in 2018 period, due to the reclassification of the expenses on improvements in building for rent, previously presented in the item "Other assets." Likewise, in 2019, the asset for the right to use the lease contracts was incorporated, in application of IFRS 16.

(5) Includes investments in associates, mainly Banmedica and Visanet, among others.

(6) Includes mainly accounts receivables from brokerage and others.

(7) In the 2019 period, this item was opened in the statement of financial position; previously presented in the item "Other liabilities."

Other Financial Data

The following selected financial and operating data as of and for each of the three months ended March 31, 2020 and 2019 and as of and for the years ended December 31, 2019, 2018 and 2017 have been derived from the financial statements. This information should be read in conjunction with the financial statements and the notes thereto.

	As of and for the Years Ended December 31,			As of and for the Three Months Ended March 31,		
	2017	2018	2019	2019	2020	2020 (U.S. dollars in thousands, where applicable)
	(Soles in thousands, except as otherwise indicated)					
Net interest income	8,071,487	8,489,105	9,090,797	2,197,168	2,379,300	692,261
Provision for credit losses on loan portfolio, net of recoveries	(1,789,165)	(1,531,708)	(1,845,936)	(383,211)	(1,341,481)	(390,306)
Risk-adjusted net interest income	**6,282,322**	**6,957,397**	**7,244,861**	**1,813,957**	**1,037,819**	**301,955**
Non-financial income	4,692,579	4,410,806	4,897,984	1,176,337	957,864	278,692
Insurance underwriting result	488,165	471,421	499,024	109,111	141,926	41,294
Total expenses	(5,888,132)	(6,247,410)	(6,666,461)	(1,553,976)	(1,778,635)	(517,496)
Profit before income tax	**5,574,934**	**5,592,214**	**5,975,408**	**1,545,429**	**358,974**	**104,444**
Income taxes	(1,393,286)	(1,520,909)	(1,623,077)	(422,165)	(145,799)	(42,420)
Net profit	**4,181,648**	**4,071,305**	**4,352,331**	**1,123,264**	**213,175**	**62,024**
Non-controlling interest	89,895	87,440	87,027	22,397	3,901	1,135
Net profit attributable to Credicorp	**4,091,753**	**3,983,865**	**4,265,304**	**1,100,867**	**209,274**	**60,889**
Net income / share (S/)	51	50	54	14	3	1
Loans	100,477,775	110,759,390	115,609,679	108,350,384	120,708,515	35,120,313
Deposits and obligations	97,170,411	104,551,310	112,005,385	103,727,257	119,563,545	34,787,182
Net equity	21,756,567	23,839,243	26,237,960	23,692,091	23,205,639	6,751,713
Profitability						
Net interest margin(1)	5.32%	5.28%	5.40%	5.39%	5.35%	
Risk-adjusted Net interest margin(1)	4.14%	4.33%	4.30%	4.45%	2.33%	
Funding cost(1)	2.31%	2.25%	2.36%	2.38%	2.13%	
Return on average equity - ROAE(1)	19.8%	17.5%	17.0%	18.5%	3.4%	
Return on average total assets – ROAA(1)	2.50%	2.29%	2.34%	2.50%	0.40%	
Loan portfolio quality						
IOL ratio(2)	3.00%	2.81%	2.85%	2.91%	2.97%	
IOL over 90 days ratio	2.26%	2.13%	2.15%	2.09%	1.86%	
NPL ratio(3)	3.92%	3.97%	3.88%	4.09%	3.90%	
Cost of risk(1)(4)	1.78%	1.38%	1.60%	1.41%	4.45%	
Coverage ratio of IOLs	149.1%	158.9%	155.4%	154.2%	165.7%	
Coverage ratio of IOL 90-days	197.9%	210.4%	204.5%	214.8%	264.8%	
Coverage ratio of NPLs(5)	114.4%	112.7%	114.4%	109.7%	126.1%	
Operating efficiency						
Efficiency ratio(6)	43.5%	43.8%	43.5%	42.4%	43.4%	
Operating expenses / Total average assets(7)	3.63%	3.67%	3.72%	3.60%	3.57%	
Insurance ratios						
Combined ratio of P&C(8)(9)	97.1%	100.3%	98.4%	104.4%	94.4%	
Loss ratio(9)(10)	58.8%	59.0%	64.0%	65.6%	59.9%	
Capital adequacy(11)						
BIS ratio(12)	15.05%	14.17%	14.47%	15.49%	13.52%	
Tier I ratio(13)	10.84%	10.28%	11.07%	11.73%	10.33%	
Common equity tier I ratio(14)	11.83%	11.55%	12.35%	11.39%	11.89%	
Share Information						
Outstanding Shares	94,382	94,382	94,382	94,382	94,382	
Treasury Shares(15)	14,902	14,883	14,872	14,876	14,977	
Floating Shares	79,480	79,499	79,510	79,506	79,405	

(1) Annualized.

(2) Internal overdue loans: includes overdue loans and loans under legal collection, according to our internal policy for overdue loans. Internal Overdue ratio: Internal overdue loans / Total loans.

(3) Non-performing loans (NPL): Internal overdue loans plus Refinanced loans. NPL ratio: NPL / Total loans.

(4) Cost of risk: Annualized Provision for credit losses on loan portfolio, net of recoveries / Total loans.

(5) Coverage ratio of Non-performing loans: Allowance for loans losses divided by Overdue loans and loans under legal collection, according to our internal policy for overdue loans plus refinanced loans.

(6) Efficiency ratio is equal to (Salaries and employee benefits plus Administrative expenses plus Depreciation and amortization plus Association in participation plus Acquisition costs) / (Net interest income plus Fee Income plus Net gain on foreign exchange transactions plus Net Gain From associates plus Net gain on derivatives held for trading plus Result on exchange differences plus Net Premiums Earned).

(7) Operating expenses / Average of Total Assets. Average is calculated with period-beginning and period-ending balances. “

(8) Combined ratio is equal to (Net claims / Net earned premiums) plus (Acquisition costs plus Operating expenses) / Net earned premiums. Does not include the life

insurance business.

(9) Considers amounts for Grupo Pacifico before eliminations for consolidation with Credicorp.

(10) Net claims / Net earned premiums.

(11) All Capital ratios are for BCP Stand-alone and based on generally accepted accounting principles in Peru (“Peruvian GAAP”).

(12) Regulatory Capital / Risk-Weighted Assets (the legal minimum has been 10% since July 2011).

(13) Tier I is equal to Capital plus Legal and other capital reserves plus Accumulated earnings with capitalization agreement plus (0.5 x Unrealized profit and net income in subsidiaries) less Goodwill less (0.5 x Investment in subsidiaries) plus Perpetual subordinated debt (maximum amount that can be included is 17.65% of Capital plus Reserves plus Accumulated earnings with capitalization agreement plus Unrealized profit and net income in subsidiaries less Goodwill).

(14) Common Equity Tier I is equal to Capital plus Reserves less 100% of applicable deductions (investment in subsidiaries, goodwill, intangibles and net deferred taxes that rely on future profitability) plus retained earnings plus unrealized gains.
Adjusted Risk-Weighted Assets is equal to Risk-Weighted Assets less (RWA Intangible assets, excluding goodwill, plus RWA Deferred tax assets generated as a result of temporary differences in income tax, in excess of 10% of CET1, plus RWA Deferred tax assets generated as a result of past losses).”

(15) Shares held by ASHC.

Data Based on Credicorp Stand-Alone Financial Statements

The following table sets forth certain statement of financial position data on a stand-alone basis for Credicorp as of the dates indicated:

	As of December 31,				As of March 31,	
	2017	2018	2019	2019	2020	2020
	(Soles in thousands)			(U.S. dollars in thousands)(1)	(Soles in thousands)	(U.S. dollars in thousands)(1)
	(audited)			(audited)	(unaudited)	(unaudited)
ASSETS						
Current Assets						
Cash and cash equivalent	48,205	818,986	139,900	40,704	117,596	51,672
Fair value through profit or loss investments	2,051	1,943	—	—	—	—
Fair value through other comprehensive income investments	586,308	580,158	521,939	151,859	474,425	138,035
Investments in subsidiaries and associates	23,525,406	26,279,817	29,806,937	8,672,370	29,733,748	8,651,076
Other assets	9,899	1,665	970	282	2,044	595
Total Assets	24,171,869	27,682,569	30,469,746	8,865,215	30,387,813	8,841,377
LIABILITIES AND EQUITY						
Deposits and obligations						
Other liabilities (2)	76,544	137,290	207,597	60,401	3,073,999	894,384
Total Liabilities	76,544	137,290	207,597	60,401	3,073,999	894,384
Capital stock	1,318,993	1,318,993	1,318,993	383,763	1,318,993	383,763
Treasury stock	(138)	(26)	(62)	(18)	—	—
Capital surplus	389,977	390,581	387,429	112,723	384,542	111,883
Reserves	14,337,890	17,271,506	19,093,038	5,555,228	21,070,409	6,130,465
Unrealized gains and losses	1,246,921	496,339	866,271	252,043	138,564	40,315
Retained earnings	6,801,682	8,067,866	8,596,199	2,501,076	4,401,306	1,280,566
Total Equity	24,095,325	27,545,279	30,262,149	8,804,815	27,313,814	7,946,993
Total liabilities and equity	24,171,869	27,682,569	30,469,746	8,865,215	30,387,813	8,841,377

(1) For the convenience of the reader data as of and for the three months ended March 31, 2020 and the year ended December 31, 2019 have been translated from Soles into U.S. dollars at a rate of S/3.437 for U.S.$1.00 (the March 31, 2020 exchange rate as published by the SBS).

(2) Includes provision for income tax on dividends, dividends pending, deferred income tax, among others.

MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our audited consolidated financial statements and our unaudited condensed consolidated interim financial information and other information presented herein. This discussion and analysis should also be read in conjunction with “Item 5. Operating and Financial Review and Prospects” in our 2019 Form 20-F filed on May 29, 2020.

The following discussion and analysis contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those discussed in the forward-looking statements as a result of various factors, including those set forth below under “Forward-Looking Statements.”

Introduction

The following discussion should be read in conjunction with the interim consolidated financial statements as of March 31, 2020 and for the three months ended March 31, 2019 and 2020 which were prepared in accordance with IFRS, in each case including the notes thereto.

Our financial statements are consolidated with the financial statements of our subsidiaries, which are companies controlled by us. Control is achieved when Credicorp is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. See note 3(b) to the annual consolidated financial statements included in our 2019 Form 20-F filed on May 29, 2020.

Critical Accounting Policies

The preparation of our consolidated financial statements requires our management to use judgments, estimates and assumptions that affect the actual presented amounts. Accordingly, we use the best and more updated information available in the market for the preparation of our financial statements. However, due to the uncertainties involved in this type of assessment, materialized assumptions and estimates may differ from expected assumptions and estimates, generating results that require substantial adjustments in the book value of assets and liabilities in future years. See “Item 5. Operating and Financial Review and Prospects—5.A Operating Results—(1) Critical Accounting Policies” of our 2019 Form 20-F and our unaudited condensed consolidated interim financial information as of and for the three months ended March 31, 2020 for a description of the main accounting judgments, estimates and assumptions used in the preparations of our financial statements, which, if changed, may significantly change our disclosed results of operations and shareholders’ equity.

Subsequent Events

Declaration of dividends

At a meeting held on February 27, 2020, our Board of Directors approved the distribution of a cash dividend of S/2,831,469,510.00, for a total of 94,382,317 outstanding shares, which is equivalent to S/30.00 per share. The cash dividend was paid on May 8, 2020, without withholding tax at source, to shareholders of record on April 13, 2020.

The dividend was paid in U.S. dollars using the weighted exchange rate reported by the SBS for transactions at the close of business on May 6, 2020 (S/3.4081 per U.S. dollar). As a result, the dividend paid per share was U.S$8.8026, equivalent to the declared dividend of S/30.00 per share.

Consolidated Results of Operations for the Three Months Ended March 31, 2019 Compared to the Three Months Ended March 31, 2020

The following discussion of our results of operations is based on the interim financial information derived from our unaudited condensed consolidated interim financial information. In the following discussion, references to increases or decreases in any three months ended are made by comparison with the corresponding prior three months ended, as applicable, except as the context otherwise indicates. The discussion in this section is based on a comparison of the three months ended March 31, 2019 with the three months ended March 31, 2020.

The following table sets forth, for the three months ended March 31, 2019 and the three months ended March 31, 2020, the principal components of our net profit:

	Three Months Ended March 31,	
	2019	**2020**
	(in thousands of Soles)	
Interest and similar income	3,001,674	3,163,609
Interest and similar expenses	(804,506)	(784,309)
Net interest, similar income and expenses	2,197,168	2,379,300
Provision for credit losses on loan portfolio	(453,285)	(1,388,711)
Recoveries of written-off loans	70,074	47,230
Provision for credit losses on loan portfolio, net of recoveries	(383,211)	(1,341,481)
Net interest, similar income and expenses, after provision for credit losses on loan portfolio	1,813,957	1,037,819
Total other income	1,176,337	957,864
Total insurance underwriting results	109,111	141,926
Total other expenses	(1,553,976)	(1,778,635)
Profit before income tax	1,545,429	358,974
Income tax	(422,165)	(145,799)
Net profit	**1,123,264**	**213,175**
Net profit attributable to:		
Credicorp’s equity holders	1,100,867	209,274
Non-controlling interest	22,397	3,901

In the three months ended March 31, 2020, the net profit attributable to our equity holders decreased 80.99% compared to the three months ended March 31, 2019. This result was primarily due to (i) higher provision for credit losses on our loan portfolio, given that we expect there will be an economic recession resulting in an increase in the probability of default in certain sectors of clients, in line with IFRS 9; (ii) lower total other income, as a result of a decrease in net gain on securities (attributable to bond issuances at Atlantic Security Bank and BCP Stand-alone in the first half of the three months ended March 31, 2020); and (iii) lower commission and fees. This was partially offset by higher net interest income (an increase of 8.3% compared to the three months ended March 31, 2019) in line with growth in total loans led by retail banking, and by the mortgage and consumer segments in particular.

Net interest, Similar Income and Expenses

The following table sets forth the components of net interest, similar income and expenses:

	Three Months Ended March 31,	
	2019	2020(1)
	(in thousands of Soles)	
Interest and similar income:		
Interest on loans	2,562,286	2,770,351
Interest on investments at fair value through other comprehensive income	269,603	261,189
Interest on available-for-sale investments	—	—
Interest on investments at amortized cost	51,531	50,848
Interest on held-to-maturity investments	—	—
Interest on due from banks	86,699	49,113
Interest on investments at fair value through profit or loss	11,654	10,697
Dividends received	9,667	7,879
Other interest and similar income	10,234	13,532
Total interest income	3,001,674	3,163,609
Interest and similar expenses:		
Interest on deposits and obligations	(353,834)	(364,107)
Interest on bonds and notes issued	(226,498)	(198,114)
Interest on due to banks and correspondents	(145,303)	(137,126)
Deposit Insurance Fund	(36,857)	(40,030)
Interest on lease liabilities	(5,985)	(7,803)
Other interest expenses and similar expense	(36,029)	(37,129)
Total interest expense	(804,506)	(784,309)
Net interest income	**2,197,168**	**2,379,300**

(1) Bancompartir is consolidated within the Microfinance line of business as of the three months ended March 31, 2020.

Net interest income increased 8.29% in the three months ended March 31, 2020 compared to the three months ended March 31, 2019.

Interest and similar income increased 5.39% in the three months ended March 31, 2020 compared to the three months ended March 31, 2019. The increase in the three months ended March 31, 2020 was mainly due to an increase of 8.1% in income for interest on loans. This expansion was attributable to (i) volume, due to an acceleration in the growth of average daily balances in all segments with the exception of Atlantic Security Bank, (ii) the mix by segment, given that retail banking represented 40.8% of total loans compared to 39.8% in the three months ended March 31, 2019, and (iii) the currency mix, given that growth in average daily balances was primarily attributable to loan expansion of +10.7% in the LC portfolio.

Interest and similar expense decreased in the three months ended March 31, 2020 by 2.5% to S/784 million compared to an interest expense in the three months ended March 31, 2019 of S/804 million. This was driven by (i) a decrease of 12.5% in interest on bonds and notes issued, as a result of the debt restructuring strategy at BCP Stand-alone, which included liability management transactions in relation to two corporate bonds and the redemption of perpetual subordinated debt; and (ii) a decrease of 5.6% on due to banks and correspondents after rates fell in the international market. This was partially offset by an increase in interest on deposits and obligations, in line with the growth in total deposits mainly driven by an increase in the volume of time deposits.

Provision for Loan Losses

The following tables set forth the changes in our allowance for loan losses:

	Three Months Ended March 31,	
	2019	2020(1)
	(in thousands of Soles)	
Provision for credit losses on loan portfolio	(453,285)	(1,388,711)
Recoveries of written-off loans	70,074	47,230
Provision for credit losses on loan portfolio, net of recoveries	(383,211)	(1,341,481)

(1) Bancompartir is consolidated within the Microfinance line of business as of the three months ended March 31, 2020.

Provision for credit losses on our loan portfolio, net of recoveries increased by 250.06% in the three months ended March 31, 2020 to S/1,341 million, compared to S/383 million in the three months ended March 31, 2019. The increase reflects the higher provisions in line with expectations of a recession in Peru and the region, and with the reduction in the debt service capacity of some clients due to COVID-19. This was mainly due to the increase of provisions at BCP Stand-alone, primarily attributable to deterioration in the SME-Pyme segment, and in non-revolving loans in particular, and to a lesser extent, to the deterioration of the credit card segment, which reflected excess indebtedness in the financial system.

Total recoveries of written-off loans reached S/70 million in the three months ended March 31, 2020 and S/47 million in the three months ended March 31, 2019, constituting a 32.6% decrease in the three months ended March 31, 2020.

Non-Interest Income

The following table reflects the components of our non-interest income:

	Three Months Ended March 31,	
	2019	**2020(1)**
	(in thousands of Soles)	
Commissions and fees	782,922	760,329
Net gain on foreign exchange transactions	178,423	166,983
Net gains on securities	128,331	(101,408)
Net gains on derivatives held for trading	(2,434)	35,430
Net gain from exchange difference	13,490	(21,240)
Other	75,605	117,770
Total non-interest income	1,176,337	957,864

(1) Bancompartir is consolidated within the Microfinance line of business as of the three months ended March 31, 2020.

The non-interest income, without including net premiums earned, decreased by 18.6% to S/958 million in the three months ended March 31, 2020 compared to S/1,176 million in the three months ended March 31, 2019. The decrease in 2020 was primarily due to the decrease of net gains on securities and net gain from exchange difference.

Net gains on securities decreased 179.0% to a loss of S/101 million in the three months ended March 31, 2020 compared to the gain of S/128 million in the three months ended March 31, 2019. The decrease was primarily attributable to (i) a reduction in the profitability of the legal reserves at Prima AFP, and (ii) losses on proprietary investment portfolios at Credicorp Capital, which registered negative results for mark-to-market adjustments in the trading portfolio. Losses were also attributable to an extraordinary result in the three months ended March 31, 2019, which was generated by the favorable evolution of the financial markets in 2019 experienced through Credicorp Capital, Prima AFP and Atlantic Security Bank, which was in contrast to the market volatility and a decrease in the value of assets in the three months ended March 31, 2020 due to the impact of the COVID-19 pandemic.

Net gain from exchange difference decreased by 257.4% due to the loss reported for the exchange differences relative to IFRS 16, mainly in the month of January at BCP Stand-alone, and to a lesser extent, at Mibanco.

Commissions and fees decreased by 2.9% to S/760 million in the three months ended March 31, 2020 compared to S/783 million in the three months ended March 31, 2019. The decrease in commissions and fees from the three months ended March 31, 2019 to the three months ended March 31, 2020 was primarily due to (i) the facilities and fees exemptions extended to our clients in connection with the COVID-19 pandemic, (ii) the decrease in consumption and service volumes due to the compulsory quarantine imposed by the Peruvian government in mid-March, and (iii) the decrease in transactional activity at BCP Stand-alone and Mibanco.

Insurance Premiums and Claims on Insurance Activities

The following table reflects the earned premiums and claims incurred in connection with our insurance activities:

	Three Months Ended March 31,	
	2019	**2020**
	(in thousands of Soles)	
Gross written premiums	892,538	901,553
Technical reserve adjustment	(218,452)	(21,921)
Gross written premiums after adjustments	674,086	879,632
Premiums ceded to reinsurers, net	(137,119)	(153,454)

	Three Months Ended March 31,	
	2019	2020
	(in thousands of Soles)	
Results of assets designated at fair value through profit or loss	47,242	(98,243)
Net premiums earned	584,209	627,935
Net claims incurred for life insurance	(219,390)	(236,516)
Net claims incurred for general insurance	(83,263)	(60,891)
Net claims incurred for health insurance	(81,164)	(76,095)
Acquisition costs	(91,281)	(112,507)
Total net premiums and claims	**109,111**	**141,926**

Operating Expenses

The following table reflects the components of our operating expenses:

	Three Months Ended March 31,	
	2019	2020(1)
	(in thousands of Soles)	
Salaries and employee benefits	(834,317)	(891,183)
Administrative expenses	(538,157)	(539,644)
Depreciation and amortization	(105,643)	(125,150)
Depreciation for right-of-use assets	(25,682)	(46,598)
Impairment loss on goodwill	—	—
Other	(50,177)	(176,060)
Total operating expenses	(1,553,976)	(1,778,635)

(1) Bancompartir is consolidated within the Microfinance line of business as of December 2019.

Salaries and employee benefits increased by 6.8%, mainly due to the Microfinance business and, to a lesser extent, at BCP Stand-alone. In the case of Microfinance, the increase was attributable to (i) Mibanco, due to an increase in headcount in 2019, which was primarily to bolster commercial teams to build the capacities needed to ensure growth down the line at Mibanco, and (ii) Bancompartir, which is included in Credicorp's balance sheet since December 2019. At BCP Stand-alone, growth was attributable to hiring of individuals with specialized profiles in 2019.

Depreciation and amortization increased by 18.5%, due to the higher amortization expenses for software, in line with the investment in new software to support our Yape and credit card business.

Exchange Difference

The exchange difference reflects exposure to appreciation of net monetary positions in foreign currencies, principally U.S. dollars in the first three months ended March 31, 2020 and 2019, and Soles in previous years. We recorded a loss exchange difference of S/21.2 million as of March 31, 2020. This loss was due to the implementation of IFRS 16, mainly in the month of January at BCP Stand-alone, and to a lesser extent, at Mibanco. We recorded a gain exchange difference of S/13.5 million as of March 31, 2019.

We manage foreign exchange risk by monitoring and controlling the position values due to changes in exchange rates. We measure our performance in Soles (since 2014, when we changed our functional currency from U.S. dollars), so if the net foreign exchange position (e.g. U.S. dollar) is an asset, any depreciation of Soles with respect to the relevant foreign currency would positively affect our consolidated statements of financial position. The current position in a foreign currency comprises exchange rate-linked assets and liabilities in that currency. An institution's open position in individual currencies comprises assets, liabilities and off-balance sheet items denominated in the respective foreign currency for which the institution itself bears the risk; any appreciation/depreciation of the foreign exchange would affect the consolidated statements of income.

As of March 31, 2020 and December 31, 2019, Credicorp's net foreign exchange balance is the sum of its positive open non-Soles positions (net long position) less the sum of its negative open non-Soles positions (net short position). As of December 31, 2013, Credicorp's net foreign exchange balance was the sum of its positive open non-U.S. dollar positions (net long position) less the sum of its negative open non-U.S. dollar positions (net short position). Any depreciation/appreciation of the foreign exchange position would affect the consolidated statements of income. A currency mismatch would leave Credicorp's consolidated statements of financial position vulnerable to a fluctuation of the foreign currency (exchange rate shock).

Income Taxes

We are not subject to income taxes, taxes on capital gains, capital transfers or equity or estate duty under Bermuda law. However, some of our subsidiaries are subject to income tax and taxes on dividends paid to us, depending on the legislation of the jurisdictions in which they generate income.

Our Peruvian subsidiaries, including BCP Stand-alone, are subject to corporate taxation on income under Peruvian tax law. For 2019 and in 2020 to the date hereof, the Peruvian statutory income tax rate was 29.5 % on taxable profit after calculating the workers' profit sharing, which is determined using a 5.0% rate.

An additional 5.0% withholding tax is applied on to dividends, which we register as income tax based on the liquid amount received from BCP Stand-alone, Grupo Credito and Grupo Pacifico. Through Legislative Decree No. 1261, published on December 11, 2016, the withholding tax on dividends for the profits generated was increased according to the following terms:

Rate for the Profits Generated in the Years	Percentage(%)
Until 2014	4.1
2015 and 2016	6.8
From 2017 onward	5.0

Peruvian tax legislation is applicable to legal entities established in Peru, and on an individual (not consolidated) basis. Our non-Peruvian subsidiaries are not subject to taxation in Peru and their assets are not included in the calculation of the Peruvian extraordinary tax on net assets.

The Bolivian statutory income tax rate is 25%. Financial entities have an additional rate if the ROE exceeds 6%. In that case, an additional 25% must be considered, with which the rate becomes 50%.

In the case of Chile, there are two tax regimes: the partially integrated regime and the attributed regime. Credicorp Capital Holding Chile S.A. and all its subsidiaries are under partially integrated regime, under which the tax rate for domiciled legal entities was 27% for 2019 and for 2020 to the date hereof. On the other hand, individuals or legal entities not domiciled in Chile are subject to a tax called "additional income tax" whose rates are between 4% and 35%, depending on the nature of the income. Additionally, Chile has signed treaties to avoid double taxation with different countries so certain income could be released from withholding tax or for the use of reduced rates.

In the case of Colombia, pursuant to Financing Law No. 1943, dated December 28, 2018, the income tax rate for 2019 was 33% (without a surcharge) for all entities in the country whose taxable income was less than U.S.$800.0 million of Colombian pesos. From 2020, pursuant to Law No. 2010 dated December 27, 2019 the tax rates are as follows:

Taxable Year	Rate (%)	Additional Rate (Surcharge) (%) (1)
2020	32	4
2021	31	3
2022	30	3
As of 2023	30	—

(1) The additional rate (surcharge) will be applicable only to financial entities that, in the corresponding year, have a taxable rate equal to or greater than 120,000 units of tax value (*Unidad de Valor Tributario*) which for the year of 2020 amounts to a total of S/3.9 million. Accordingly, Credicorp Capital Colombia, Credicorp Capital Fiduciaria and Banco Compartir must pay income tax taking into account based on the aforementioned.

ASHC and its subsidiaries are not subject to taxes in the Cayman Islands or Panama. For 2019 and 2020 to the date hereof, no taxable income was generated from their operations in the United States of America.

Tax expenses paid by the subsidiaries decreased to S/145.8 million in the three months ended March 31, 2020 from S/422.2 million in the three months ended March 31, 2019. Income tax decrease in these periods reflects decreases in our taxable income. Since 1994, we have paid the Peruvian income tax at the statutory rate.

Results of Operations by Line of Business for the Three Months Ended March 31, 2019 Compared to the Three Months Ended March 31, 2020

The following discussion of our results of operations is based on the interim financial information derived from our unaudited condensed consolidated interim financial information. In the following discussion, references to increases or decreases in any three months ended are made by comparison with the corresponding prior three months ended, as applicable, except as the context otherwise indicates. The discussion in this section is based on a comparison of the three months ended March 31, 2019 with the three months ended March 31, 2020 for each of our lines of business.

Universal Banking

Assets Structure

BCP Stand-alone

At the end of the three months ended March 31, 2020, BCP Stand-alone's total assets amounted to S/148.7 billion, which represents a 11.7% increase compared to the three months ended March 31, 2019 (S/133.2 billion in the three months ended March 31, 2019). The increase in total assets in the three months ended March 31, 2020 was mainly due to the increase of our loan portfolio, which grew by 12% in the three months ended March 31, 2020 (7.8% in the three months ended March 31, 2019).

As of March 31, 2020, BCP Stand-alone's total loans, measured in average daily balances, expanded 8.0% year-over-year. This increase was primarily due to:

- The increase in retail banking loans, led by mortgages, which increased by 12.0% in average daily balances (due to market dynamism and Mivivienda loans, as well as to the consumer, SME-Pyme and credit cards segments, which increased by 17.5%, 9.7% and 8.4%, respectively) as compared to the three months ended March 31, 2019.

- The increase of 5.3% and 5.0% in average daily balances in Corporate Banking and middle-market loans, respectively, mainly in short-term financing, during the lockdown period in the second half of March.

BCP Bolivia

At the end of the three months ended March 31, 2020, BCP Bolivia's total assets amounted to S/11.4 billion, which represents a 14.9% increase compared to the three months ended March 31, 2019 of S/9.9 billion. The increase in total assets in the three months ended March 31, 2020 was mainly explained by the increase in cash due from banks and by a 77.7% and 9.2% increase, respectively, in our loan portfolio in the three months ended March 31, 2020 (as compared to a decrease of 4.7% and an increase of 13.5%, respectively, in the three months ended March 31, 2019).

Portfolio Quality

BCP Stand-alone

The IOL ratio at BCP Stand-alone increased from 2.72% at the end of the three months ended March 31, 2019 to 2.79% at the end of the three months ended March 31, 2020. The ratio in the three months ended March 31, 2020 was higher than the three months ended March 31, 2019 following the deterioration in debt service capacity of a small number of clients in the SME-business segment. The IOL ratio at March 31, 2020 was also higher than the IOL ratio as of the end of the last three fiscal years (2.65% in 2017 and 2018; and 2.69% in 2019). The NPL ratio decreased from 3.98% in the three months ended March 31, 2019 to 3.79% at the end of the three months ended March 31, 2020. The ratio in the three months ended March 31, 2020 was lower than at the end of the three months ended March 31, 2019, as a result of loan growth in all segments, which offset the increase in non-performing loans. This ratio has remained relatively stable during the last three years (3.87% in 2017 and 2018; and 3.80% in 2019).

BCP Stand-alone's net provisions for loan losses (expense of the P&L) increased by 303.8%, primarily due to a deterioration in the SME-Pyme segment, and in non-revolving loans in particular, and to a lesser extent, the deterioration of the credit card segment, which reflected over indebtedness in the financial system. This is in line with expectations of a recession in Peru and the region and with the reduction in the debt servicing capacity of some clients due to the COVID-19 pandemic and the associated economic slowdown. BCP and the Peruvian government have taken several measures to offset the deterioration in the situation of clients and the economy respectively. As a result, cost of risk increased significantly from 1.23% in the three months ended March 31, 2019 to 4.44% in the three months ended March 31, 2020, a level which is higher than in the last three years (1.58% for 2017, 1.05% for 2018 and 1.43% for 2019). The increase in net provisions for loan losses resulted in an increase of the NPL coverage ratio from 103.3% in the three months ended March 31, 2019 to 118.1% at the end of the three months ended March 31, 2020, as a result of the higher growth in allowance for loan losses compared to the increase in non-performing loans.

BCP Bolivia

BCP Bolivia's net provisions for loan losses increased by 147.3% during the three months ended March 31, 2020 due to a change in macroeconomic expectations for Bolivia and in the debt servicing capacity of BCP Bolivia's clients as a result of the COVID-19 pandemic. Nevertheless, the internal overdue ratio has improved by 27 basis points, from 2.13% in the three months ended March 31, 2019 to 1.86% in the three months ended March 31, 2020, after overdue loans were written off in the same period in 2019.

Funding Structure

BCP Stand-alone

At the end of the three months ended March 31, 2020, BCP Stand-alone's total funding increased by 13.5% (in comparison to 3.1% in the three months ended March 31, 2019), mainly due to total deposits, which increased by 16.0% during fiscal year the three months ended March 31, 2020.

Due to ongoing growth, total deposits reflected an increase in the share of total funding, which represented 76.9% for the three months ended March 31, 2020 (in comparison to 75.3% for the three months ended March 31, 2019). The increase was mainly due to (i) an increase in demand deposits (an increase of 25.7% year-on-year, due to an increase in the volume of non-interest bearing demand deposits attributable to current accounts held by corporate banking clients), (ii) an increase of 15.7% year-on-year in saving deposits, due to a decrease in consumers' debit and credit card spending as a result of social isolation measures put in place in response to the COVID-19 pandemic and the results of the campaigns to capture savings accounts, mainly through digital channels, and (iii) a 7.1% increase in time deposits, mainly driven by deposits in foreign currency.

BCP Bolivia

At the end of the three months ended March 31, 2020, BCP Bolivia increased its total funding by 16.2%, in comparison to 9.2% in the three months ended March 31, 2019. This was due to (i) an 11.9% increase in total deposits, and (ii) a 427.1% increase in repurchase agreements.

Financial ratios

BCP Stand-alone's net earnings contribution to Credicorp totaled S/142,2 million in the three months ended March 31, 2020, which represented a 82.6% decrease with regard to the S/816.0 million reported in the three months ended March 31, 2019. This was mainly driven by a significant increase in provisions for loan losses, which have been set aside in advance, given that we foresee a severe economic downturn and a subsequent material increase in the probability of default in certain sectors of clients, in line with IFRS 9.

BCP Stand-alone's ROAE contribution to Credicorp was 3.5% in the three months ended March 31, 2020 (versus 22.5% in the three months ended March 31, 2019). The evolution in the three months ended March 31, 2020 reflects (i) an increase in provisions for loan losses, (ii) a S/100 million non-deductible charge for COVID-19 donations in other expenses, (iii) a decrease in non-financial income, due to realized losses in net gain on securities, and (iv) a decrease in both fee income and net gains on foreign exchange differences and transactions.

Net interest margin ("NIM") was situated at 4.70% in the three months ended March 31, 2020. This represented a decrease of four basis points from 4.74% for the three months ended March 31, 2019. This decrease was in line with the lower market rates, that mainly affected the wholesale banking segments, which are more sensitive to interest rate movements.

In the three months ended March 31, 2020, the efficiency ratio at BCP Stand-alone increased by 70 basis points, from 38.1% in the three months ended March 31, 2019 to 38.8% for the three months ended March 31, 2020. This increase was due to the lower growth of operating income compared to the increase of operating expenses. The increase in operating expenses was due primarily to an increase in administrative and general expenses, mainly attributable to payments for software programs and marketing expenses, and an increase in expense for salaries and employee benefits, due to an increase in headcount in 2019. The abovementioned was offset by an increase in net interest income, in line with growth in average daily balances.

Microfinance

Assets Structure

The total asset level at Mibanco was situated at S/13.5 billion as of March 31, 2020 (compared to S/13.4 billion as of March 31, 2019). The 1.2% increase in total assets in the three months ended March 31, 2020 reflects the increase in our loan portfolio, which was driven by business expansion. This was offset by a decrease in short-term investments after a strategy was implemented to optimize the structure of the composition of the portfolio.

On March 31, 2020, Mibanco's loans posted an increase of 5.3% year-over-year (compared to 5.6% in the three months ended March 31, 2019). This increase was primarily attributable to an increase in loans in the small business segment, which increased 9.2% in the three months ended March 31, 2020 (compared to an increase of 8.9% in the three months ended March 31, 2019). The increase offset the decrease in loans in the microbusiness segment, which registered a decrease of 3.4% in the three months ended March 31, 2020 (compared to an increase of 0.7% in the three months ended March 31, 2019). The small business and microbusiness segments represented a lower share of total loans in the three months ended March 31, 2020 with shares of 60.4% and 25.5% respectively. Additionally, Mibanco's loan portfolio was highly concentrated in Soles as LC loans represented 99.5% of total loans as of March 31, 2020 (compared to 99.3% as of March 31, 2019).

Short-term investments fell 8.9% in the three months ended March 31, 2020 (compared to a decrease of 2.1% in the three months ended March 31, 2019). The decline was associated with the sale of BCRP Certificates of Deposits and in line with the strategy to optimize the composition of the portfolio. The loan portfolio represented 97.6% of total interest-earning assets in the three months ended March 31, 2020 (compared to 96.5% in the three months ended March 31, 2019).

Portfolio Quality

Mibanco's cost of risk ratio, which is defined as net provisions for loan losses over total loans, was situated at 6.7% on March 31, 2020. This reflected a variation of 315 basis points, over the 3.6% reported on the three months ended March 31, 2019. This was the result of provisions made in connection with the COVID-19 pandemic and operating improvements in the origination and collections processes, in each case as follows: (i) the recording of additional provisions, in line with expectations of a recession in Peru and with the reduction in the debt service capacity of some clients due to the economic consequences of the COVID-19 pandemic; (ii) adjustments in credit policies and models; (iii) focus on early collections and improving the scheme of incentives for the sales force; and (iv) development of new channels and collections strategies. The increase in net provisions for loan losses resulted in an increase of the NPL coverage ratio, from 138.2% in the three months ended March 31, 2019 to 156.7% at the end of the three months ended March 31, 2020, as a result of the higher growth in allowance for loan losses compared to the increase in non-performing loans. The coverage ratio was higher than in the last three years (148.9% for 2017, 142.2% for 2018 and 139.2% for 2019).

Funding Structure

On March 31, 2020, total liabilities at Mibanco amounted to S/11.4 billion, which represented a decrease of 0.3% with regard to the total liabilities reported at the end of the three months ended March 31, 2019 (S/11.4 billion at the end of the three months ended March 31, 2019). In the three months ended March 31, 2020, Mibanco's funding strategy reflected an increase in retail deposits and amounts due to other banks and a decrease in institutional deposits and bond debt.

In the three months ended March 31, 2020 total deposits continued to represent the largest source of funding, accounting for 73.3% of total liabilities (compared to 73.7% in the three months ended March 31, 2019). In the three months ended March 31, 2020, the increase in deposits was led by retail channels, while institutional deposits decreased considerably. In this context, retail time and retail savings deposits increased 19.8% and 11.4%, respectively. Consequently, retail deposits posted an increase in their share of total funding, going from 38.8% in the three months ended March 31, 2019 to 44.2% in the three months ended March 31, 2020.

In the three months ended March 31, 2020, Mibanco increased its loans with other banks to take advantage of lower interest rates. Financing through bonds and subordinated debt fell due to the expiration of issuances.

Financial ratios

Net earnings at Mibanco totaled S/34.1 million in the three months ended March 31, 2020, which represented a 66.5% decrease with regard to the S/101.9 million reported in the three months ended March 31, 2019. Net earnings attributable to Credicorp totaled S/33.3 million in the three months ended March 31, 2020, which was 66.5% lower than in the three months ended March 31, 2019 of S/99.6 million.

Mibanco's ROAE contribution to Credicorp was 6.5% (compared to 21.3% in the three months ended March 31, 2019). The evolution in the three months ended March 31, 2020 reflects (i) an increase in net interest income; (ii) an increase in net provisions for loans losses, which was attributable to provisions made in connection with the COVID-19 pandemic that offset improvements in loan acceptance practices and portfolio quality; (iii) a decrease in non-financial income, driven by fees from bancassurance; and (iv) an increase in operating expenses due to an increase in the headcount of the sales force and donations to alleviate the distress of the most vulnerable segments of the population during the COVID-19 pandemic.

NIM was situated at 15.16% in the three months ended March 31, 2020. This represented an increase of 46 basis points compared to the three months ended March 31, 2019 of 14.70%. This increase was attributable to an increase in the interest rates offered in the microfinance market in the context of a new pricing strategy. Interest rate cuts were partially offset by an increase in the small business portfolio.

In the three months ended March 31, 2020, the efficiency ratio at Mibanco was 55.6%, higher than the 54.7% registered for the three months ended March 31, 2019. This result was attributable to an increase in operating expenses, which was directly associated with higher expenses related to an increase of the headcount of the sales force.

Insurance and Pensions

Grupo Pacifico

Grupo Pacifico's net profit before non-controlling interest was S/99.8 million in the three months ended March 31, 2020, 27.9% higher than the amount of S/78.1 million reported in the three months ended March 31, 2019. Higher net profit was mainly associated with an increase in (i) the P&C insurance business, which represented S/26.6 million in the three months ended March 31, 2020, 1,343% higher than the S/1.8 million reported in the three months ended March 31, 2019; and (ii) corporate health insurance and medical services (which includes only 50% of this business due to its association with Banmedica), which represented S/17.1 million in the three months ended March 31, 2020, 93.1% higher than the S/8.9 million reported in the three months ended March 31, 2019. The increase was offset in part by (i) the life insurance business, which represented S/51.2 million in the three months ended March 31, 2020, 17.8% lower than the S/62.3 million reported in the three months ended March 31, 2019 and (ii) Crediseguros, which represented S/4.9 million in the three months ended March 31, 2020, 2.7% lower than the S/5.0 million reported in the three months ended March 31, 2019.

Grupo Pacifico's net profit contribution to Credicorp was S/98.7 million in the three months ended March 31, 2020, 27.9% higher than the S/77.2 million reported in the three months ended March 31, 2019.

Grupo Pacifico's 27.9% increase in net profit before non-controlling interest from the three months ended March 31, 2019 was due to an increase in net premiums in both businesses, a decrease in net claims in the P&C business and higher net profit in Corporate Health insurance. The above mentioned was offset by the increase in acquisition costs in both businesses and a lower net financial income in the P&C insurance business and lower net profit income in medical services.

Grupo Pacifico reported written premiums of S/917.9 million in the three months ended March 31, 2020, which represented an increase of 2.4% compared to the three months ended March 31, 2019. This was mainly attributable to the credit life, commercial lines and personal lines businesses. These increases were offset in part by decreases in the annuities line and automobile line.

Written Premiums(1)(2)

	Three Months Ended March 31,	
	2019	**2020**
	(in thousands of Soles)	
Total Written Premiums(2)	**896,518**	**917,964**
Property and Casualty Business	**384,104**	**401,636**
Commercial Lines	65,493	80,382
Personal Lines	95,484	105,841
Automobile	102,482	88,372
Medical Assistance	120,644	127,041
Life Business	**499,671**	**502,265**
Annuities Line	133,612	99,018
Credit Life	115,784	141,422
Individual Life	93,450	96,714
Group Life	55,098	60,194
Disability and Survival	101,727	104,916
Crediseguros	**12,743**	**14,063**

(1) The association with Banmedica stipulates that the corporate health insurance business and medical services (network of clinics, medical centers and laboratories) must be reported as an investment in subsidiaries and consequently are not fully consolidated in the Grupo Pacifico financial statements. Both businesses are managed by Banmedica, and Grupo Pacifico receives 50% of net earnings.

(2) Without eliminations.

Financial Ratios

Grupo Pacifico's ROAE was 14.5% in the three months ended March 31, 2020, higher than its return of 11.8% in the three months ended March 31, 2019. This was explained by (i) an increase in net premiums in both businesses, (ii) lower net claims in the P&C business, (iii) a continuous increase in health insurance and medical services, and (iv) lower operating expenses. These effects were offset by higher acquisition costs in both businesses and lower net financial income in the P&C business.

ROAE (1)	Three Months Ended March 31, 2019	2020
Grupo Pacifico	11.8%	14.5%
Grupo Pacifico (2)	14.4%	16.5%

(1) Annualized and average are determined as the average of the period beginning and period ending. This includes 50% of the corporate health insurance and medical services business results due to the agreement with Banmedica. These figures do not include eliminations for Credicorp's consolidation purposes.

(2) Excludes unrealized gains or losses.

Property and Casualty Business

Grupo Pacifico's P&C insurance business achieved net profit of S/26.6 million in the three months ended March 31, 2020, 1,342% higher than the S/1.8 million reported in the three months ended March 31, 2019. This increase is attributable to (i) an increase in underwriting results, (ii) a lower operating expenses ratio, and (iii) an increase in translations results and other income. This was offset in part by lower financial income.

Underwriting increased 59% from the three months ended March 31, 2019, which was mainly attributable to an increase in written premiums and lower net claims. This was offset by an increase in acquisition costs.

Written premiums totaled S/401.6 million in the three months ended March 31, 2020, which represented an increase of 4.6% compared to the three months ended March 31, 2019. This increase was mainly attributable to (i) commercial lines, which registered higher sales in the agriculture and aviation lines; (ii) Medical Assistance, due to an increase in sales of oncological and comprehensive health products; and (iii) Personal Lines, due to an increase in the price of the card protection product and to an increase in sales of personal accident products. Pacifico maintained second place in the P&C business, with 22% of market share as of March 31, 2020, (compared to 22.3% at the end of the three months ended March 31, 2019), according to the SBS.

Net claims decreased 12.7% over the previous year, mainly in the Automobile line, due to a decrease in claims notifications after the quarantine was imposed mid-March, and also attributable to an improvement in claims management in Cars. The decrease in claims was also seen in the Commercial and Medical Assistance lines after fewer notifications for claims were received due to the quarantine. These effects were offset by an increase in the Personal Lines, which registered an increase in case frequency due to its self-insurance product. As a result, the loss ratio in the three months ended March 31, 2020 was 48.2% lower than 58.8% in the three months ended March 31, 2019.

Acquisition costs increased 14.8% over the same period in the previous year, mainly in the underwriting expenses for cars after approximately S/8.0 million in premiums were returned to clients who were unable to use their cars during the quarantine. In addition, higher reserves were registered for uncollectible premiums, mainly in the commercial, cars and Medical Assistance lines.

Net financial income decreased 37.9% in the three months ended March 31, 2020 compared to the three months ended March 31, 2019, primarily due to adverse fluctuations in the financial markets in connection with the COVID-19 pandemic.

Net Profit and Selected Ratios for Grupo Pacifico's - P&C business (1)

	Three Months Ended March 31, 2019	2020
	(in thousands of Soles)	
Written premiums	384,104	401,636
Ceded premiums	76,115	88,742
Reserves	23,757	10,243
Net earned premiums	**284,232**	**302,651**
Net claims	167,083	145,940
Acquisition costs(2)	66,834	76,721

	Three Months Ended March 31,	
	2019	2020
	(in thousands of Soles)	
Underwriting result	**50,316**	**79,990**
Net financial income	20,167	12,519
Total expenses	65,569	66,776
Other income/loss	157	4,295
Translation result	(492)	2,994
Gain (loss) from Grupo Pacifico and Banmedica agreement	(2,736)	(6,430)
Income tax	—	—
Income before minority interest	**1,843**	**26,592**
Non-controlling interest	—	—
Net profit	**1,843**	**26,592**
Loss ratio(3)	58.8%	48.2%
Acquisition costs ratio(4)	23.5%	25.3%
Operating expenses / net earned premiums	23.1%	22.1%
Combined ratio of P&C(5)	105.4%	95.6%

(1) Financial statements without consolidation adjustments.

(2) Fees plus Underwriting expenses, net.

(3) Net claims / Net earned premiums.

(4) Acquisition costs / Net earned premiums.

(5) (Net claims / Net earned premiums) plus (Acquisition costs plus Total expenses) / Net earned premiums.

Life Business

Grupo Pacifico’s life insurance business net profit was S/52.6 million in the three months ended March 31, 2020, 15.7% less than the S/62.4 million reported in the three months ended March 31, 2019. This decrease was mainly attributable to (i) an increase in acquisition costs, (ii) higher net claims, (iii) higher total expenses, and (iv) a decrease in translations results. These effects were offset in part by an increase in net earned premiums and higher financial income.

The life insurance business acquisition costs increased in the three months ended March 31, 2020 compared to the three months ended March 31, 2019 mainly due to the increase in fees for credit life after premiums rose through the alliance channel.

In the three months ended March 31, 2020, net claims increased by 7.9% compared to the three months ended March 31, 2019, which was primarily driven by D&S through SISCO II and SISCO III due to a decrease in interest rates and in annuities as a result of the growth in pension payments through individual annuities.

Grupo Pacifico’s life insurance business reported written premiums of S/502.3 million in the three months ended March 31, 2020, which represented an increase of 0.5% compared to the three months ended March 31, 2019. This result was mainly driven by (i) credit life, where growth was attributable to an increase in premiums in the alliance and bancassurance channel and to solidarity payments (debts assumed by the entity); (ii) group life, due to an increase in statutory life products after a new regulation went into effect in January 2020 which required companies to insure their employees from the first day of work (rather than after four years) and to growth in collective life, which was reflected in an increase in premium turnover in the bancassurance channel; (iii) individual life, due to an increase in premium turnover for renewals; and (iv) D&S, due to an increase in premiums through SISCO IV. These increases were offset in part by a decrease in premiums in annuities due to individual annuities and to a decrease in selling days due to the quarantine ordered by the Peruvian government in connection with the COVID-19 pandemic.

Financial income showed a slight growth of 0.6% in the three months ended March 31, 2020 compared to the three months ended March 31, 2019 as a result of higher interest and income on investments.

Net Profit and Selected Ratios for Grupo Pacifico's- Life business(1)

	Three Months Ended March 31,	
	2019(2)	**2020**
	(in thousands of Soles)	
Written premiums	499,671	502,265
Ceded premiums	31,190	29,096
Reserves	177,449	150,364
Net earned premiums	**291,033**	**322,805**
Net claims	215,143	232,243
Acquisition costs(3)	102,577	126,744
Underwriting result	**(26,687)**	**(36,182)**
Net financial income	118,982	119,637
Total expenses	30,832	31,894
Other income/loss	912	1,044
Translations results	(51)	(1,397)
Income before minority interest	**62,324**	**51,208**
Non-controlling interest	0	0
Net profit	**62,324**	**51,208**
Loss ratio(4)	33.2%	30.4%
Acquisition costs ratio(5)	35.2%	39.3%
Operating expenses / net earned premiums	10.6%	9.9%
Combined ratio of Life(6)	79.0%	79.5%

(1) Financial statements without consolidation adjustments.

(2) The concept of policy fee was not reclassified as written premium in 2017.

(3) Fees and underwriting expenses, net.

(4) Net claims / Net earned premiums.

(5) Acquisition costs / Net earned premiums.

(6) (Net claims / Net earned premiums) plus (Acquisition costs plus Total expenses) / Net earned premiums.

Corporate Health Insurance and Medical Services

Corporate health insurance and medical services recorded net profit of S/34.3 million in the three months ended March 31, 2020, an increase of 93.1% compared to the S/17.8 million reported in the three months ended March 31, 2019. This increase is primarily the result of corporate health insurance, mainly due to higher net earned premiums and lower claims as a result of a decrease in frequency of medical care due to quarantine during the COVID-19 pandemic, and was offset by the decrease in medical services income (S/12.8 million in the three months ended March 31, 2020 compared to S/21.1 million in the three months ended March 31, 2019).

Net Profit and Selected Ratios for Grupo Pacifico's - Corporate Health Insurance and Medical Services(1)

	Three Months Ended March 31,	
	2019(2)	2020
	(in thousands of Soles)	
Written premiums	262,085	282,092
Ceded premiums	2,727	3,004
Reserves	99	(519)
Net earned premiums	**259,258**	**279,606**
Net claims	233,597	213,978
Acquisition costs(3)	15,594	16,313
Underwriting result	**10,068**	**49,315**
Net financial income	1,505	532
Total expenses	17,535	19,659
Other income/loss	1,012	244
Translations results	(17)	919
Income tax	(1,615)	9,825
Net profit Corporate health insurance	**(3,353)**	**21,526**
Medical Services	21,108	12,765
Net profit	**17,756**	**34,290**
Loss ratio(3)	90.1%	76.5%
Acquisition costs ratio(4)	6.0%	5.8%
Operating expenses / net earned premiums	6.8%	7.0%
Combined ratio(5)	102.9%	89.4%

(1) Financial statements without consolidation adjustments.

(2) Fees plus underwriting expenses, net

(3) (Net claims)/ Net earned premiums.

(4) Acquisition costs / Net earned premiums

(5) (Net claims / Net earned premiums) plus (Acquisition costs plus Total expenses) / Net earned premiums.

Underwriting, Actuarial and Reinsurance

Underwriting guidelines for substantially all P&C and corporate health insurance risks are developed by profit centers in collaboration with the actuarial staff. Grupo Pacifico's P&C unit has an engineering staff which inspects most medium and medium-to-large commercial property insured for risks prior to underwriting and third party surveyors are employed to inspect smaller and/or lower risk property. Pricing and underwriting guidelines, rates and approval thresholds for these risks are periodically reviewed by the profit centers with actuarial staff and reported to the risk committee. Conditions are monitored continuously to ensure they are within competitive market conditions and profitability targets.

Grupo Pacifico's P&C insurance business transfers risks to reinsurers in order to limit its maximum aggregate potential losses and minimize exposures on large individual risks. Reinsurance is placed with reinsurance companies based on the evaluation of the credit quality of the reinsurer, terms of coverage and price. The P&C insurance business acts as a reinsurer on a very limited basis, providing excess facultative reinsurance capacity to other Peruvian insurers that are unable to satisfy their reinsurance requirements and/or the interests of Peruvian clients in Latin America.

Historically, Grupo Pacifico's P&C insurance business has obtained reinsurance for a substantial portion of its earthquake-related insurance portfolio through excess loss reinsurance treaties. In 2012, Grupo Pacifico's P&C insurance business negotiated proportional reinsurance support for this portfolio, which it maintains as of March 31, 2020. Grupo Pacifico's P&C insurance business has property catastrophe reinsurance coverage in place that covers its probable maximum loss under local regulatory requirements. However, there can be no assurance that a major catastrophe would not have a material adverse impact on Grupo Pacifico's financial condition and/or its operations.

Heavy rains caused by the El Nino Phenomenon in early 2017 generated losses in Grupo Pacifico's P&C insurance business of approximately U.S.$131.1 million (through March 31,2020), of which approximately 95% was ceded to reinsurers and coinsurers. Approximately 5% constituted net retained losses, which was within the risk appetite and risk tolerance parameters set by Grupo Pacifico's risk management unit and approved by our risk committee.

In the three months ended March 31, 2020, Grupo Pacifico's total ceded reinsurance premiums totaled approximately U.S.$ 34.7 million (approximately 12.8% of total group written premiums), of which approximately 90.4% were ceded to carriers with A- and above ratings.

Grupo Pacifico's life insurance business holds excess of loss reinsurance contracts for its individual life, personal accident, group life and credit life products; and in the case of work compensation risk insurance and D&S products, a quota share contract is held. Catastrophic reinsurance contracts cover all of Grupo Pacifico's life lines (Individual Life, Personal Accident, Group Life, Credit Life, SCTR and D&S), except for the annuity line. Life premiums ceded to reinsurers represented less than 6% of the life business written premiums in the three months ended March 31, 2020.

Investment portfolio

Grupo Pacifico's investments are made primarily to meet its solvency equity ratio and to provide reserves for its claims. Investments are managed by product within (i) the property and casualty lines, and (ii) the life and annuities lines, and are designed to contain sufficient assets to match the company's liabilities and to comply with the specific technical requirements of each business line. Grupo Pacifico has adopted strict policies related to investment decisions that are reviewed and approved by Grupo Pacifico's Board of Directors. Its investment strategy is reviewed by the Investment Committee and the Board of Directors on a monthly basis. Grupo Pacifico invests in local and international markets, emphasizing investments in Peru, the U.S. and Latin America.

As of March 31, 2020, the market value of Grupo Pacifico's investment portfolio was S/11,439 million, which included mainly S/441 million in equity securities, S/1,197 million in investment properties, and S/9,801 million in fixed income instruments. The portfolio is diversified and follows an asset-liability management strategy focused on cash flow, duration and currency matching of assets (portfolio) and liabilities (reserves), and on supporting Grupo Pacifico's capital structure. Grupo Pacifico's financial income decreased 5.0% in the three months ended March 31, 2020 (to S/132.2 million, from S/139.1 million in the three months ended March 31, 2019).

Prima AFP

As of March 31, 2020, the number of affiliates in Prima AFP was 2.37 million, an increase from 2.26 million as of March 31, 2019. This increase was primarily driven by Prima AFP's winning the Third Pension Tender (May 2017-June 2019), as a result of which new members of the SPP joined Prima AFP by default.

Prima AFP's funds under management ("FuMs") totaled S/46.86 billion in the three months ended March 31, 2020, a decrease of 7.6% compared to the prior year (S/50.74 billion). The decrease was mainly driven by the below average return of the FuMs. In the three months ended March 31, 2020, nominal annual yields were 4.31%, 3.32%, negative 1.77%, and negative 11.81% for Funds 0, 1, 2, and 3, respectively.

Prima AFP's revenues were S/103.23 million in the three months ended March 31, 2020, an increase over S/99.76 million in revenues for the three months ended March 31, 2019. The increase in the three months ended March 31, 2020 was primarily the result of winning the Third Pension Tender. Additionally, operating expenses were S/41.93 million in the three months ended March 31, 2020, and relatively stable as compared to S/41.82 million in the three months ended March 31, 2019.

Prima AFP's net profit was S/-4.08 million in the three months ended March 31, 2020, down from S/57.0 million in the three months ended March 31, 2019 due to the negative returns in the reserve fund given the COVID-19 crisis. In the three months ended March 31, 2020, Prima AFP's ROAE decreased to negative 2.6%, compared to 37.6% in the three months ended March 31, 2019.

The following table summarizes the administration fees charged by the SPP's AFPs in the three months ended March 31, 2020:

	Remuneration Scheme	Mixed-Commission Scheme	
	Monthly Fee on Salary	Monthly Fee on Salary	Annual Fee on Funds
AFP			
Prima AFP	1.60%	0.18%	1.25%
AFP Integra	1.55%	0.00%	0.82%
Profuturo AFP	1.69%	0.67%	1.20%
AFP Habitat	1.47%	0.38%	1.25%

As of March 31, 2020, Prima AFP had S/973.86 million in assets (compared to S/982.26 million as of March 31, 2019), S/426.51 million in liabilities (compared to S/402.45 million as of March 31, 2019), and shareholders' equity of S/547.35 million (S/579.82 million as of March 31, 2019).

Investment Banking and Wealth Management

Our investment banking and wealth management line of business registered a net loss of S/4 million in the three months ended March 31, 2020, mainly due to a 28% decrease in revenues due to the market impact of the COVID-19 pandemic. Throughout this period, we were adversely affected by the economic and market conditions arising from the pandemic. Projects and deals were postponed, the market downturn had a significant impact in our proprietary portfolios and early fund withdrawals were made by our institutional clients. However, our wealth management teams in Peru, Colombia and Chile carried out a focused client outreach effort that allowed us to mitigate asset outflows and offset the negative impact of the pandemic on our revenues.

Corporate Finance

Our corporate finance business was affected by decreased corporate activity, resulting in a reduced number of executed transactions compared to the three months ended March 31, 2019. However, there were a series of important operations that were executed throughout the first quarter of the year: Loans to Buenaventura, Skanon Investments and Austral Group in Perú; M&A advisory work for Nexus for the sale of Banco Santander Chile's participation in Nexus (Chile); and advisory work for CAP S.A. in Chile for the modification of its corporate bond issuance contracts.

Asset Management

Market conditions led to withdrawals from traditional funds in the second half of March, mainly from institutional clients and mainly in Colombia (where AUM for Fonval decreased by almost 50%). However, despite a decrease in fund management income during March 2020, overall revenues increased in the three months ended March 31, 2020 compared to the same period in 2019, boosted by an increase in AUMs from retail and institutional clients, due to an attractive range of products that maintain international standards, competitive returns, and a knowledgeable investment team with a high degree of specialization in the Latin American market.

Revenues were also boosted by the increase in the sale of structured products and third-party funds to private banking clients, the continued development of a regional platform of alternative funds (especially the real estate fund Inmoval in Colombia), and higher revenues as distributors of third-party products to institutional investors.

In total, assets under management, aggregating institutional and retail clients, exceeded S/60 billion in the three months ended March 31, 2020, an increase of 12% compared to the end of the three months ended March 31, 2019.

	Three Months Ended March 31,	
	2019	2020
	(in millions of Soles)	
Assets under management ("AuM") – Peru(1)	22,073	24,477
AuM – Colombia	10,686	10,800
AuM – Chile	20,935	25,065
Total AuM	53,694	60,342

(1) Includes AuMs in Atlantic Security Bank. Includes AuM for which there is a service agreement between Atlantic Security Bank and Credicorp Capital for the latter to perform functions as portfolio manager (Atlantic Security Bank funds in millions of Soles are: S/5,020 and S/5,001 in the three months ended March 31, 2019 and the three months ended March 31, 2020, respectively).

Capital Markets

In the three months ended March 31, 2020, our capital markets business was significantly affected by the global crisis related to the COVID-19 pandemic. As market downturn scaled up, specifically during March, the impact in our proprietary portfolios resulted in a decrease of approximately S/27 million that offset favorable returns achieved in the first half of the quarter, which led to our implementation of a stop-loss strategy during the crisis. These results are in contrast to those obtained during the three months ended March 31, 2019, which were above expectations and characterized by stable and favorable market conditions..

Notwithstanding, even in the context of the COVID-19 pandemic, our sales business generated an increase in revenues compared to the three months ended March 31, 2019, even while traded volumes in Colombia appear to be lower than those from a year ago due to a currency conversion effect. A portion of the increase came during March 2020, when trading volumes were unusually higher due to sales of securities and bargain purchases.

Capital Markets Securities Portfolio

	Three Months Ended March 31,	
	2019	**2020**
	(in millions of Soles)	
Traded Volume		
Equity Securities – Peru(1)	1,605	3,674
Fixed Income – Peru(1)	8,282	16,052
Equity Securities – Colombia(2)	4,042	3,813
Fixed Income – Colombia(2)	53,683	50,463
Equity Securities – Chile(3)	7,237	3,127
Fixed Income – Chile(3)	28,478	14,549

(1) Peru: BVL information. Fixed income data also includes information from Datatec platform. Does not include repo operations.

(2) Colombia: Colombia Stock Exchange information. Fixed income data also includes Banco de la Republica’s information. Does not include repo operations.

(3) Chile: Santiago Stock Exchange information. Fixed income data includes financial intermediation operations. Equity securities include operations with investment fund shares and foreign stock. Does not include repo operations

Wealth Management

Our wealth management business experienced a first quarter with different results across countries. Compared to the three months ended March 31, 2019, revenues in the three months ended March 31, 2020 increased in both Colombia and Chile, where we are carrying out an initiative to standardize and expand an integral private banking advisory model and deploy the full value of our wealth management model (including lending, wealth and financial planning and family office). The result in Colombia was also impacted positively following the acquisition of Ultraserfinco and Ultralat at the end of 2019. However, increased revenues in Colombia and Chile were offset by a slight decrease in revenue in Peru, mainly due to lower deposit balances and lower income from the family office services.

Assets under management for private banking clients reached a total of S/48.7 billion as of March 31, 2020, a decrease of 12% compared to March 31, 2019. Most of the decrease is due to a mark-to-market effect (including currency conversion) on AUMs during the last two weeks of the first quarter of 2020, as we were able to avoid withdrawals in the context of the COVID-19 pandemic due to an important client outreach effort.

Wealth Management Assets under Management

	Three Months Ended March 31,	
	2019	2020
	(in millions of Soles)	
WM AuMs Peru(1)	42,837	37,146
WM AuMs Colombia(2)(3)	3,979	3,401
WM AuMs Chile(2)	8,290	8,142
Total WM AuMs	55,106	48,689
Total WM Clients(2)(3)	4,117	4,118

(1) Includes AuMs booked in Atlantic Security Bank.

(2) Estimated. Includes clients with net worth over U.S.$1 million.

(3) Does not include Ultraserfinco and subsidiaries.

Other Relevant Businesses

Our trust services business, which mainly includes income from custody of securities in Peru and administration of trusts in Peru and Colombia, demonstrated positive results in the three months ended March 31, 2020 with an increase of 15% compared to the three months ended March 31, 2019.

Finally, treasury income decreased in the three months ended March 31, 2020 compared to the three months ended March 31, 2020, mainly because we realized gains from selling securities within our ALM portfolio in Atlantic Security Bank in the three months ended March 31, 2019, which gains were not repeated in 2020. In addition, revenues were also affected by the financial crisis in connection with the COVID-19 pandemic. We recorded negative foreign exchange rate results from positions in foreign currency, and the ALM portfolio in Atlantic Security Bank was negatively impacted by sovereign and corporate spreads on interest rates, leading to a deterioration in Atlantic Security Bank's net equity

Dividend Policy and History

It is our policy to pay cash dividends each year in an amount not less than 25% of our consolidated net profits based on the last audited financial accounts. The Board of Directors takes into consideration the following when deciding to distribute dividends:

- the availability of dividends from the Company's subsidiaries;
- whether the declaration and payment of dividends would cause the Company to breach any applicable laws or adversely impact the equity growth requirements of the Company or its subsidiaries;
- financial performance of the Company;
- general business and economic-financial conditions affecting the Company; and
- any other factors which the Board may deem relevant.

Under Bermuda Law, any dividend may only be declared and paid if (i) the Company is able to pay its liabilities as they become due, and (ii) the realizable value of the Company's assets would not thereby be less than its liabilities.

The Board of Directors may in its sole discretion declare and pay a dividend below 25% if any of the above mentioned conditions are not met. Subject to the foregoing, it is expected that regular dividend payments are to be made once a year within 90 calendar days of the meeting held by the Board to approve the dividend declaration. No interim dividends are to be paid. In certain years the payment of extraordinary dividends could be done if previously approved by the board of directors. This policy has been in force since fiscal year 2016, and will continue to be applicable until amended or rescinded by the Board of Directors.

The following table sets forth the net cash dividends available to Credicorp Ltd, as principal shareholder, from other group companies in 2015, 2016, 2017, 2018 and 2019, as derived from Credicorp's standalone financial statements as of and for the years ended December 31, 2019 and 2018:

	As of and for the years ended December 31,									
	2015		2016		2017		2018		2019	
	(Soles in millions)	(U.S. dollars in millions)(1)	(Soles in millions)	(U.S. dollars in millions)(1)	(Soles in millions)	(U.S. dollars in millions)(1)	(Soles in millions)	(U.S. dollars in millions)(1)	(Soles in millions)	(U.S. dollars in millions)(1)
BCP(2)	376	114	1,134	342	1,425	430	1,457	440	1,989	600
Pacifico	27	8	102	31	243	73	247	75	249	75
Prima AFP	135	41	164	49	169	51	131	39	131	40
ICBSA	—	—	—	—	47	14	46	14	79	24
Credicorp Capital	—	—	—	—	82	25	98	30	141	42
ASHC(3)	115	35	18	6	148	45	129	39	407	123
Others(4)	40	12	37	11	31	9	23	7	24	7
Total	**694**	**209**	**1,455**	**439**	**2,146**	**648**	**2,132**	**643**	**3,020**	**911**

Source: Credicorp and Grupo Credito Separate Financial Statements as of Years ended December 31, 2019 and 2018.

(1) For the convenience of the reader, data as of and for the period ended December 31, 2015, 2016, 2017, 2018 and 2019 have been translated from Soles into U.S. dollars at a rate of S/3.314 to U.S.$1.00 (the exchange rate as of December 31, 2019 as published by the SBS).

(2) Includes dividends received from BCP's majority participation in Mibanco.

(3) Dividends received from Treasury Shares held by ASHC are not included.

(4) Includes direct dividends from Mibanco.

We have declared dividends in a total amount of S/2,831 million (U.S.$831 million) in the three months ended March 31, 2020. See "Item 8. Financial Information—8.A Consolidated Statements and Other Financial Information—(3) Dividend Policy" in our 2019 Form 20-F for additional information on our dividend policy and past payments of dividends.

Liquidity and Capital Resources

Regulatory Capital – BAP

	As of			% Change	
	March 31, 2019	December 31, 2019	March 31, 2020	March 31, 2020 / December 31, 2019	March 31, 2020 / 2019
	(Soles in thousands, except percentages)				
Regulatory Capital and Capital Adequacy Ratios					
Capital Stock	1,318,993	1,318,993	1,318,993	0.0%	0.0%
Treasury Stocks	(207,897)	(207,839)	(209,309)	0.7%	0.7%
Capital Surplus	222,349	226,037	165,188	(26.9)%	(25.7)%
Legal and Other capital reserves(1)	19,408,876	19,437,645	21,360,272	9.9%	10.1%
Minority interest(2)	357,833	393,019	386,326	(1.7)%	8.0%
Loan loss reserves(3)	1,575,966	1,690,510	1,728,836	2.3%	9.7%
Perpetual subordinated debt	580,650	—	—	—	(100.0)%
Subordinated Debt	4,777,811	4,409,840	4,568,131	3.6%	(4.4)%
Investments in equity and subordinated debt of financial and insurance companies	(615,275)	(700,859)	(630,805)	(10.0)%	25%
Goodwill	(602,485)	(834,881)	(819,338)	(1.9)%	36.0%
Deduction for subordinated debt limit (50% of Tier I excluding deductions)(4)	—	—	—	—	—
Deduction for Tier I Limit 50% of Regulatory capital(4)	—	—	—	—	—
Total Regulatory Capital (A)	**28,816,810**	**25,732,465**	**27,868,293**	**8.3%**	**3.9%**
Tier I(5)	14,827,121	14,010,215	15,271,385	9.08%	3.0%
Tier II(6) plus Tier III(7)	11,989,689	11,722,249	12,596,929	7.5%	5.1%
Financial Consolidated Group (FCG) Regulatory Capital Requirement(8)	19,595,889	20,750,935	19,925,877	(4.0)%	1.7%
Insurance Consolidated Group (CG) Capital Requirements(9)	1,019,984	1,199,850	1243,035	3.6%	21.9%
FCG Capital Requirements related to operations with ICG	(216,360)	(329,262)	(503,013)	52.8%	132.5%
CG Capital Requirements related to operations with FCG	—	—	—	—	—
Total Regulatory Capital Requirements (B)	**20,399,513**	**21,621,522**	**20,665,899**	**(4.4)%**	**1.3%**
Regulatory Capital Ratio (A) / (B)	**1.31**	**1.19**	**1.35**		
Required Regulatory Capital Ratio(10)	**1.00**	**1.00**	**1.00**		

(1) Legal and other capital reserves include restricted capital reserves (S/14,745 million) and optional capital reserves (S/6,615 million).

(2) Minority interest includes Tier I (S/386 million).

(3) Up to 1.25% of total Risk-Weighted Assets of Banco de Credito del Perú, Solucion Empresa Administradora Hipotecaria, Mibanco and Atlantic Security Bank.

(4) Tier II plus Tier III cannot be more than 50% of total regulatory capital.

(5) Tier I is equal to capital plus restricted capital reserves plus Tier I minority interest less goodwill less (0.5 x investment in equity and subordinated debt of financial and insurance companies) plus perpetual subordinated debt.

(6) Tier II is equal to subordinated debt plus Tier II minority interest plus loan loss reserves less (0.5 x investment in equity and subordinated debt of financial and insurance companies).

(7) Tier III is equal to Subordinated debt covering market risk only.

(8) Includes regulatory capital requirements of the financial consolidated group.

(9) Includes regulatory capital requirements of the insurance consolidated group.

(10) Regulatory Capital / Total Regulatory Capital Requirements (the legal minimum is 1.00).

Total regulatory capital at Credicorp as of March 31, 2020 increased 8.3% compared to December 31, 2019 and 3.9% compared to March 31, 2020. This was driven by an increase in legal and other capital reserves and loan loss reserves, reflecting preventive measures to absorb the potential effects of variations in expectations for economic growth in Peru due to the COVID-19 pandemic. Credicorp's regulatory capital requirement as of March 31, 2020 fell 4.4% compared to December 31, 2019 but increased 1.3% compared to March 31, 2020. SBS relaxed countercyclical capital requirements for Peruvian banks in March 2020, as a precautionary step to help banks cope with the fallout from the COVID-19 pandemic and the related economic crisis.

Credicorp's regulatory capital ratio remained at a comfortable level as of December 31, 2019 and represented 1.35 times the capital required by the regulator in Peru as of the same date.

Regulatory Capital – BCP Stand-alone based on Peruvian GAAP

	As of			% Change	
	March 31, 2019	**December 31, 2019**	**March 31, 2020**	**March 31, 2020 / December 31, 2019**	**March 31, 2020 / 2019**
	(Soles in thousands, except percentages)				
Regulatory Capital and Capital Adequacy Ratios					
Capital Stock	10,217,387	10,217,387	10,217,387	0.0%	0.0%
Legal and Other capital reserves	4,695,118	4,695,118	4,695,118	0.0%	0.0%
Accumulated earnings with capitalization agreement	-	850,000	850,000	0.0%	NA
Loan loss reserves(1)	1,284,021	1,367,259	1,383,834	1.2%	7.8%
Perpetual subordinated debt	580,650	—	—	NA	NA
Subordinated Debt	4,236,505	3,980,904	4,128,099	3.7%	(2.6)%
Investment in subsidiaries and others, net of unrealized profit and net income	(1,722,979)	(1,580,583)	(1,937,102)	22.6%	12.4%
Investment in subsidiaries and others	(1,812,955)	(1,965,037)	(2,008,802)	2.2%	10.8%
Unrealized profit and net income in subsidiaries	89,976	384,454	71,700	(81.4)%	(20.3)%
Goodwill	(122,083)	(122,083)	(122,083)	0.0%	0.0%
Total Regulatory Capital	**19,168,618**	**19,408,002**	**19,215,253**	**(1.0)%**	**0.2%**
Off-balance sheet	84,074,345	86,273,789	88,755,362	2.9%	5.6%
Tier I(2)	14,509,582	14,850,131	14,671,871	(1.2)%	1.1%
Tier II(3) + Tier III(4)	4,659,036	4,557,871	4,543,382	(0.3)%	(2.5)%
Common Equity Tier I	13,742,713	15,842,022	16,146,020	1.9%	17.5%
Total Risk-Weighted Assets – SBS	**123,718,427**	**134,128,850**	**142,084,684**	**5.9%**	**14.8%**
Credit Risk-Weighted Assets	112,023,537	122,233,929	129,331,389	5.8%	15.5%
Market Risk-Weighted Assets(5)	2,528,029	2,263,835	3,074,766	35.8%	21.6%
Operational Risk-Weighted Assets	9,166,861	9,631,086	9,678,529	0.5%	5.6%
Adjusted Risk-Weighted Assets – Basel	**120,622,867**	**128,238,694**	**135,790,140**	**5.9%**	**12.6%**
Total Risk-Weighted Assets	123,718,427	134,128,850	142,084,684	5.9%	14.8%
(-) RWA Intangible assets, excluding goodwill	3,491,859	6,330,168	6,802,121	7.5%	94.8%
(+) RWA Deferred tax assets generated as a result of temporary differences in income tax, in excess of 10% of CET1	396,299	440,012	507,578	15.4%	—
(+) RWA Deferred tax assets generated as a result of past losses	—	—	—	—	—
Total capital requirement	**15,765,636**	**16,982,136**	**16,346,724**	**(3.7)%**	**3.7%**
Credit risk capital requirement	11,202,354	12,223,393	12,933,139	5.8%	15.5%
Market Risk-Weighted Assets(5)	252,803	226,384	307,477	35.8%	21.6%
Operational risk capital requirement	916,686	963,109	967,853	0.5%	5.6%
Additional capital requirements	3,393,794	3,569,251	2,138,255	(40.1)%	(37.0)%
Capital ratios					
Tier I ratio(6)	11.73%	11.07%	10.33%		
Common Equity Tier I ratio(7)	11.39%	12.35%	11.89%		
BIS ratio (8)	15.49%	14.47%	13.52%		
Risk-Weighted Assets / Regulatory capital(9)	6.45	6.91	7.39		

(1) Up to 1.25% of total Risk-Weighted Assets .

(2) Tier I is equal to Capital plus Legal and other capital reserves plus Accumulated earnings with capitalization agreement plus (0.5 x Unrealized profit and net income in subsidiaries) less Goodwill less (0.5 x Investment in subsidiaries) plus Perpetual subordinated debt (maximum amount that can be included is 17.65% of Capital plus Reserves plus Accumulated earnings with capitalization agreement plus Unrealized profit and net income in subsidiaries less Goodwill).

(3) Tier II is equal to Subordinated debt plus Loan loss reserves plus (0.5 x Unrealized profit and net income in subsidiaries) less (0.5 x Investment in subsidiaries).

(4) Tier III is equal to Subordinated debt covering market risk only. Tier III exists since the first quarter of 2010.

(5) It includes capital requirement to cover price and rate risk.

(6) Tier I / Total Risk-Weighted Assets.

(7) Common Equity Tier I is equal to Capital plus Reserves less 100% of applicable deductions (investment in subsidiaries, goodwill, intangibles and net deferred taxes that rely on future profitability) plus retained earnings plus unrealized gains.

Adjusted Risk-Weighted Assets is equal to Risk-Weighted Assets less (RWA Intangible assets, excluding goodwill, plus RWA Deferred tax assets generated as a result of temporary differences in income tax, in excess of 10% of CET1, plus RWA Deferred tax assets generated as a result of past losses).”

(8) Regulatory Capital / Risk-Weighted Assets (the legal minimum has been 10% since July 2011)

(9) Since July 2012, Risk-Weighted Assets is equal to Credit Risk-Weighted Assets multiplied by 1.00 plus Capital requirement to cover market risk multiplied by 10 plus Capital requirement to cover operational risk multiplied by 10 multiplied by 1.00 (since July 2014).

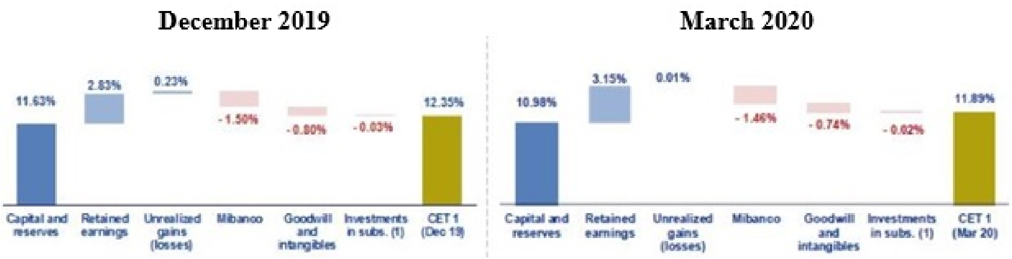
As of March 31, 2020, the BIS and Tier I ratios at BCP were 13.52% and 10.33% respectively. This was attributable to an increase in RWAs as of March 31, 2020 of 5.9% compared to December 31, 2019. Furthermore, no capitalization on retained earnings was done in March at BCP, since the board of directors’ annual meeting took place in April 2020 due to government lockdown restrictions.

Total regulatory capital as of March 31, 2020 fell 1% compared to December 31, 2019, which was attributable to a full capitalization of 2019 retained earnings at the subsidiary level. Total RWAs increased due to growth in Credit RWAs (an increase of 5.8% as of March 31, 2020 compared to December 31, 2019) in line with the 5.4% growth loan balances as of March 31, 2020 compared to December 31, 2019.

Comparing March 31, 2020 to March 31, 2019 shows a decrease in the BIS Ratio and in the Tier I ratio. This was attributable to the fact that the growth posted for RWAs outpaced the expansion registered for regulatory and Tier I capital, and the capitalization decision was made in April, instead of March, in 2020.

The evolution of total RWAs when comparing March 31, 2020 to March 31, 2019 mainly reflects an increase of 15.5% in Credit RWAS and to a lesser extent, an expansion in market risk and operational RWAs. This growth primarily reflects the effect of 12.0% growth in loan balances when comparing March 31, 2020 to March 31, 2019.

Common Equity Tier I Ratio – BCP Stand-alone



(1) Includes investments in BCP Bolivia and other subsidiaries.

Finally, the Tier I Common Equity ("CET1") ratio, which is considered the most rigorous indicator with which to measure capitalization levels, reported a decrease of 46 basis points in the three months ended March 31, 2020 as compared to the three months ended March 31, 2019, and amounted to 11.89% at the end of the three months ended March 31, 2020. This was mainly attributable to an increase of 5.9% in adjusted RWAs in the three months ended March 31, 2020 as compared to the three months ended March 31, 2019. In a year-on-year analysis, the CET1 ratio increased 50 basis points in a context in which the Tier I Common Equity rose 17.5%, while adjusted RWAs increased 12.6%.

Deposits

	As of			% Change	
	March 31, 2019	December 31, 2019	March 31, 2020	March 31, 2020 / December 31, 2019	March 31, 2020 / 2019
	(Soles in thousands, except percentages)				
Deposits and Obligations					
Demand deposits	31,695,558	34,213,188	38,746,240	13.2%	22.2%
Saving deposits	32,968,147	35,179,770	37,872,955	7.7%	14.9%
Time deposits	31,399,811	34,034,037	35,045,214	3.0%	11.6%
Severance indemnity deposits	7,074,344	7,897,199	7,204,922	(8.8)%	1.8%
Interests payable	589,397	681,191	694,214	1.9%	17.8%
Deposits and obligations	**103,727,257**	**112,005,385**	**119,563,545**	**6.7%**	**15.3%**

As of March 31, 2020, deposits and obligations expanded 6.7% compared to December 31, 2019. This growth over the three months ended March 31, 20120 is due to the following:

(i) The increase in demand deposits, which represents 60% of the growth in total deposits, was primarily due to (i) an increase in volume from Wholesale Banking clients at BCP Stand-alone, who increased their demand for liquidity, and (ii) to a lesser extent, the evolution at Atlantic Security Bank as a result of the transfer of client balances to its accounts to reduce the exposure of their investment portfolios as a result of market volatility. This evolution reflects the impact of COVID-19 and a variation in the exchange rate exercising a preponderant effect on FC deposits, given that volumes in FC represent 57% of the total volume and 65% of the increase in demand deposits.

(ii) The growth in savings deposits, which increased 7.7% compared to December 31, 2019, due to higher volumes in LC (which accounted for 67% of the increase). This expansion was due to (i) profit sharing and/or bonuses for individual persons with savings accounts at BCP Stand-alone or Mibanco in the month of March, (ii) the compulsory lockdown established by the Peruvian government since March 15, 2020 and (iii) an increase in the number of savings accounts opened through cost-efficient channels (Kiosko and Vía BCP). These channels represent 41% of total account openings (compared to 34% as of December 31, 2019).

(iii) The increase in the volume of time deposits at (i) BCP Stand-alone after more time deposits were opened in February through Wholesale Banking (especially at Corporate Banking), after competitive rates were offered for professional funding, and (ii) BCP Bolivia, due to a strategy to capture more stable deposits in the medium term.

(iv) The contraction in severance indemnity deposits due to (i) the measure implemented by the Ministry of Economy and Finance in March, which allowed independent workers to withdraw up to S/2,400 from their accounts to cover liquidity needs due to the impact of COVID-19, and (ii) seasonality every first quarter, where employees tend to withdraw funds after the second yearly severance payment is made in the month of November.

In the four quarters ended March 31, 2019, total deposits and obligations registered growth in all types of deposits, translating into an increase of 15.3% in the main source of funding, which was primarily due to:

(i) A 20.0% increase in demand deposits due to growth in the volume of non-interest bearing demand deposits, which was primarily attributable to current accounts held by Corporate Banking clients at BCP Stand-alone and mainly driven by FC (representing 60% of the total increase in demand deposits).

(ii) The growth in savings deposits due to (i) a decrease in the consumption level of individual persons through credit and debit cards due to the quarantine imposed to control the COVID-19 contagion, and (ii) the results of the campaigns to capture savings accounts, mainly through digital channels, which have registered high levels of acceptance of and use by BCP’s clients.

(iii) An 11.6% increase in time deposits, in line with the analysis for the three months ended March 31, 2020, mainly driven by volumes in FC (representing 70% of the increase in time deposits).

Deposits: dollarization level

Dollarization Level of Deposits[1] – BAP

(1) Quarter-end balances.

Credicorp – Deposit Dollarization measured in quarter-end balances

The dollarization level of Credicorp's deposits remained stable in the three months ended March 31, 2020 after volumes in LC and FC increased at proportional levels, posting increases of 6.7% and 6.8%, respectively.

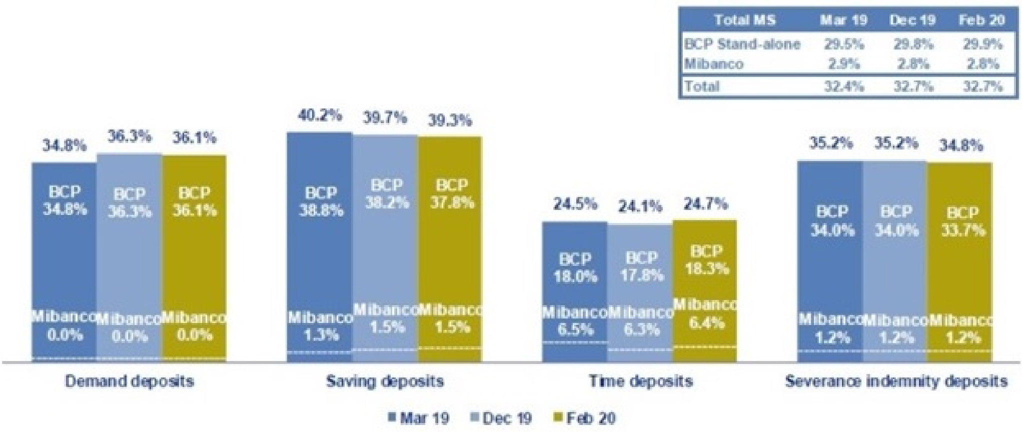
Growth in LC volumes was due primarily to savings deposits, demand deposits (particularly non-interest bearing deposits), and to a lesser extent, to time deposits. The expansion in FC volumes was attributable primarily to demand deposits via non-interest bearing demand deposits and to a lesser extent, to savings deposits. The increase in savings deposits was mainly attributable to accounts opened by individual persons while growth in demand deposits was associated with institutional clients in Wholesale Banking at BCP Stand-alone in both LC and FC.

The four quarters ended March 31, 2020 revealed slight growth in the dollarization level (20 basis points), which was attributable to a 15.8% growth in FC, which outpaced the increase of 14.8% growth registered in LC. The abovementioned was driven by an increase in all types of FC deposits, with the exception of severance indemnity deposits. The largest contributor to growth in FC were demand deposits (23.6%), led by non-interest bearing deposits (which represent 40% of the total increase in FC deposits) and time deposits (17.0%). In the case of LC deposits, all deposits types increased, mainly driven by savings deposits (accounting for 47% of total increase in LC deposits).

All of the abovementioned is aligned with the objective to maintain an adequate balance between assets and liabilities by currency in accordance with Credicorp's appetite for risk.

Market share in Deposits

Market share in Peru



Source: SBS

(1) Figures may not add due to rounding.

Peruvian Financial System: As of February 28, 2020, the subsidiaries of Credicorp in Peru, BCP and Mibanco, reported market shares of 29.9% and 2.8% respectively. Consequently, Credicorp continued to rank first in the financial system for total deposits, with a market share that was significantly higher than its closest competitor (which was a market share of 19.0%).

Comparing March 31, 2020 to March 31, 2019, BCP's market share increased by 150 basis points. This was primarily attributable to an increase in the share of demand deposits (330 basis points). Mibanco's market share, however, fell during the same period (to 2.7% as of March 31, 2020 compared to 2.9% as of March 31, 2019) due to a slight contraction in the market share of time deposits, which decreased by 40 basis points.

Bolivian Financial System: BCP Bolivia continued to rank fifth in the Bolivian financial system with a market share of 9.7% at the end of March 31, 2020 compared to 9.8% at the end of December 31, 2019. The market share fell by 9.9% as of March 31, 2020 compared to March 31, 2019.

Other Funding Sources

	As of			% Change	
	March 31, 2019	December 31, 2019	March 31, 2020	March 31, 2020 / December 31, 2019	March 31, 2020 / 2019
	(Soles in thousands, except percentages)				
Other funding sources					
Due to banks and correspondents	7,219,120	8,841,732	9,854,630	11.5%	36.5%
BCRP instruments	4,984,192	4,381,011	5,346,373	22.0%	7.3%
Repurchase agreements	2,324,385	1,820,911	1,935,879	6.3%	(16.7)%
Bonds and notes issued	15,472,882	14,946,363	15,178,148	1.7%	(1.9)%
Total other funding sources	**30,000,579**	**29,990,017**	**32,315,030**	**7.8**%	**7.7**%

Other funding sources increased 7.8% compared to December 31, 2019 due to an increase in the volume of all other sources of funding. This expansion was primarily attributable to an increase in the amounts due to banks and correspondents and BCRP Instruments, which combined represented 84% of the increase of these sources of funding.

Amounts due to banks and correspondents registered an increase in the level of obligations (i) at Atlantic Security Bank, due to a single short term operation to cover liquidity measures, (ii) at BCP Stand-alone, due to new operations with foreign financial institutions, in FC, and (iii) to a lesser extent, at Mibanco, due to new debts with companies in the national financial system and with COFIDE, in LC. It is important to note that 61% of this line is denominated in FC and as such, was impacted by the upward trend in the valuation of the U.S. dollar.

Growth in BCRP Instruments was attributable to new certificates of deposits ("CDs") agreements and an increase in regular repos at BCP Stand-alone in March, after the bank took advantage of the attractive rates offered through BCRP lending operations. BCRP's objective was to provide short-term liquidity to companies impacted by COVID-19.

The increase in repurchase agreements was primarily attributable to new interbank repurchase agreements at BCP Bolivia and to a lesser extent, at Atlantic Security Bank, both in FC.

Bonds and issued notes registered growth after a corporate bond was issued at BCP Stand-alone in February. Growth in this line was also attributable to a variation in the exchange rate given that 75% of the total volume of this line is in FC and 100% of the increase was in FC.

Comparing March 31, 2020 to March 31, 2019, other sources of funding rose 7.8%, which was primarily attributable to an increase in amounts due to banks and correspondents, which accounted for 88% of total growth in this line.

Liquidity Risk

We manage our assets and liabilities to ensure that we have sufficient liquidity to meet our present and future financial obligations and to be able to take advantage of appropriate business opportunities as they arise. Liquidity risk represents the potential for loss as a result of limitations on our ability to adjust future cash flows to meet the needs of depositors and borrowers and to fund operations on a timely and cost-effective basis. Financial obligations arise from withdrawals of deposits, repayment on maturity of purchased funds, extensions of loans or other forms of credit, and working capital needs.

The increase in our deposit base over the years has enabled us to significantly increase our lending activity. BCP and Mibanco are subject to SBS Resolution No. 9075-2012, enacted in December 2012, which set responsibilities for liquidity management within the different committees and risk units, and by which minimum liquidity ratios were established. The ratio of liquid assets as a percentage of short-term liabilities, as strictly defined by the SBS, must exceed 8% for Soles-based transactions, and 20% for foreign exchange-based transactions. We have never defaulted on any of our debt or been forced to reschedule any of our obligations. Even during the early 1980s, when the government of Peru and many Peruvian companies and banks were forced to restructure their debt as a result of the Latin American debt crisis and government restrictions, BCP and Grupo Pacifico complied with all of their payment obligations.

See also "Item 5. Operating and Financial Review and Prospects—5.B. Liquidity and Capital Resources—(2) Liquidity Risk" of our 2019 Form 20-F and our unaudited condensed consolidated interim financial information as of and for the three months ended March 31, 2020 for more information.

Additional Information

See also "Item 5. Operating and Financial Review and Prospects—5.B. Liquidity and Capital Resources" of our 2019 Form 20-F and our unaudited condensed consolidated interim financial information as of and for the three months ended March 31, 2020 for more information.

Off-Balance Sheet Arrangements

We record various contractual obligations as liabilities in our financial statements. We do not recognize other contractual arrangements, such as off-balance-sheet exposures, as liabilities in our financial statements. These other contractual arrangements are required to be registered in off-balance-sheet accounts. We enter into these off-balance-sheet arrangements in the ordinary course of business to provide support to our clients and to hedge risks in our statement of financial position, including through use of guarantees, letters of credit, derivatives and swaps.

The following table reflects our off-balance sheet arrangements as of December 31, 2019 and March 31, 2020:

	As of December 31, 2019	As of March 31, 2020
	(in thousands of Soles)	
Off-balance-sheet exposure		
Guarantees and stand-by letters	18,894,456	18,138,220
Import and export letters of credit	2,186,579	2,288,182
Sub Total	**21,081,035**	**20,426,402**
Responsibilities under credit line agreements(1)	**75,615,563**	**79,706,040**
Derivatives (notional amount)		
Forwards	27,422,634	27,928,979
Currency swaps	8,177,179	9,219,526
Options	1,565,083	1,564,752
Interest rate swaps	31,052,559	27,861,637
Cross currency swaps	1,221,030	1,280,127
Cross currency swaps and interest rate swaps	265,120	274,960
Futures	16,901	17,185
Sub Total	**69,720,506**	**68,147,166**
Total	**166,417,104**	**168,279,608**

(1) 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.

In the normal course of their business, our banking subsidiaries are parties to transactions with off-balance-sheet risk. These transactions expose them to additional credit risks relative to amounts recognized in the consolidated statements of financial position.

Credit risk for off-balance sheet financial instruments is defined as the possibility of sustaining a loss because any other party to a financial instrument fails to perform in accordance with the terms of the contract. The exposures to losses are represented by the contractual amount specified in the related contracts. We apply the same credit policies in making commitments and conditional obligations as we do for on-balance sheet instruments (see Note 21(a) to our interim unaudited financial statements), including the requirement to obtain collateral when necessary. The collateral held varies, but may include deposits in financial institutions, securities or other assets. Many of the contingent transactions are expected to expire without any performance being required. Therefore, the total committed amounts do not necessarily represent future cash requirements.

Credicorp has currency-forwards derivatives. Currency-forwards are commitments to buy or sell currency at a future date at a contracted price. Risk arises from the possibility that the counterparty to the transaction will not perform as agreed and from the changes in the prices of the underlying currencies. As of March 31, 2020 and December 31, 2019, the nominal amounts for forward currency purchase and sale agreements, which in general have maturities of less than one year, were approximately S/27,929.0 million and S/27,422.6 million, respectively.

These agreements are entered into to satisfy client requirements and are recognized in the Consolidated Financial Statements at their fair value. As of March 31, 2020 and December 31, 2019, the forward contracts net position was an over-bought of U.S. dollars of approximately S/7,334.1 million and S/8,327.3 million, respectively.

Credicorp’s swap contracts include interest rate and currency swap contracts, as well as cross-currency swap contracts. Interest rate and currency swap contracts are derivatives contracts, where counterparties exchange variable interest rates for fixed interest rates or different currencies, respectively, in the terms and conditions established at the contract inception. The risk arises each time the projected level of the variable rate during the term of the contract is higher than the swap rate, as well as from non-compliance with contractual terms by one of the parties. As of March 31, 2020, the notional amount of open interest rate and currency swap contracts was approximately S/37,081.2 million, compared to approximately S/39,229.7 million as of December 31, 2019, see note 13(b) to our interim unaudited financial statements.

Cross-currency swap contracts involve the exchange of interest payments based on two different currency principal balances and referenced interest rates. They generally also include the exchange of principal amounts at the start and end of the contract. As of March 31, 2020, the notional amount of cross-currency swap contracts was approximately S/1,555.1 million compared to approximately S/1,486.2 million as of December 31, 2019. See note 13(b) to our interim unaudited financial statements.

As of March 31, 2020, the fair values of the asset and liability forward-exchange contracts, options, futures and interest rate and cross-currency swaps amounted to approximately S/1,790.8 million and S/1,751.7 million, respectively (compared to approximately S/1,092.1 million and S/1,040.3 million as of December 31, 2019) and are included under the caption “Other assets and other liabilities” of the consolidated statements of financial position, respectively, see note 13(b) to our interim unaudited financial statements.

Commitments and Contractual Obligations

We enter into various commitments and contractual obligations which we recognize on our statement of financial position that may require future cash payments. The following table summarizes our commitments and contractual obligations by remaining maturity as of March 31, 2020.

		Payments Due by Period			
	Total as of March 31, 2020	**Less than 1 year**	**1–3 years**	**3–5 years**	**More than 5 years**
			(in thousands of Soles)		
Borrowed funds	6,704,514	6,135,154	260,886	89,986	218,488
Promotional credit lines	3,056,167	282,999	535,386	514,247	1,723,535
Interbank funds	—	—	—	—	—
Time deposits	33,954,557	24,436,910	6,004,161	795,182	2,718,304
Bonds and notes issued	15,054,611	2,065,679	1,250,591	4,959,838	6,778,503
Operating lease obligations(1)	1,031,631	128,621	228,269	206,528	468,213
Total(2)	**59,801,480**	**33,049,363**	**8,279,293**	**6,565,781**	**11,907,043**

(1) Demand deposits, saving deposits and severance indemnity deposits do not have a specific maturity date because they are required on demand and therefore are excluded from this table.

(2) The balance does not include accrued interest as of March 31, 2020 (which is not significant with respect to the item “Interest and similar expense”); except for lease liabilities that includes future interest payments.

Borrowed funds obtained include the obligation to comply with certain covenants which, in our management’s opinion, are being complied with as of the consolidated statement of financial position dates. Some international funds and promotional credit lines include standard covenants related to compliance with financial ratios, use of funds and other administrative matters. In our management’s opinion, these covenants do not limit our operations and we have fully complied with them as of the consolidated statement of financial position dates. Our deposits and obligations are widely diversified and have no significant concentrations.

Trend Information

We expect Peru’s GDP to experience a contraction due to the current global spread of COVID-19. The measures implemented to contain the COVID-19 contagion, both locally and abroad, have had disruptive effects on economic activity. Since March 15, 2020, President Vizcarra has taken swift and stringent action to control the COVID-19 pandemic through a countrywide lockdown, initially set for 15 days, which has been extended various times, and is currently in place until June 30, 2020. This has impacted several indicators, such as electricity demand and public investment. Our estimates suggest that the economy is operating at 40%-45% of its capacity during the lockdown. A package of measures to mitigate and stimulate the economy have been implemented for an equivalent of approximately 20% of GDP. These measures are designed to provide economic support for households and companies, access to private savings (pension funds, CTS, etc.) for individuals, injections of liquidity into the economy through Government-backed guarantees via the Reactiva Peru program and FAE program, tax alleviation and public spending measures, as well as other economic stimulus measures yet to be announced. For further detail about the COVID-19 risk related to the economy, please refer to “Item 3.D. Risk Factors—(12) Our business and results of operations could continue to be negatively impacted by the COVID-19 outbreak or other public health crises beyond our control” in our 2019 Form 20-F.

At Credicorp, we are managing the impact of COVID-19 by tailoring responses by asset type and client segments. In terms of our investment portfolio, around 90% is comprised of fixed income investments (U.S. Treasuries, global and sovereign bonds, and Peruvian Certificated Deposits), as such, most value changes do not materially impact our results (as such fixed-income investments continue to provide the same level of payments regardless of market value), but do directly affect our equity because of changes in the value of the portfolio. In terms of our loan portfolio, the most highly exposed economic sectors include retail, vehicle, real estate (residential), poultry, airlines, tourism, microfinance, transportation and restaurants. From a client segmentation perspective, we consider Microfinance clients, SME Retail clients and part of our Wholesale clients to be the most exposed.

In order to help our clients through these difficult times, Credicorp has offered debt extensions, installment-freezing solutions and cost-free services, as well as zero-interest-rate financings, which, according to IFRS 9, may generate impairments in the short term. As a complementary measure for business clients, we are participating in the “Reactiva Peru” program, where BCP has been awarded a significant share of the amount auctioned.

The drivers that will impact Credicorp’s results throughout 2020 will be the macroeconomic environment, the special interest-free and cost-free solutions offered to clients and a marked decline in business activity during the lockdown, all of which will impact our sources of income. Additionally, the use of IFRS 9 will result in a significantly higher amount of provisions, since we are using judgement and adjusting our approach to determining expected losses in different circumstances, based on reasonable and supportable information. In line with the IFRS 9 methodology, forward looking COVID-19 provisions are estimated based on a macroeconomic perspective. Given that macroeconomic projections continue to worsen significantly, materially higher provisions than those already accounted for could be recorded in the future. Finally, in order to manage expenses, we are taking measures to optimize operating costs and to re-prioritize strategic projects.

In terms of our liquidity and capital management, Credicorp operates through strict risk management standards. For management decisions, Credicorp relies on liquidity coverage ratios of 15, 30 and 60 days, in line with Basel III. In the context of the COVID-19 pandemic, as measured through the first quarter of 2020, Credicorp has maintained its high quality liquid assets. As of the first quarter of 2020, each subsidiary maintains capital levels well above statutory requirements. In addition, Credicorp reduced dividends from all subsidiaries to strengthen the capital base of its operating units. For more detail about liquidity and regulatory capital, please see “Item 5. Operating and Financial Review and Prospects—5.B. Liquidity and Capital Resources” in our 2019 Form 20-F and “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources.”

In terms of relationships with clients, Credicorp clients have been able to rely on the strong relationships we have built over several years and have benefited from our digital network. During the lockdown period, in the three months ended March 31, 2020, loans and deposits have increased materially. Wholesale clients increased their short-term funding needs and part of the fresh liquidity obtained by the aforementioned segment has been maintained at the bank as demand deposits.

With respect to retail banking, the first quarter of 2020 has also been an opportunity for our clients to benefit from our digital channels. Yape welcomed more than 500,000 new users from January to April this year. As of April 2020, the monthly amount transacted through this app had grown almost four-fold compared to April 2019. Moreover, our BCP Stand-alone digital channels have registered a material gain in their share of our distribution network due to an uptick in use during lockdown.

As a result of the above and due to the adoption of certain measures listed below, since the adoption of governmental measures to control the COVID-19 pandemic, there has been an increase in our provisions, and as a result our net income for the current period may be adversely impacted.

Some of the measures that Credicorp adopted in order to provide relief and assistance to its customers and the general population, include:

- the donation of S/100 million through BCP Stand-alone and S/10 million through Mibanco to help families in need, with the “Yo me sumo” program;
- the reimbursement by Pacifico of 50% of car premiums in April and May to Individual clients which where up to date in their payments;
- the donation by Pacifico of S/5 million through life insurance to health services professionals, police and the Peruvian army;
- the negative effect of Prima AFP’s fee income by the exemption of contributions to the pension fund system in April, and the measures decreed by the government and congress that allow affiliates to withdraw a portion of the pension funds; and
- an increase in the operating expenses of our lines of business as a result of measures taken to protect the health of employees and clients, and to ensure business continuity.

We are aware of the level of uncertainty we are facing, and as such, the need to adapt our businesses and organization in a changing environment. In this context, we are reviewing our strategic initiatives on a constant basis and adjusting them to each line of business:

Universal banking will focus on:

- engaging with customers to understand their financial needs post COVID-19;
- implementing the “Reactiva Peru” program;
- adjusting risk management measures and designing medium-term restructuring initiatives;
- re-starting sales capabilities coupled with dynamic pricing, and accelerating customer digital adoption; and
- rethinking and implementing the new operating model.

Microfinance will focus on:

- engaging with customers, assessing new needs and risks and executing refinancing initiatives;
- implementing the FAE program;
- accelerating the path to the hybrid decision making model, leveraging the use of data and analytics;
- redefining the new remote operating model; and
- finalizing the Bancompartir merger by the third quarter of 2020.

Insurance and pensions will focus on:

- re-starting the Insurance sales force, coupled with digital capabilities;
- adjusting Pacifico’s new operating model;
- managing the liquidity and profitability of the Pension investment portfolio in the context of expected withdrawals; and
- actively participating in pension system reform.

Investment banking and wealth management will focus on:

- developing business opportunities in Wealth Management and Asset Management by offering a diversified portfolio;
- developing the Corporate Finance pipeline;
- improving efficiency by re-prioritizing operating expenses and investments;
- defining support functions and technological platforms to improve the customer experience and enable future growth; and
- finalizing the integration of Ultraserfinco in the first half of 2020.

Finally, on a consolidated level, Credicorp has launched a project to develop a strategy aimed at integrating ESG more deeply and consistently into business planning and activities. Additionally, to take advantage of the new opportunities, we will accelerate select specific initiatives at Krealo.

Interest-Earning Assets

As of March 31 2020, our interest earning assets had grown 4.7% compared to December 31, 2019. Growth in interest earning assets was mainly attributable to an increase in loan and investment balances. The comparison to March 31, 2019, which eliminates the effects of seasonality on loans, reflects an increase of 11.7% in interest earning assets, which was primarily driven by growth in loans, and to a lesser extent, by an increase in available funds and investments. As of March 31 2020, loans, our most profitable asset, registered growth in average daily balances of 1.0% compared to December 31, 2019 and 7.8% compared to March 31, 2019. This growth was mainly attributable to the increase in loans at BCP, primarily in the retail banking portfolio.

	As of			% Change	
	March 31, 2019	December 31, 2019	March 31, 2020	March 31, 2020 / December 31, 2019	March 31, 2020 / 2019
Interest earning assets			(Soles in thousands)		
Cash and due from banks	14,816,077	19,671,684	19,162,140	(2.6)%	29.3%
Interbank funds	288,093	137,722	376,289	173.2%	30.6%
Total investments	34,960,529	33,530,531	36,816,653	9.8%	5.3%
Cash collateral, reverse repurchase agreements and securities borrowing	4,026,447	4,288,524	4,424,345	3.2%	9.9%
Financial assets designated at fair value through profit or loss	576,618	620,544	559,321	(9.9)%	(3.0)%
Total loans(1)	108,350,384	115,609,679	120,708,515	4.4%	11.4%
Total interest earning assets	**163,018,148**	**173,858,684**	**182,047,263**	**4.7%**	**11.7%**

(1) Balances as of period end.

	As of			% Change	
	March 31, 2019	December 31, 2019	March 31, 2020	March 31, 2020 / December 31, 2019	March 31, 2020 / 2019
			(Soles in thousands)		
Fair value through profit or loss investments	4,136,148	3,850,762	4,185,638	8.7%	1.2%
Fair value through other comprehensive income investments	27,184,560	26,202,723	28,374,836	8.3%	4.4%
Amortized cost investments	3,639,821	3,477,046	4,241,713	22.0%	16.6%
Total investments	**34,960,529**	**33,530,531**	**36,816,563**	**9.8%**	**5.3%**

Evolution of Interest Earning Assets

Total loans

Total loans as of March 31, 2020 increased 4.4% compared to December 31, 2019. Growth in total loans is mainly attributable to the translation effect on the FC portfolio, which was driven by a 3.7% appreciation of the U.S. Dollar. Excluding the FC translation effect, total loans increased 2.9% in real terms. As of March 31, 2020, FC loans represented 40.1% of total loans. Quarterly growth in the total loan portfolio was mainly attributable to shifts in loan balances at BCP Stand-alone, which posted mixed results:

(i) The largest increase in the portfolio was driven by wholesale banking, which registered double-digit growth (a 10.5% increase in growth as of March 31, 2020 compared to December 31, 2019). This was primarily attributable to the translation effect caused by the appreciation of the U.S. dollar.

(ii) The retail banking portfolio remained stable, with growth in loans in the mortgage, consumer and business segments, which was offset by decreases in loan balances in the credit card and SME-Pyme segments. The decreases in credit card and SME-Pyme balances are subject to a degree of seasonality in the first quarter of every year, when loan balances decrease in comparison to balances in the final few months of the preceding year, which generally increase due to retail spend and SME-Pyme spending (and consequently higher lending balances) driven by the Christmas holiday and year-end sales campaigns.

Comparing March 31, 2020 to March 31, 2019, loans increased 11.4% (9.9% excluding the translation effect for exchange rate variation). This growth was attributable to expansion across all segments in 2020, which was attributable, in order of magnitude, to the following:

(i) growth in the wholesale banking portfolio, led by corporate banking, which was primarily attributable to an increase in loan disbursements for medium and long-term loans in LC and to financing for working capital in both LC and FC;

(ii) growth in retail banking loans, led by the mortgage segment and followed by the consumer, SME Business, SME-Pyme and credit card segments;

(iii) expansion in Mibanco's portfolio (a 5.3% increase as of March 31, 2020 compared to March 31, 2019) and BCP Bolivia (a 4.3% increase as of March 31, 2020 compared to March 31, 2019).

Investments

Total investments increased 5.3% and 9.8% as of March 31, 2020 compared to March 31, 2019 and December 31, 2019, respectively. Expansion was driven by growth in the fair value through other comprehensive income portfolio (formerly characterized as investments available for sale) at BCP Stand-alone, which was driven by purchases of low risk assets in the context of attractive prices due to the adverse market conditions arising in connection with the COVID-19 pandemic, which caused a significant decline in prices of financial assets across the globe that generated investment opportunities.

Other IEA

As of March 31, 2020, available funds decreased 2.6% compared to December 31, 2019, after a reduction was registered in FC funds, which were transferred to other profitable assets when the BCRP freed up reserves to inject liquidity into the financial system in an effort to mitigate the economic impact arising from government measures taken to stem the spread of disease in connection with the COVID-19 pandemic. Comparing March 31, 2020 to 2019, available funds increased 29.3%, driven by an increase in FC funds held in BCRP and, to a lesser extent, by an increase in FC balances held in foreign banks.

Credicorp Loans

Loan evolution by business segment

The table below shows the breakdown of loans by subsidiary and business segment measured in average daily balances. These balances provide the most complete picture of how interest on loans, which constitutes Credicorp's primary source of income, has evolved. Additionally, average daily balances reflect trends or variations to a different degree than quarter-end balances which may include pre-payments or loans made at the end of the quarter. In comparative terms, these payments, affect average daily balances less than quarter-end balances and as such, the former provide a more balanced picture of the growth of our loan portfolio.

As of March 31, 2020, average daily balances increased 1.0% compared to December 31, 2019 due to an increase in the balances of consumer, mortgage and corporate banking loans within BCP, and growth in Mibanco. This growth was partially offset by a decrease in SME-Business and middle market banking loans within BCP. Comparing March 31, 2020 to 2019, growth in average daily loan balances was 7.8%, driven by growth in the mortgage, consumer and SME-Pyme segments in retail banking and the corporate banking segment in wholesale banking. The growth in loan balances was concentrated mainly in local currency.

Loan Evolution Measured in Average Daily Balances by Segment(1)

	Total Loans			% Change		% of Total Loans		
	As of March 31, 2019	As of December 31, 2019	As of March 31, 2020	March 31, 2020 / December 31, 2019	March 31, 2020 / 2019	As of March 31, 2019	As of December 31, 2019	As of March 31, 2020
	(Soles in millions, except percentages)							
BCP	**88,020**	**94,390**	**95,083**	**0.7%**	**8.0%**	**81.9%**	**82.3%**	**82.1%**
Wholesale Banking	**45,299**	**47,446**	**47,658**	**0.4%**	**5.2%**	**42.2%**	**41.4%**	**41.2%**
Corporate	27,670	28,860	29,146	1.0%	5.3%	25.7%	25.2%	25.2%
Middle – Market	17,629	18,586	18,511	(0.4)%	5.0%	16.4%	16.2%	16.0%
Retail Banking	**42,720**	**46,944**	**47,425**	**1.0%**	**11.0%**	**39.8%**	**41.0%**	**40.9%**
SME – Business	5,258	5,806	5,456	(6.0)%	3.8%	4.9%	5.1%	4.7%
SME – Pyme	9,413	10,194	10,330	1.3%	9.7%	8.8%	8.9%	8.9%
Mortgage	15,100	16,590	16,905	1.9%	12.0%	14.1%	14.5%	14.6%
Consumer	7,645	8,659	8,984	3.8%	17.5%	7.1%	7.6%	7.8%
Credit card	5,305	5,695	5,750	1.0%	8.4%	4.9%	5.0%	5.0%
Mibanco	**9,910**	**10,310**	**10,629**	**3.1%**	**7.3%**	**9.2%**	**9.0%**	**9.2%**
Bolivia	**7,096**	**7,563**	**7,686**	**1.6%**	**8.3%**	**6.6%**	**6.6%**	**6.6%**
Atlantic Security Bank	**2,442**	**2,368**	**2,415**	**2.0%**	**(1.1)%**	**2.3%**	**2.1%**	**2.1%**
BAP's total loans	**107,468**	**114,631**	**115,813**	**1.0%**	**7.8%**	**100.0%**	**100.0%**	**100.0%**

For consolidation purposes, loans generated in FC are converted to LC.

(1) Includes work out unit, and other banking.

Loan Growth in Average Daily Balances
Expressed in millions of S/

Increase of 1.0% in the Three Months Ended March 31, 2020

During the three months ended March 31, 2020, growth in average daily balances by business segment reflected mixed results due to economic conditions arising as a result of the COVID-19 pandemic and by a seasonal effect that caused downward pressure on loan growth:

(i) In the retail banking portfolio, the consumer and mortgage segments recorded strong growth, followed by SME-Pyme and credit cards. This growth was offset by a decrease in average daily balances in the SME-Business due to the seasonal effect experienced in this part of the year due to less active lending to small and medium-sized businesses in the beginning of the year in comparison to the final months of each year in connection with increased business spending during the Christmas holiday seasons and year-end sales campaigns.

(ii) Growth in the microfinance portfolio, and, to a lesser extent, expansion in loans at BCP Bolivia.

(iii) Within the wholesale banking portfolio, growth in corporate banking was attributable to an appreciation in the U.S. dollar given that FC loans account for 58% of total wholesale banking loans. The contraction in the middle market loan portfolio was even greater in real terms due to the translation effect given that 54% of all middle market loans are in FC.

Loan Growth in Average Daily Balances
Expressed in millions of S/

Increase of 7.8% in the four quarters ended March 31, 2020

The analysis of our growth by segment in the four quarters ended March 31, 2020, measured in average daily balances, reveals:

(i) Growth in retail banking, led by expansion in the mortgage segment (an increase of S/1,806 million, or 12.0%), which continued the upward trend in line with recent quarters. Record growth for this segment was registered throughout 2019, fueled by favorable economic conditions and Mivivienda loans.

(ii) Other significant variations, which were registered in the consumer segment (an increase of S/1,339 million, or 17.5%), SME-Pyme (an increase of S/917 million, or 9.7%) and credit cards (an increase of S/444 million, or 8.4%) within retail banking and in corporate banking (an increase of S/1,476 million, or 5.3%) and middle market banking (an increase of S/883 million, or 5.0%) within wholesale banking. Excluding the translation effect for foreign currency loans, Corporate Banking and Middle Market Banking would have grown 3.5% (S/971 million) and 3.3% (S/585 million), respectively, if we exclude the effect of year-over-year U.S. dollar appreciation of 3.6% in the four quarters ended March 31, 2020.

(iii) Growth in Mibanco loans of 7.3%, which reflects the bank's strategy to grow its portfolio and remain focused on financial inclusion (that is, attracting new clients to the financial system) while meeting the needs of existing clients, many of whom face adversity due to the global spread of COVID-19. The economic impact of the COVID-19 pandemic has been particularly acute for microbusinesses.

(iv) Growth of 8.3% in loans at BCP Bolivia. This growth was primarily attributable to expansion in the retail portfolio, which was led by the mortgage segment followed by the consumer segment. Wholesale banking also contributed to growth to a lesser extent. Expansion in the wholesale banking portfolio was led by middle market banking, followed by corporate banking.

Growth in the Level of Dollarization by Segment

Loan Growth by Currency - Average Daily Balances(1)

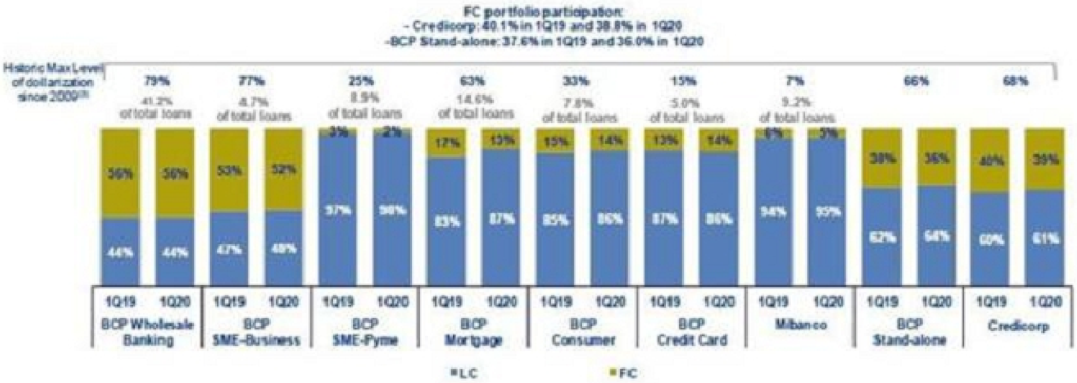
	Domestic Currency Loans Soles in millions				Foreign Currency Loans U.S.$ in millions				% Part. by Currency Three Months Ended March 31, 2020			
	As of March 31, 2019	As of December 31, 2019	As of March 31, 2020	March 31, 2020 / December 31, 2019	March 31, 2020 / 2019	As of March 31, 2019	As of December 31, 2019	As of March 31, 2020	March 31, 2020 / December 31, 2019	March 31, 2020 / 2019	LC	FC
	(Soles in millions, except percentages)					(U.S. Dollars in millions, except percentages)						
BCP Stand-alone	**54,956**	**60,870**	**60,854**	**0.0%**	**10.7%**	**9,963**	**10,000**	**10,009**	**0.1%**	**0.5%**	**64.0%**	**36.0%**
Wholesale Banking	**19,753**	**21,614**	**20,733**	**(4.1)%**	**5.0%**	**7,698**	**7,707**	**7,873**	**2.2%**	**2.3%**	**43.5%**	**56.5%**
Corporate	11,551	12,854	12,186	(5.2)%	5.5%	4,857	4,775	4,959	3.9%	2.1%	41.8%	58.2%
Middle-Market	8,202	8,760	8,546	(2.4)%	4.2%	2,841	2,931	2,914	(0.6)%	2.6%	46.2%	53.8%
Retail Banking	**35,203**	**39,257**	**40,122**	**2.2%**	**14.0%**	**2,265**	**2,293**	**2,136**	**(6.9)%**	**(5.7)%**	**84.6%**	**15.4%**
SME – Business	2,490	2,695	2,624	(2.6)%	5.4%	834	928	828	(10.8)%	(0.7)%	48.1%	51.9%
SME – Pyme	9,161	9,982	10,104	1.2%	10.3%	76	63	66	4.2%	(13.3)%	97.8%	2.2%
Mortgage	12,477	14,249	14,698	3.1%	17.8%	790	698	646	(7.5)%	(18.3)%	86.9%	13.1%
Consumer	6,478	7,465	7,763	4.0%	19.9%	352	356	357	0.2%	1.5%	86.4%	13.6%
Credit Card	4,598	4,865	4,932	1.4%	7.2%	213	248	239	(3.4)%	12.3%	85.8%	14.2%
Mibanco	**9,364**	**9,785**	**10,064**	**2.9%**	**7.5%**	**164**	**157**	**165**	**5.4%**	**0.4%**	**94.7%**	**5.3%**
Bolivia	¾	¾	¾	¾	¾	**2,139**	**2,256**	**2,247**	**(0.4)%**	**5.1%**	¾	**100.0%**
Atlantic Security Bank	¾	¾	¾	¾	¾	**736**	**706**	**706**	**0.0%**	**(4.0)%**	¾	**100.0%**
Total loans	**64,320**	**70,655**	**70,919**	**0.4%**	**10.3%**	**13,002**	**13,119**	**13,127**	**0.1%**	**1.0%**	**61.2%**	**38.8%**

(1) Includes Work out unit, and other banking.

For the three months ended March 31, 2020, LC loan growth was led by the retail banking segment and Mibanco, offset in part by decreases in the wholesale banking portfolio. The corporate banking segment contributed to growth in the FC loan portfolio, offset in part by decreases in the SME-Business and mortgage segments within retail banking.

For the four quarters ended March 31, 2020, the wholesale banking and retail banking segments and Mibanco contributed to growth in the LC portfolio. Within the FC portfolio, wholesale banking and BCP Bolivia were the primary contributors to growth, offset in part by a decrease in balances in FC loans in the mortgage segment.

Twelve Months Ended March 31, 2020 Growth of the Level of Dollarization by Segment(1)(2)(3)



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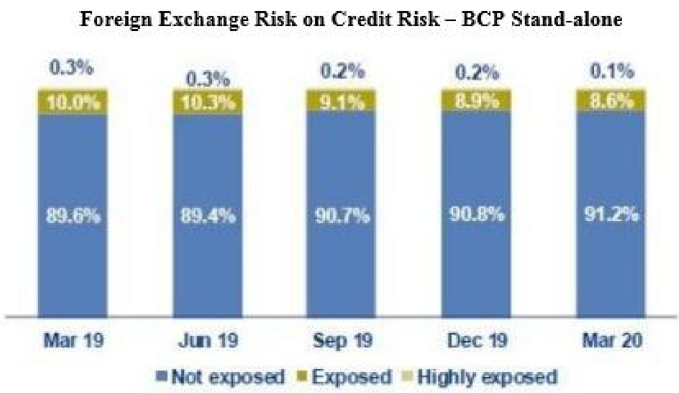
(1) Average daily balances.

(2) The FC share of Credicorp's loan portfolio is calculated including BCP Bolivia and Atlantic Security Bank, however the chart shows only the loan books of BCP Stand-alone and Mibanco.

(3) The year with the historic maximum level of dollarization for Wholesale Banking was 2012, for Mibanco was 2016 and for the rest of segments was 2009.

At BCP, the level of loans denominated in U.S. dollars fell to 36% as of March 31, 2020. Dollarization continued a downward trend across segments, led by the mortgage segment, which decreased from 17% as of March 31, 2019 to 13% as of March 31, 2020. This decrease was due to a high percentage of mortgage loans that were disbursed in FC and also reflects compliance with the dollarization targets set by the BCRP.

As shown by the chart below, the share of the loan portfolio that is highly exposed to foreign currency exchange risk on credit risk remains relatively low.



BCRP De-Dollarization plan at BCP Stand-alone

At the end of 2014, the BCRP established a program to reduce the dollarization level of the total loan portfolio throughout the Peruvian banking system. As part of this program, the BCRP set certain targets to reduce loan balances denominated in U.S. dollars progressively by the end of each of June 2015, December 2015, December 2016, December 2017, December 2018 and December 2019. However, for the remainder of 2020, the BCRP has suspended the requirement for additional reserves for FC loans and consequently suspended the reduction targets for loan balances in FC. This change in position by the BCRP was driven by the need to bolster liquidity in the financial system to mitigate the economic impact of the COVID-19 pandemic.

Market Share in Loans

Market Share in Peru(1)

(1) Market shares are different than previously reported because they now include non-performing loans in the sample.

Peruvian Financial System

At the end of February 2020, BCP continued to lead the Peruvian financial market with a market share of 28.8%, with the next closest competitor registering a market share of 17.7%. Mibanco's market share of the total financial system was 3.2%, which was similar to its market share positions as of December 31, 2019 and March 31, 2019.

Within wholesale banking, the corporate banking segment registered an advance of 40 basis points in its market share compared to its market share as of December 31, 2019. The middle market banking segment's market share held steady at 35.9%. In the four quarters ended March 31, 2020, the corporate banking segment registered a 40 basis point decline in its market share while the middle market banking segment reported a 50 basis point increase in its market share. These BCP segments continue to lead their respective markets.

As of March 31, 2020, in retail banking, BCP continued to lead the market in the mortgage segment (a zero basis point increase compared to December 31, 2019 and a 60 basis point increase compared to March 31, 2019) and in the SME-Business segment (a 120 basis points decrease compared to December 31, 2019 and 310 basis points increase compared to March 31, 2019). In the consumer and credit card segments, BCP ranked second in both markets.

In the SME-Pyme segment, Mibanco continued to lead with a market share of 21.9%, which was greater than the market share of 21.7% registered as of December 31, 2019, but lower than the 22.4% market share reported as of March 31, 2019 due to a highly competitive market for microlending in 2019. BCP continued to rank second in the microlending segment with a market share of 11.6%.

Bolivian Financial System

Finally, BCP Bolivia's market share remained at the levels recorded in the last quarter of 2019 and for the previous year. BCP Bolivia continues to rank fifth in the Bolivian financial system with a market share of 9.4%.

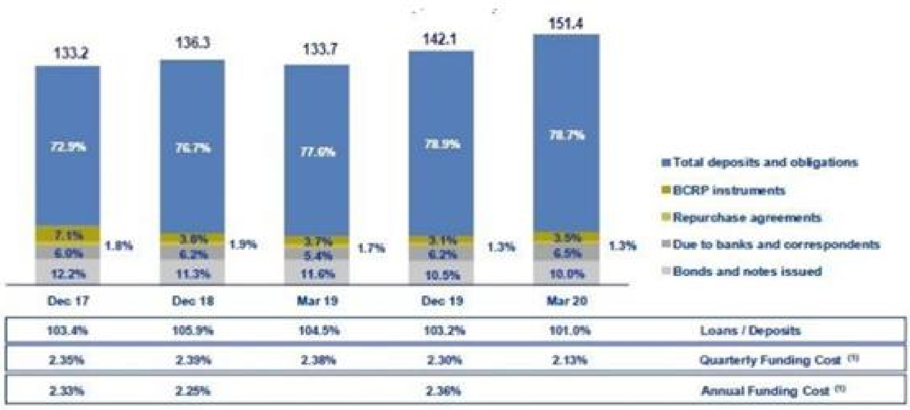
Funding Sources

As of March 31, 2020, total funding increased 7.0% in comparison to December 31, 2019 and 13.6% in comparison to March 31, 2019. Growth was primarily attributable to an increase in deposits and obligations, which each recorded increases in their share of total funding. These increases were driven mainly by growth in the volume of demand deposits, primarily non-interest bearing, and savings deposits, which constitute lowest-cost sources of funding. Within other sources of funding, the highest growth was seen in due to banks and correspondents. As of March 31, 2020, the funding mix and the rate effect contributed to a contraction in Credicorp's funding cost of 17 basis points compared to December 31, 2019 and a 25 basis points decrease compared to March 31, 2019.

	As of			% Change	
	March 31, 2019	December 31, 2019	March 31, 2020	March 31, 2020 / December 31, 2019	March 31, 2020 / 2019
	(Soles in thousands, except percentages)				
Demand deposits	31,695,558	34,213,188	38,746,240	13.2%	22.2%
Saving deposits	32,968,147	35,179,770	37,872,955	7.7%	14.9%
Time deposits	31,399,811	34,034,037	35,045,214	3.0%	11.6%
Severance indemnity deposits	7,074,344	7,897,199	7,204,922	(8.8)%	1.8%
Interest payable	589,397	681,191	694,214	1.9%	17.8%
Deposits and obligations	**103,727,257**	**112,005,385**	**119,563,545**	**6.7%**	**15.3%**
Due to banks and correspondents	7,219,120	8,841,732	9,854,630	11.5%	36.5%
BCRP instruments	4,984,192	4,381,011	5,346,373	22.0%	7.3%
Repurchase agreements	2,324,385	1,820,911	1,935,879	6.3%	(16.7)%
Bonds and notes issued	15,472,882	14,946,363	15,178,148	1.7%	(1.9)%
Total funding	**133,727,836**	**141,995,402**	**151,878,575**	**7.0%**	**13.6%**

Funding Structure

Evolution of Funding Structure and Cost – BAP
(S/ billions)



The chart showing the evolution of our funding structure and cost is calculated using period-end balances. In general, the funding structure reflects:

(i) The on-going growth in deposits, our main source of funding, which implies lower costs compared to other funding sources. Deposits as a share of total funding increased to 78.7% as of March 31, 2020 compared to 77.6% as of March 31, 2019. This growth was due to an increase in the volume of all types of deposits, which reflects expansion of 15.3% in the four quarters ended March 31, 2020.

(ii) Within the deposit mix, demand deposits and savings deposits showed significant growth as of March 31, 2020, increasing their share of total deposits to 64.1% as compared to 62.0% as of December 31, 2019 and 62.3% as of March 31, 2019. Both deposit types offer the lowest costs within the mix of deposits.

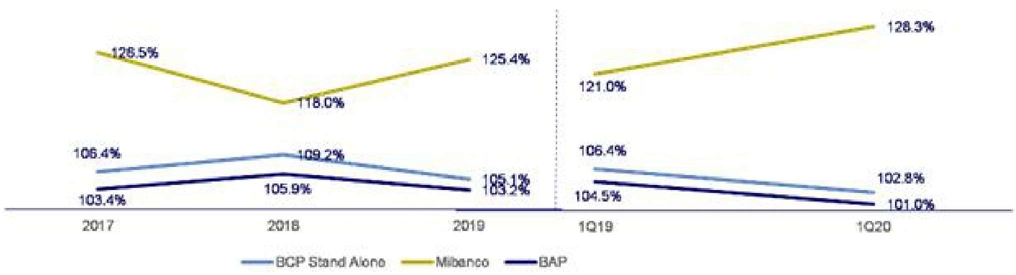
(iii) Expansion of 7.8% compared to each of December 31, 2019 and March 31, 2019 in other funding sources, which was mainly attributable to an increase in the volume of due to banks and correspondents (an 11.5% increase compared to December 31, 2019 and a 36.5% increase compared to March 31, 2019) and BCRP instruments (a 22.0% increase compared to December 31, 2019 and a 7.3% increase compared to March 31, 2019), as explained in more detail under "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Other Sources of Funding."

Deposits and Other Funding Sources

See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Deposits" and "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Other Sources of Funding."

Loan / Deposit (L/D)

Loan / Deposit Ratio by Subsidiary



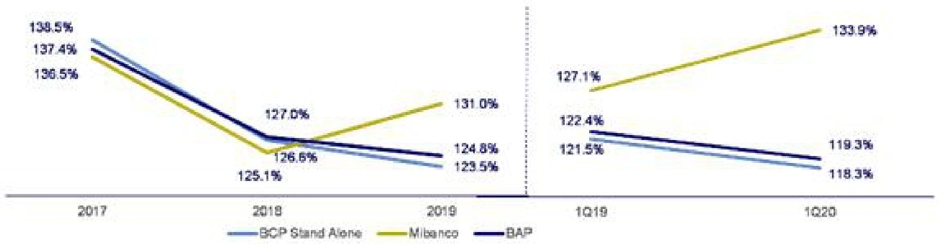
Comparing March 31, 2020 to March 31, 2019, the L/D ratio at Credicorp fell 101.0%. This was due to the fact that growth in deposits (6.7%) outpaced the growth in loans (4.4%).

At the subsidiary level for BCP, the L/D ratio followed a similar trend, with a decrease in BCP's L/D ratio to 102.8% as of March 31, 2020 compared to 105.1% as of December 31, 2019 due to the growth in deposit volume (7.8%) outpacing the growth in loans (5.4%). This was driven by an increase in the level of demand deposits and savings deposits. Mibanco's L/D ratio increased during the three months ended March 31, 2020 primarily due to a 2.2% decrease in deposits.

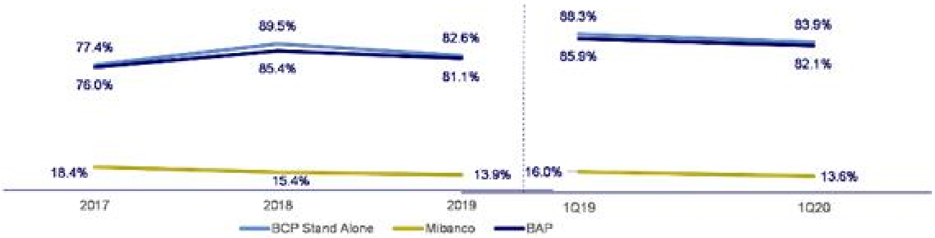
Comparing March 31, 2020 to March 31, 2019, the L/D ratio at Credicorp and its subsidiaries reflects the same dynamics as the periods ending March 31, 2020 and December 31, 2019. At the Credicorp level, on-going growth in deposits exceeded growth in loans (15.3% and 11.4%, respectively).

Loan / Deposit Ratio by Currency

Local Currency



Foreign Currency

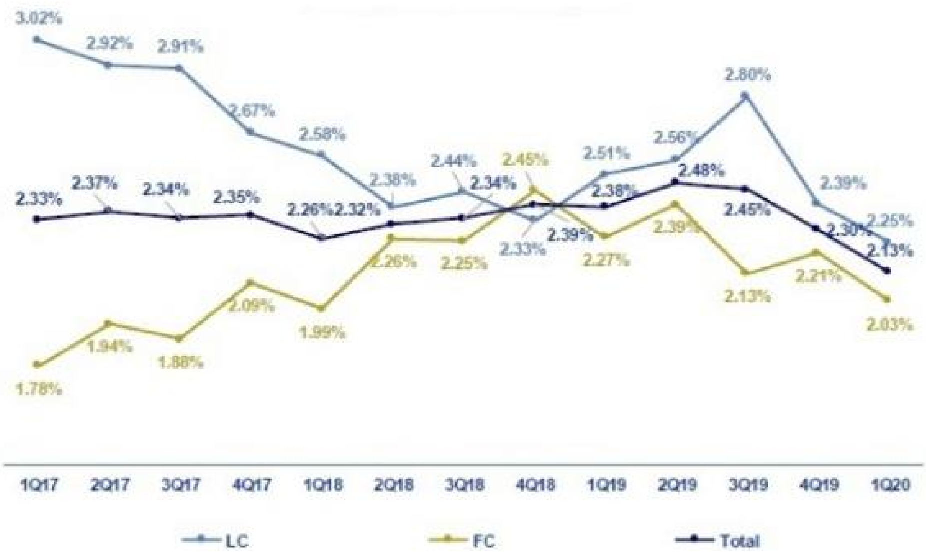


Comparing March 31, 2020 to December 31, 2019 by currency, the L/D ratio in LC at Credicorp decreased in line with higher growth in LC deposits, mainly driven by demand deposits and savings deposits through BCP. The L/D ratio in FC at Credicorp increased 100 basis points comparing March 31, 2020 to December 31, 2019 after the increase in loans (8.2%) outpaced the growth in deposits (6.8%). This change was driven primarily by loan growth in FC (9.9%) at BCP that exceeded the growth in FC deposits (8.2%) at BCP.

Comparing March 31, 2020 to December 31, 2019, the L/D ratio in LC and FC fell after the increase in deposits in both currencies outpaced the growth in loans in both currencies.

Funding Cost

Funding Cost – Credicorp(1)



(1) The funding cost by currency is calculated with the average of period-beginning and period-ending balances.

Funding cost at Credicorp decreased as of March 31, 2020 compared to December 31, 2019 and March 31, 2019. The decrease in funding costs as of March 31, 2020 compared to December 31, 2019 was attributable to:

(i) A decrease in the funding cost in FC of 18 basis points, which was due primarily to a decrease in interest expenses on bonds and issued notes, which accounted for 80% of the total decrease in FC expenses, due primarily to BCP's liability management at lower rates at the end of 2019.

(ii) A decrease in the total funding cost of 17 basis points, which was primarily attributable to a decrease in expenses for all sources of funding as international rates continued to follow a downward trend. In addition, the total funding mix has improved due to an increase in the volume of low-cost sources of funding, such as deposits.

(iii) A decrease in the funding cost in LC of 14 basis points, which was due primarily to an increase in the total volume of funding in LC, which increased 6.6%, while interest expenses decreased by 0.1% due to lower expenses from due to banks and correspondents.

There was a 25 basis point decrease in the total funding cost as of March 31, 2020 compared to March 31, 2019, primarily attributable to:

(i) A more favorable deposit mix given that lower-cost deposits, such as demand deposits and savings deposits, posted the highest growth (22.2% and 14.9%, respectively), as well as a favorable currency mix, where growth in FC deposits outpaced growth in LC deposits.

(ii) The recomposition of the funding structure, where deposits gained an increase in their share of total funding (going from 77.6% as of March 31, 2019 to 78.7% as of March 31, 2020), representing 87% of the total increase in funding.

(iii) A decrease in interest rates nationally and internationally, which led to a decrease in the funding cost of all funding sources.

The funding cost by subsidiary is depicted in the chart below:

Funding Cost by Subsidiary – Credicorp

(i) The funding cost at BCP followed the same trend as the funding cost at Credicorp, which reflected a decrease when comparing March 31, 2020 to March 31, 2019 that was primarily attributable to (i) the funding mix, which was composed of a higher volume of deposits (which represent 85% of the increase in funding), (ii) an improvement in the deposit mix where demand deposits and savings deposits registered the most significant increases (which represent 92% of the increase in total deposits), and (iii) the effect of lower interest rates, due to high exposure to lower international interest rates, considering that 50% of funding is in FC. The funding cost has remained relatively stable year-to-year, at 2.09% in 2017, 1.99% in 2018 and 2.10% in 2019.

(ii) The funding cost at Mibanco decreased considerably when comparing March 31, 2020 to March 31, 2019. When comparing March 31, 2020 to December 31, 2019, interest expenses decreased due to a decrease in leasing expenses. When comparing March 31, 2020 to March 31, 2019, the decrease was attributable to a decrease in financial expenses for (i) bonds and issued notes, which reported a decrease in volume (63%), and (ii) deposits (to a lesser extent), due to a decrease in the level of the most expensive deposits, such as time deposits (3%), which were replaced by retail savings deposits. Between 2017 and 2018, the cost of funding decreased by 75 basis points due to an improved funding structure, with an increase in deposits. Between 2018 and 2019, the cost of funding remained relatively stable, reaching 4.26% in 2019.

(iii) When comparing March 31, 2020 to March 31, 2019, the funding cost increased due to the effect of both the volume and mix, where time deposits had the greatest increase. BCP Bolivia's funding cost has increased each year in the past three years, from 2.40% in 2017, to 2.96% in 2018 and 3.10% in 2019.

Portfolio Quality and Provisions for Loan Losses

The cost of risk at Credicorp increased significantly when comparing March 31, 2020 to December 31, 2019 and when comparing March 31, 2020 to March 31, 2019, primarily in connection with expectations that Peru and the region will enter a recession and a decrease in the debt service capacity of certain clients due to the economic impact of the COVID-19 pandemic. Consequently, we have made significant increases in provisions for loan losses for all segments at each subsidiary. We expect that the total impact will be felt throughout the year. In terms of portfolio quality ratios, the non-performing loan ("NPL") ratio deteriorated due to a degree of deterioration in the SME-Pyme and credit card segments. The impact on the NPL ratio has been addressed to a certain extent by certain measures taken by the Peruvian government, and Credicorp, to mitigate the negative effects of the COVID-19 pandemic on the economy, and Credicorp's clients, respectively. In this context, the coverage ratio for NPL loans rose from 109.7% as of March 31, 2019 to 126.1% in as of March 31, 2020.

Quarterly Evolution of the Cost of Risk (Basis Points)

(1) Includes BCP Bolivia, Encumbra, Bancompartir, Atlantic Security Bank and eliminations for consolidation purposes.

Provisions for loan losses

	For the Three Months Ended			% Change	
	March 31, 2019	December 31, 2019	March 31, 2020	March 31, 2020 / December 31, 2019	March 31, 2020 / 2019
	(Soles in thousands, except percentages)				
Gross provision for credit losses on loan portfolio	(453,285)	(568,727)	(1,388,711)	144.2%	206.4%
Recoveries of written-off loans	70,074	57,067	47,230	(17.2)%	(32.6)%
Provision for credit losses on loan portfolio,net of recoveries	**(383,211)**	**(511,660)**	**(1,341,481)**	**162.2%**	**250.1%**

Net provisions for loan losses after recoveries increased significantly when comparing March 31, 2020 to March 31, 2019 and when comparing March 31, 2020 to December 31, 2019, in line with expectations of a recession in Peru and the region and with the reduction in the debt service capacity of certain clients due to the economic effects of the COVID-19 pandemic. Credicorp and the government have taken different measures in an effort to mitigate the deterioration in clients' capacity to pay, and the economy, respectively. Credicorp has offered its clients the following measures:

(i) BCP has offered its retail banking clients the opportunity to reschedule repayments on their loans for 30 or 90 days without incurring fees for overdue amounts and interest on principal.

(ii) Mibanco has also offered loan extensions to certain clients with a grace period of up to 6 months, which includes a waiver of interest on principal.

(iii) In April, both BCP and Mibanco have granted clients the option to postpone payments in April and May without incurring additional interest.

These benefits have been granted without affecting our clients' risk ratings.

These actions served to ameliorate, to a certain extent, the provisions we made for credit losses on our loan portfolio, net of recoveries. However, a number of factors could not be offset and will continue to affect the lending portfolio throughout the year, including:

(i) Changes in macroeconomic expectations due to the COVID-19 pandemic, with expectations for a recession in the Peruvian economy causing a negative impact in the framework of expected losses. Moreover, loan loss provisions may increase if economic expectations continue to deteriorate.

(ii) Portfolio deterioration, where a number of clients have been affected by a stoppage in their operations or sales due to lockdowns ordered by the government in connection with the COVID-19 pandemic. This has been reflected primarily in the retail segment at BCP Stand-alone, and was particularly marked in the SME-Pyme, credit card, consumer and mortgage segments.

We believe the impact of COVID-19 on the middle-market and SME-Business portfolios will be mitigated in part by the Reactiva Peru loan program offered by the Peruvian government. Through this program, eligible companies will receive loans backed by government guarantees with coverage rates between 80%-98%. Additionally, through the Enterprise Support Fund ("FAE") we will be able to provide loans to the SME-Pyme segment and Mibanco, where loans will be backed by government guarantees for 90%-98% of the total amount.

Finally, provisions at BCP Stand-alone increased on top of provisions related to COVID-19, mainly attributable to the deterioration in the SME-Pyme segment, in revolving loans in particular, and to a lesser extent, attributable to deterioration in the credit card segment, which reflected excess lending in the financial system.

Cost of risk

	For the Three Months Ended			% Change	
	March 31, 2019	**December 31, 2019**	**March 31, 2020**	**March 31, 2020 / December 31, 2019**	**March 31, 2020 / 2019**
Cost of risk and Provisions	**(Soles in thousands, except percentages)**				
Cost of risk(1)	1.41%	1.77%	4.45%	268 bps	304 bps
Provision for credit losses on loan portfolio, net of recoveries/Net interest income	17.4%	21.6%	56.4%	3,480 bps	3,890 bps

(1) Annualized Provision for credit losses on loan portfolio, net of recoveries / Total loans.

Due to the factors described above, Credicorp's cost of risk increased 268 basis points when comparing the three months ended March 31, 2020 to three months ended December 31, 2019 and 304 basis points when comparing the three months ended March 31, 2020 to three months ended March 31, 2019.

Portfolio Quality: Delinquency Ratios

	As of			% Change	
	March 31, 2019	**December 31, 2019**	**March 31, 2020**	**March 31, 2020 / December 31, 2019**	**March 31, 2020 / 2019**
Portfolio quality and Delinquency ratios	**(Soles in thousands, except percentages)**				
Total loans (Quarter(end balance)	108,350,384	115,609,679	120,708,515	4.4%	11.4%
Allowance for loan losses	4,862,801	5,123,962	5,931,772	17.0%	22.0%
Write-offs	433,231	509,571	519,866	2.0%	20.0%
Internal overdue loans (IOLs)(1)	3,153,187	3,297,791	3,579,504	8.5%	13.5%
Internal overdue loans over 90-days(1)	2,263,777	2,479,940	2,239,789	(9.7)%	(1.1)%
Refinanced loans	1,278,459	1,182,798	1,125,394	(4.9)%	(12.0)%
Non(performing loans (NPLs)(2)	4,431,646	4,480,589	4,704,898	5.0%	6.2%
IOL ratio	**2.91%**	**2.85%**	**2.97%**	**12 bps**	**6 bps**
IOL over 90(days ratio(3)	**2.09%**	**2.15%**	**1.86%**	**(29) bps**	**(23) bps**
NPL ratio	**4.09%**	**3.88%**	**3.90%**	**2 bps**	**(19) bps**
Coverage ratio of IOLs	154.2%	155.4%	165.7%	1,034 bps	1,150 bps
Coverage ratio of IOL 90-days	214.8%	204.5%	264.8%	6,030 bps	5,000 bps
Coverage ratio of NPLs	109.7%	114.4%	126.1%	1,170 bps	1,640 bps

(1) Includes overdue loans and loans under legal collection (quarter-end balances).

(2) Non-performing loans include internal overdue loans and refinanced loans (quarter-end balances).

In terms of portfolio delinquency, it is important to note:

(i) The delinquency level of our loan portfolio was not impacted by the economic consequences of the COVID-19 pandemic as of March 31, 2019, primarily due to Credicorp's quick action to offer clients debt repayment plans or a freeze on debt payments.

(ii) The total internal overdue loans ("IOL") portfolio increased 8.5% when comparing March 31, 2020 to December 31, 2019 and 13.5% when comparing March 31, 2020 to March 31, 2019, mainly in the retail banking business, in particular in the SME-business segment after a small number of clients experienced a deterioration in their debt service capacity. These loans have been correctly provisioned but cannot be written off given that they have guarantees. Additionally, the SME-PYME segment registered an increase in IOLs, which was primarily attributable to a deterioration in revolving loans during the quarter.

(iii) The NPL portfolio increased 5.0% when comparing March 31, 2020 to December 31, 2019 and 6.2% when comparing March 31, 2020 to March 31, 2019. This increase was lower than the increase recorded in the IOL portfolio due to a 4.9% decrease when comparing March 31, 2020 to December 31, 2019 and 12.0% when comparing March 31, 2020 to March 31, 2019, in the refinanced portfolio. When comparing March 31, 2020 to December 31, 2019, the reduction was mainly attributable to the retail banking segment. When comparing March 31, 2020 to March 31, 2019, the result was driven by amortizations of refinanced loans for the construction sector in wholesale banking during the last quarter, which offset the increase in NPL loans in the SME-Pyme and credit card segments.

Due to the factors described above, our delinquency ratios deteriorated when comparing March 31, 2020 to December 31, 2019. When comparing March 31, 2020 to March 31, 2019, however, the NPL ratio improved by 19 basis points after loans increased 11.4%, offsetting the increase registered in the IOL portfolio.

Our coverage ratios improved when comparing March 31, 2020 to December 31, 2019 and when comparing March 31, 2020 to March 31, 2019, in line with an increase in provisions due to the economic consequences of the COVID-19 pandemic, which offset growth in the IOL and NPL portfolios.

Other factors that impact an analysis of our delinquency indicators include that:

(i) Traditional delinquency ratios (IOL and NPL ratios) continue to be distorted by the presence of loans with real estate collateral (commercial and residential properties). This means that a significant portion of loans that are more than 150 days past due cannot be written-off (despite the fact that provisions have been made) given that a judicial process must be initiated to liquidate the collateral, which takes five years on average.

(ii) In the second half of every year, loans are more dynamic, particularly in the SME-Pyme and Mibanco segments given that the main sales campaigns (Christmas and year-end campaigns) for clients in these segments are held in the second half of the year and these short-term loans are paid off in the first half of the following year.

Delinquency Ratios

(1) Adjusted NPL ratio is equal to (Non-performing loans plus Write-offs) / (Total loans plus Write-offs).

(2) Cost of risk is equal to Annualized provisions for loan losses net of recoveries / Total loans.

Delinquency Indicators by Business Line

Wholesale Banking – Delinquency Ratios

(i) The IOL ratio increased slightly when comparing March 31, 2020 to December 31, 2019 and when comparing March 31, 2020 to March 31, 2019 after certain clients in the middle-market segment experienced a deterioration in their debt service capacity, which was offset in part by loan growth. The NPL ratio registered an improvement when comparing March 31, 2020 to March 31, 2019, in line with the amortization of refinanced loans, primarily in the construction sector, over the three months ended March 31, 2020.

SME-Business – Delinquency Ratios

(ii) The IOL and NPL ratios increased when comparing March 31, 2020 to December 31, 2019 and when comparing March 31, 2020 to March 31, 2019, which was primarily due to the deterioration in the debt service capacity of certain clients. All of these loans are fully provisioned but are nonetheless covered by guarantees, which means they cannot be written off and subsequently removed from the IOL portfolio. Notwithstanding increases in the IOL and NPL ratios, this business segment maintains credit quality indicators that are within the risk appetite established by Credicorp. Our objective is to maximize the portfolio's profitability by striking an adequate balance between risk and growth.

SME - Pyme – Delinquency Ratios

(iii) In the SME-Pyme loan portfolio, the early delinquency ratio is an important metric, as it excludes loans that are overdue less than 60 days (volatile loans whose percentage of recovery is very high) and those overdue more than 150 days (loans that have been provisioned but which cannot be written off due to the existence of real estate collateral, such as commercial properties, that take five years on average to liquidate).

Traditional delinquency ratios increased when comparing March 31, 2020 to December 31, 2019 and March 31, 2020 to March 31, 2019, which was mainly attributable to a decrease in loan balances and, to a lesser extent, to the deterioration seen since 2019 in revolving and long-term loans. Early delinquency also increased, which was primarily due to a deterioration in revolving loans.

Mortgage – Delinquency Ratios

(iv) Delinquency ratios in the mortgage segment are affected by the existence of real estate collateral, which results in a protracted recovery process (around 5 years) and as such, impedes the bank’s capacity to write off loans even if wholly provisioned.

Traditional delinquency ratios increased when comparing March 31, 2020 to December 31, 2019, which was mainly driven by an increase in Mivivienda loans in 2019 and in the three months ended March 31, 2019, which constitute riskier loans than the traditional mortgage portfolio. Comparing March 31, 2020 to March 31, 2019, the delinquency ratio improved, primarily due to loan growth.

The early delinquency ratio, which excludes the effect of loans that are more than 150 days past due, also increased when comparing March 31, 2020 to December 31, 2019 and March 31, 2020 to March 31, 2019, which was due primarily to an increase in loans through Mivivienda.

Consumer – Delinquency Ratios

(v) The IOL ratio increased when comparing March 31, 2020 to December 31, 2019 and March 31, 2020 to March 31, 2019, primarily due to deterioration in the debt service capacity of over-indebted clients in the financial system, which affected clients who are current and those with refinanced loans. The NPL ratio decreased when comparing March 31, 2020 to December 31, 2019 and March 31, 2020 to March 31, 2019, as loan growth offset growth in the NPL portfolio.

The early delinquency ratio increased when comparing March 31, 2020 to December 31, 2019 and March 31, 2020 to March 31, 2019, in line with the deterioration in the debt service capacity of over-indebted clients in the financial system.

Credit Card – Delinquency Ratios

(vi) The credit card segment registered an increase in its delinquency ratios when comparing March 31, 2020 to December 31, 2019 and March 31, 2020 to March 31, 2019. This increase began in 2019 and coincides with an increase in per capita indebtedness in the Peruvian financial system.

Mibanco – Delinquency Ratios

(vii) The IOL and NPL ratios remained stable when comparing March 31, 2020 to December 31, 2019, given that loan growth offset growth in the IOL portfolio. When comparing March 31, 2020 to March 31, 2019, the IOL portfolio increased, in line with a decrease in loans written off in 2019. The NPL ratio, on the other hand, fell due to improved measures for new loan acceptances since the beginning of 2019, which has led to a decrease in refinanced loans.

The cost of risk increased significantly when comparing March 31, 2020 to December 31, 2019 and March 31, 2020 to March 31, 2019, which reflects the impact of the economic effects of the COVID-19 pandemic on the loan portfolios as described under "—Net provisions for loan losses."

BCP Bolivia – Delinquency Ratios

(viii) Delinquency ratios for BCP Bolivia deteriorated when comparing March 31, 2020 to December 31, 2019, which was driven by deterioration in the SME-Pyme segment due to political unrest in the country since the third quarter of 2019. The IOL and NPL portfolios improved when comparing March 31, 2020 to March 31, 2019 after certain overdue loans were written off in 2019.

The cost of risk deteriorated when comparing March 31, 2020 to December 31, 2019 and March 31, 2020 to March 31, 2019, which was mainly attributable to provisions that were set aside in the context of the COVID-19 pandemic, which has generated a change in macroeconomic expectations for Bolivia and in the debt service capacity of BCP Bolivia's clients.

Net Interest Income ("NII")

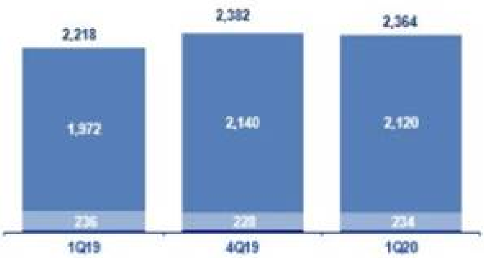
In the three months ended March 31, 2020, NII, the main component of income, increased 0.6% and 8.3% compared to the three months ended December 31, 2019 and the three months ended March 31, 2019, respectively, while average interest-earning assets increased 3.2% and 9.1% compared to the three months ended December 31, 2019 and the three months ended March 31, 2019, respectively. This led to a decrease of 14 basis points when comparing the three months ended March 31, 2020 and December 31, 2019, and a decrease of four basis points when comparing the three months ended March 31, 2020 and 2019. The increase in NII was primarily attributable to a more favorable funding structure, which led to a decrease in interest expenses as of March 31, 2020 of 2.9% and 2.5% compared to the three months ended December 31, 2019 and the three months ended March 31, 2019, respectively, and offset the contraction in interest income comparing the same periods. The decrease in interest income was insufficient to offset growth in average interest-earning assets. Risk-adjusted net interest margin ("NIM") as of March 31, 2010 contracted 197 basis points and 212 basis points compared to the three months ended December 31, 2019 and the three months ended March 31, 2019, respectively, due primarily to an increase in the cost of risk due to a change in expectations for economic growth in Peru in the framework of the COVID-19 pandemic and the measures enacted by the Peruvian government to slow the advance of the novel coronavirus.

	For the Three Months Ended			% Change	
	March 31, 2019	December 31, 2019	March 31, 2020	March 31, 2020 / December 31, 2019	March 31, 2020 / 2019
Net interest income	(Soles in thousands, except percentages)				
Interest income	**3,001,674**	**3,172,695**	**3,163,609**	**(0.3)%**	**5.4%**
Interest on loans	2,562,286	2,768,468	2,770,351	0.1%	8.1%
Dividends on investments	9,667	3,764	7,879	109.3%	(18.5)%
Interest on deposits with banks	86,699	68,813	49,113	(28.6)%	(43.4)%
Interest on securities	332,788	311,414	322,734	3.6%	(3.0)%
Other interest income	10,234	20,236	13,532	(33.1)%	32.2%
Interest expense	**804,506**	**807,869**	**784,309**	**(2.9)%**	**(2.5)%**
Interest on deposits	353,834	367,257	364,107	(0.9%	2.9%
Interest on borrowed funds	145,303	141,552	137,126	(3.1)%	(5.6)%
Interest on bonds and subordinated notes	226,498	209,238	198,114	(5.3)%	(12.5)%
Other interest expense	78,871	89,822	84,962	(5.4)%	7.7%
Net interest income	**2,197,168**	**2,364,826**	**2,379,300**	**0.6%**	**8.3%**
Risk-adjusted Net interest income	**1,813,957**	**1,853,166**	**1,037,819**	**(44.0)%**	**(42.8)%**
Average interest earning assets	168,438,416	172,401,758	177,952,973	3.2%	9.1%
Net interest margin(1)	**5.22%**	**5.49%**	**5.35%**	**(14)bps**	**(4)bps**
NIM on loans(1)	**7.38%**	**7.85%**	**7.61%**	**(24)bps**	**23bps**
Risk-adjusted Net interest margin(1)	**4.31%**	**4.30%**	**2.33%**	**(197)bps**	**(212)bps**
Net provisions for loan losses / Net interest income(1)	**17.44%**	**21.64%**	**56.38%**	**3,474bps**	**3,894bps**

(1) Annualized.

Interest Income

Interest Income - LC
(S/ millions)



Interest Income – FC
(S/ millions)

Comparing the three months ended March 31, 2020 and December 31, 2019, the 0.3% decrease in interest income was primarily attributable to a decrease of 28.6% in interest on deposits in other banks in connection with a decrease in international interest. This decrease was also associated, to a lesser extent, with the release of FC reserves, which led to a decrease in the balance of available funds in FC of 3.5% and to a decrease in the rate of return on legal reserves in FC. As a result, interest income on deposits in other banks in FC decreased 31.1%.

Comparing the three months ended March 31, 2020 and 2019, interest income on loans remained mostly stable (increasing 0.1%). This result was attributable to a 0.9% decrease in interest income on LC loans, which was offset by a 3.4% increase in interest income on FC loans.

Comparing the three months ended March 31, 2020 and 2019, interest income increased 5.4%, which outpaced the increase shown in the three months ended December 31, 2019. Growth in interest income was mainly attributable to an increase in interest on loans (8.1%). This expansion was attributable to:

(i) The volume effect, due to an acceleration in the growth of average daily balances in all segments with the exception of Atlantic Security Bank, which translated into growth of 8.0% in total loans. This increase was mainly driven by retail banking, with an increase of 11.0% in average daily loan balances comparing the three months ended March 31, 2020 and 2019.

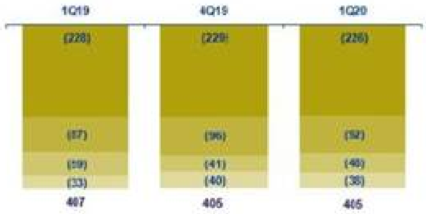
(ii) The mix by segment given that retail banking represented 40.8% of total loans in three months ended March 31, 2020 compared to 39.8% in three months ended March 31, 2019.

(iii) A favorable currency mix, given that growth in average daily balances was primarily attributable to loan expansion of 10.7% in LC loans when comparing the three months ended March 31, 2020 and 2019.

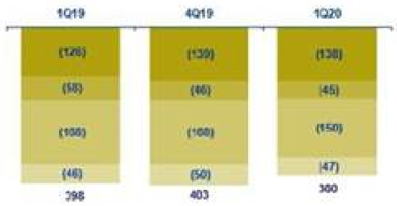
The increases described above were partially offset by a decrease in income from deposits in other banks due to a decrease in local and international interest. In addition, the BCRP's release of legal reserves in LC and FC to inject liquidity to combat the economic consequences of COVID-19 reduced the balances of deposits in others banks.

Interest Expenses

Interest Expenses – LC
(S/ millions)



Interest Expenses – FC
(S/ millions)



Comparing the three months ended March 31, 2020 and December 31, 2019, interest expenses decreased 2.9%, due primarily to a decrease in interest on bonds and subordinated notes and, to a lesser extent, to the decrease in interest on loans.

The 5.3% reduction in expenses for bonds and subordinated notes was the result of BCP's liability management in the third and fourth quarters of 2019. In 2019, BCP issued bonds in LC and FC at very favorable rates which, coupled with expirations and calls for bonds, extended the tenure of BCP's debt and reduced funding rates.

The decrease of 3.1% in interest expense on loans was attributable to a decrease in interest rates nationally and internationally. Interest payments in LC decreased 3.8%, and payments in FC decreased 1.8%.

Comparing the three months ended March 31, 2020 and 2019, interest expense decreased 2.5%. This was primarily attributable to a decrease in interest expenses on bonds and subordinated notes and also attributable to a decrease in interest expense on loans, which offset an increase in expenses on deposits.

Interest expense on bonds and subordinated notes fell 12.5%, after BCP implemented a debt restructuring strategy in the last two quarters of 2019. This strategy was divided into two phases. During the first phase, BCP carried out a liability management transaction for corporate bonds issued by BCP, in both LC and FC. In the second phase, BCP redeemed a perpetual subordinated debt. As a consequence of these actions, BCP increased the tenor of its debt and reduced interest rates.

Interest expenses on borrowed funds decreased 5.6% in connection with the decrease in interest rates in the international market, which primarily impacted interest on borrowed funds in FC, which fell 22.5% compared to March 31, 2019.

The decrease in interest expense was offset in part by a 2.9% increase in interest on deposits. This increase was mainly driven by an 11.6% increase in the volume of the most expensive deposits, time deposits.

Net Interest Margin (NIM) and Risk-Adjusted NIM

Credicorp's NIM and Risk-Adjusted NIM(1)

(1)Starting in the first quarter of 2017, we exclude derivatives from the NII result. For comparative purposes, figures starting from the first quarter of 2016 have been recalculated with the new methodology

NIM decreased when comparing the three months ended March 31, 2020 and December 31, 2019 and when comparing the three months ended March 31, 2020 and 2019. This decrease was attributable to:

(i) The increase in average interest-earning assets of 3.2% and 9.1% with regard to the three months ended March 31, 2020 and December 31, 2019, respectively.

(ii) Slower growth in net interest income, despite lower interest expenses, which was primarily attributable to an improvement in the funding structure, where deposits now account for a larger share of the funding structure.

Risk-adjusted NIM as of March 31, 2020 fell 197 basis points compared to the three months ended December 31, 2019 and fell 212 basis points compared to the three months ended March 31, 2019, which was attributable to an increase in provisions after expectations for economic growth in Peru decreased due to the COVID-19 pandemic and the government's decision to restrict movement in the country to slow the virus's spread.

NIM on loans as of March 31, 2020 decreased 24 basis points compared to the three months ended December 31, 2019. This decrease was attributable to a decrease in market interest rates in three months ended March 31, 2020 in both LC and FC. This decrease was attributable to government initiatives taken in an effort to stimulate economic activity in the context of the COVID-19 pandemic. When comparing the three months ended March 31, 2020 to the corresponding period of 2019, the NIM on loans increased after new pricing strategies were implemented in retail banking and at Mibanco to cover higher risks assumed in 2019.

NIM on loans(1)

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(1) NIM on loans is calculated as follows:

$$NIM\ on\ loans = \frac{(interest\ on\ loans - total\ financial\ expenses\ \times share\ of\ total\ loans\ within\ total\ earning\ assets) \times 4}{Average\ of\ total\ loans\ (beginning\ and\ closing\ balances\ of\ the\ period)}$$

The table below contains the interest margins at each of Credicorp's subsidiaries.

NIM Breakdown	BCP Stand-alone	Mibanco	BCP Bolivia	Credicorp(1)
Year ended December 31, 2017	4.50%	15.71%	4.31%	5.29%
Year ended December 31, 2018	4.53%	15.64%	3.69%	5.28%
Year ended December 31, 2019	4.81%	14.89%	3.61%	5.40%
Three Months ended March 31, 2019	4.74%	14.70%	3.52%	5.39%
Three Months ended March 31, 2020	4.70%	15.16%	3.60%	5.35%

NIM: Annualized Net interest income / Average period end and period beginning interest earning assets.

(1) Credicorp also includes Credicorp Capital, Prima, Grupo Credito and Eliminations for consolidation purposes.

When comparing the three months ended March 31, 2020 to the corresponding period of 2019 at the Credicorp level, NIM decreased in line with a decrease in BCP's NIM, which represents 68% of Credicorp's consolidated net interest income. This decrease was weighted heavily on Credicorp's consolidated results and was not offset by the improvement in Mibanco's NIM.

BCP Stand-alone's NIM deteriorated four basis points when comparing the three months ended March 31, 2020 to the corresponding period of 2019. The reduction in the margin was driven by lower market rates. This mainly affected the wholesale banking business, which is more sensitive to interest rate movements. BCP Stand-alone's NIM increased 28 basis points from 4.53% to 4.81% between 2018 and 2019, while between 2017 and 2018 NIM increased by three basis points from 4.50% in 2017. The greater growth from 2018 to 2019 is explained by the increase in retail banking loans, which have higher margins.

Mibanco's NIM, which represents 20% of our net interest income, increased 46 basis points when comparing the three months ended March 31, 2020 to the corresponding period of 2019 after a new pricing strategy was implemented. The new pricing strategy and other measures allowed for an improvement in disbursement rates during the quarter. In contrast, annual growth has been affected by increased competition in the microfinance market. This caused Mibanco's NIM to decrease from 15.71% in 2017 to 15.64% in 2018 and to decrease further to 14.89% in 2019.

The following table shows the net risk-adjusted margins for each of Credicorp's main subsidiaries.

Risk Adjusted NIM Breakdown	BCP Stand-alone	Mibanco	BCP Bolivia	Credicorp(1)
Year ended December 31, 2017	3.38%	12.29%	3.33%	4.12%
Year ended December 31, 2018	3.69%	12.20%	3.07%	4.33%
Year ended December 31, 2019	3.75%	11.59%	2.96%	4.30%
Three Months ended March 31, 2019	3.86%	11.86%	2.86%	4.45%
Three Months ended March 31, 2020	1.45%	9.54%	2.11%	2.33%

Risk-Adjusted NIM: (Annualized Net interest income less annualized provisions) / Average period end and period beginning interest earning assets.

(1) Credicorp also includes Credicorp Capital, Prima, Grupo Credito and Eliminations for consolidation purposes.

Credicorp reported a significant deterioration in the risk-adjusted NIM of 212 basis points when comparing the three months ended March 31, 2020 to the corresponding period of 2019, which reflects deterioration at the main subsidiaries after the cost of risk rose following the change in expectations for economic growth as a consequence of the effects of the COVID-19 pandemic. This caused BCP's risk-adjusted NIM to decrease 241 basis points when comparing the three months ended March 31, 2020 to the corresponding period of 2019. Mibanco's risk-adjusted NIM decreased 254 basis points when comparing the three months ended March 31, 2020 to the corresponding period of 2019. BCP Stand-alone's risk adjusted NIM has increased every year since 2017, going from 3.38% to 3.69% in 2018 and 3.75% in 2019. The lower rate of increase between 2018 and 2019 is due to the strategy to enter into segments that bring higher margins, but have higher associated risks. In contrast, Mibanco's risk adjusted NIM has deteriorated year-over-year as a consequence of increased market competition, which has led to a decrease of 9 bps between 2017 and 2018 and a decrease of 61 bps between 2018 and 2019.

The share of loans within total earning assets is calculated by dividing the average of the beginning and closing balances of total loans for the reporting period, by the average of the beginning and closing balances of the interest earning assets for the reporting period.

Non-Financial Income

In the three months ended March 31, 2020, non-financial income decreased compared to the three months ended December 31, 2019 and the three months ended March 31, 2019. This was primarily attributable to losses on net gain on securities, which stemmed from recent volatility in global financial markets due to the economic crisis related to the COVID-19 pandemic. Impacts were seen in proprietary investment portfolios, mainly at Prima AFP, Credicorp and BCP Stand-alone. The main components of non-financial income, fee income and net gain on foreign exchange transactions registered a decrease in income after transactional activity decreased due to the quarantine imposed by the Peruvian government in mid-March.

	For the Three Months Ended			% Change	
	March 31, 2019	December 31, 2019	March 31, 2020	March 31, 2020 / December 31, 2019	March 31, 2020 / 2019
	(Soles in thousands, except percentages)				
Non-Financial Income					
Fee income	782,922	847,206	760,329	(10.3)%	(2.9)%
Net gain on foreign exchange transactions	178,423	193,528	166,983	(13.7)%	(6.4)%
Net gain on securities	113,545	102,011	(120,633)	(218.3)%	(206.2)%
Net gain from associates(1)	14,786	22,738	19,225	(15.4)%	30.0%
Net gain on derivatives held for trading	(2,434)	7,043	35,430	403.1%	(1,555.6)%
Net gain from exchange differences	13,490	17,957	(21,240)	(218.3)%	(257.4)%
Other non-financial income	75,605	74,713	117,770	57.6%	55.8%
Total non-financial income, net	**1,176,337**	**1,265,196**	**957,864**	**(24.3)%**	**(18.6)%**

(1) Includes gains on other investments, mainly made up of the profit of Banmedica.

	For the Three Months Ended			% Change	
	March 31, 2019	December 31, 2019	March 31, 2020	March 31, 2020 / December 31, 2019	March 31, 2020 / 2019
	(Soles in thousands, except percentages)				
(+) EPS contribution (50%)	8,918	17,262	17,186	(0.4)%	92.7%
(-) Private health insurance deduction (50%)	(2,736)	(9,806)	(6,430)	(34.4)%	135.0%
(=) Net gain from association with Banmedica	**6,182**	**7,456**	**10,756**	**44.3%**	**74.0%**

Comparing the three months ended March 31, 2020 to the three months ended December 31, 2019, non-financial income decreased 24.3% due to:

(i) A decrease in the net gain on securities, due to (i) Prima AFP, which posted a decrease in the profitability of its legal reserves after withdrawals from its funds amid increased market volatility, (ii) losses on proprietary investment portfolios at Credicorp Capital, which registered negative results in its trading portfolio related to mark-to-market funds, and (iii) BCP, due to realized losses after the sale of sovereign bonds. These decreases were driven by market volatility and a decline in asset values due to the impact of the COVID-19 pandemic. Finally, the decrease when comparing the three months ended March 31, 2020 to the three months ended December 31, 2019 was attributable to non-recurring positive results in the three months ended December 31, 2019 after positions were sold in the fair value through other comprehensive investments, recorded in the results of Credicorp Capital and Atlantic Security Bank.

(ii) A decrease in fee income, (i) in line with seasonality in the first quarter of every year, in connection with the usual decrease in operations for banking services in comparison to those at the end of the year, mainly at BCP Stand-alone, and to a lesser extent, at Mibanco, and (ii) due to a decrease in the income reported by Credicorp Capital for the corporate finance business due to an unfavorable environment for executing transactions. For more information, see "—Fee income."

(iii) A decrease in net gain from exchange differences, due to the loss reported for the exchange differences relative to IFRS 16, mainly in the month of January at BCP, and to a lesser extent, at Mibanco.

(iv) A decrease in net gain on foreign exchange transactions, due to lower volumes generated through wholesale banking and retail banking clients at BCP, mainly in March.

The abovementioned was offset in part by:

(i) An increase in other non-financial income due to (i) BCP, for the sale of a portfolio of loans under legal collection proceedings in February 2020, and (ii) Mibanco, due to the sale of a property (building on Aramburu) in March 2020.

(ii) An increase in net gain on speculative derivatives after advance executions of derivatives associated with structured products in the asset management business line at Credicorp Capital.

Comparing the three months ended March 31, 2020 to the corresponding period of 2019, non-financial income decreased 18.6% due to:

(i) Losses on the net gain on securities mainly at Prima AFP and Credicorp Capital, due to the market effects of the COVID-19 pandemic as described above. Losses were also attributable to an extraordinary result in the three months ended March 31, 2019, which was generated by favorable financial market conditions in 2019 manifested through Credicorp Capital, Prima AFP and Atlantic Security Bank.

(ii) The negative result for the net gain from exchange differences, which was attributable to the market effects of the COVID-19 pandemic as described above.

(iii) A decrease in fee income, which was attributable to (i) the facilities and fees exemptions extended to our clients in the framework of the economic crisis resulting from the COVID-19 pandemic, (ii) the decrease in consumption and service volumes due to the obligatory quarantine imposed by the Peruvian government in mid-March, and (iii) the decrease in transactional activity in the banking businesses at BCP Stand-alone and Mibanco, as described below under "—Fee Income".

These decreases were partially offset by increases in other non-financial income and the net gain on speculative derivatives for the reasons described above.

Fee Income

By Subsidiary

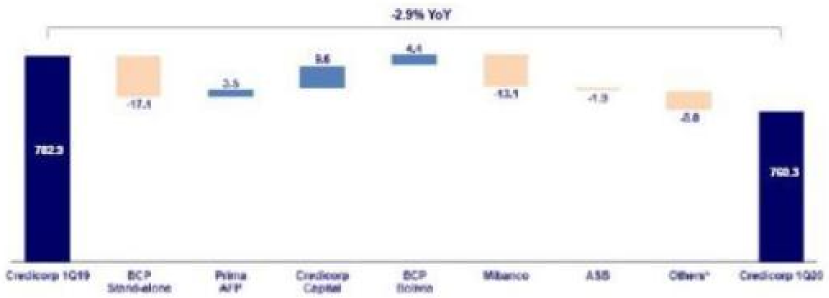
The chart below shows the contribution of each of Credicorp's subsidiaries to growth in Credicorp's fee income in the three months ended March 31, 2020.

Evolution of Fee Income by Subsidiary, Three Months Ended March 31, 2020
Compared to the Three Months Ended December 31, 2019 (S/ Million)

* Others include Encumbra, Bancompartir, Grupo Pacifico and eliminations for consolidation purposes.

The chart below shows the annual evolution of fee income by subsidiary:

Evolution of Fee Income by Subsidiary, Three Months Ended March 31, 2020
Compared to the Corresponding Period of 2019 (S/ Million)



* Others include Encumbra, Bancompartir, Grupo Pacifico and eliminations for consolidation purposes.

Fee Income in the Banking Business

The following table shows a breakdown of the main components of fee income in the banking business for each of the periods presented:

Composition of Fee Income in the Banking Business

	For the Three Months Ended			% Change	
	March 31, 2019	**December 31, 2019**	**March 31, 2020**	**March 31, 2020 / December 31, 2019**	**March 31, 2020 / 2019**
	(Soles in thousands, except percentages)				
Fee Income					
Miscellaneous accounts(1)	177,517	186,506	164,963	(11.6)%	(7.1)%
Credit cards(2)	69,499	72,051	60,435	(16.1)%	(13.0)%
Drafts and transfers	60,232	71,547	61,846	(13.6)%	2.7%
Personal loans(2)	23,590	28,125	28,352	0.8%	20.2%
SME loans(2)	18,565	18,452	18,808	1.9%	1.3%
Insurance(2)	22,210	25,776	25,179	(2.3)%	13.4%
Mortgage loans(2)	9,428	10,678	9,402	(12.0)%	(0.3)%
Off-balance sheet(3)	47,302	48,215	50,093	3.9%	5.9%
Payments and collections(3)	103,763	109,311	101,283	(7.3)%	(2.4)%
Commercial loans(3)	22,423	24,391	17,978	(26.3)%	(19.8)%
Foreign trade(3)	14,948	13,516	11,576	(14.4)%	(22.6)%
Corporate finance and mutual funds	15,028	18,690	16,673	(10.8)%	10.9%
Atlantic Security Bank	10,271	11,550	8,412	(27.2)%	(18.1)%
Others(4)	69,836	79,916	62,067	(22.3)%	(11.1)%
Total fee income	**664,612**	**718,725**	**637,067**	**(11.4)%**	**(4.1)%**

Source: BCP

(1) Saving accounts, current accounts, debit card and master account.

(2) Mainly Retail fees.

(3) Mainly Wholesale fees.

(4) Includes fees from BCP Bolivia, Mibanco, network usage and other services to third parties, among others.

Total fee income increased by 5.64% between 2019 and 2018, from S/2,615,461 to S/2,763,232. This is less than the growth of 6.55% reached between 2017 and 2018 (total fee income was S/2,454,573 in 2017). Comparing the three months ended March 31, 2020 to the three months ended December 31, 2019, fee income in the banking business decreased 11.4%. The line items that registered the most significant decreases included:

(i) *Miscellaneous accounts*, mainly for (a) debit cards, due to the reduction in fees for card replacement and a decrease in cash withdrawals, and to a lesser extent, due to (b) savings accounts and (c) current accounts, for which fees generated for account maintenance decreased;

(ii) *Others*, mainly at Mibanco, which represents 90% of the decrease due to a decrease in income from obligatory insurance and a decrease in fees assessed on overdue loans. This last decrease was generated after the bank waived certain fees and offered to freeze installment payments for up to two pay cycles without penalties, in each case in connection with the economic crisis related to the COVID-19 pandemic.

(iii) *Credit cards*, due to (a) seasonality evident in the first quarter of every year due to an increase in transactional activity for year-end transactions and the ordinary-course decrease in activity in the first quarter of every year, (b) a decrease in fees from establishments due to a decrease in consumption, (c) a decrease in fees for overdue loans due to our initiatives not to collect from clients who have availed themselves of our loan freeze programs, and (d) a decrease in card membership fees (which have been suspended until July 2020), in each case in connection with the economic crisis related to the COVID-19 pandemic.

(iv) *Drafts and transfers*, due to (a) a decrease in transactions of approximately 50% in the month of March (as compared to February), which affected the volume of local and foreign transfers, (b) facilities offered for free local transfers for 30 days, which led fee income for this component to fall 50% in comparison to the level recorded in February, and (c) ordinary-course seasonality when comparing the fourth quarter to the first quarter of every year, whereby a higher number of transactions are carried out in the fourth quarter.

Comparing the three months ended March 31, 2020 to the corresponding period of 2019, the 4.1% decrease was attributable to (i) miscellaneous accounts, (ii) credit cards and (iii) others, which was attributable to the same factors discussed in the comparison between the three months ended March 31, 2020 and three months ended December 31, 2019 and to a decrease in transactional activity during the COVID-19 pandemic. Additionally, the decrease in income is in line with our transactional strategy to encourage clients to migrate to digital channels.

Insurance Underwriting Result

The insurance underwriting result fell 1.8% comparing the three months ended March 31, 2020 to the three months ended December 31, 2019, which was primarily attributable to an increase in the acquisition costs in both P&C and Life insurance. This was mitigated by a decrease in claims in P&C and an increase in net premiums in Life insurance. Comparing the three months ended March 31, 2020 to the corresponding period of 2019, the underwriting result rose 30.1%, which was driven primarily by an increase in net earned premiums in both the life insurance and the P&C businesses; and by a decrease in claims in the P&C business, which was mitigated by an increase in customer acquisition costs in both businesses.

	For the Three Months Ended			% Change	
	March 31, 2019	**December 31, 2019**	**March 31, 2020**	**March 31, 2020 / December 31, 2019**	**March 31, 2020 / 2019**
	(Soles in thousands, except percentages)				
Insurance underwriting result(1)					
Net earned premiums	584,209	620,578	627,935	1.2%	7.5%
Net claims	(383,817)	(387,426)	(373,502)	(3.6)%	(2.7)%
Acquisition costs(2)	(91,281)	(88,662)	(112,507)	26.9%	23.3%
Total insurance underwriting result	**109,111**	**144,490**	**141,926**	**(1.8)%**	**30.1%**

(1) Includes the results of the Life, Property and Casualty and Crediseguros business

(2) Includes net fees and underwriting expenses.

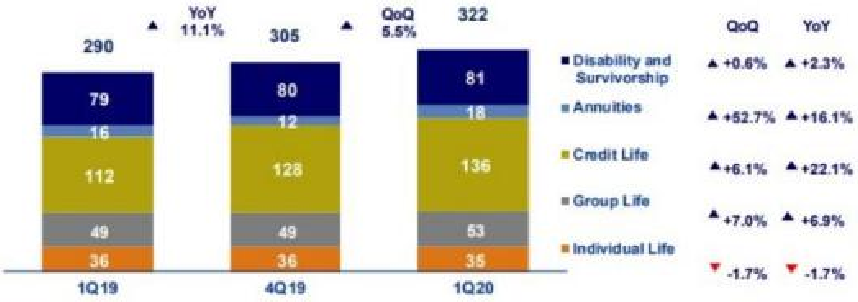
Life Insurance

Life Insurance Total Premiums
(S/ millions)

Total premiums increased 0.4% when comparing the three months ended March 31, 2020 to the three months ended December 31, 2019, which was attributable to (i) an increase in group life policies, mainly through statutory life due to new regulations that went into effect in January 2020 in which companies must insure their employees upon the first day of employment; (ii) credit life policies, through the alliance channel after solidarity payments (late payments assumed by the entity) were made; and (iii) D&S, after an increase in premiums was registered through SISCO IV. These increases were offset in part by annuities and driven primarily by a decrease in sales of individual annuities and individual life policies after issuances of individual policies decreased in the direct channel; both annuities and individual life policies were affected by a decrease in the number of selling days due to the quarantine measures instituted by the government in connection with the COVID-19 pandemic.

Comparing the three months ended March 31, 2020 to the corresponding period of 2019, total premiums increased 0.5%, which was mainly driven by (i) credit life policies, where growth was attributable to an increase in premiums in the alliance and bancassurance channels and to solidarity payments (debts assumed by the entity); (ii) group life, due to an increase in statutory life insurance products after a new regulation went into effect in January 2020 in which companies must insure their employees upon the first day of employment, and to growth in collective life policies, which was reflected in an increase in premium turnover in the bancassurance line; (iii) individual life policies, due to an increase in premium turnover for renewals; and (iv) D&S, due to an increase in premiums through SISCO IV. These increases were offset in part by a decrease in premiums in annuities due to individual annuities and to a decrease in selling days due to the quarantine measures instituted by the government in connection with the COVID-19 pandemic.

Life Insurance Net Earned Premiums(1)
(S/ millions)

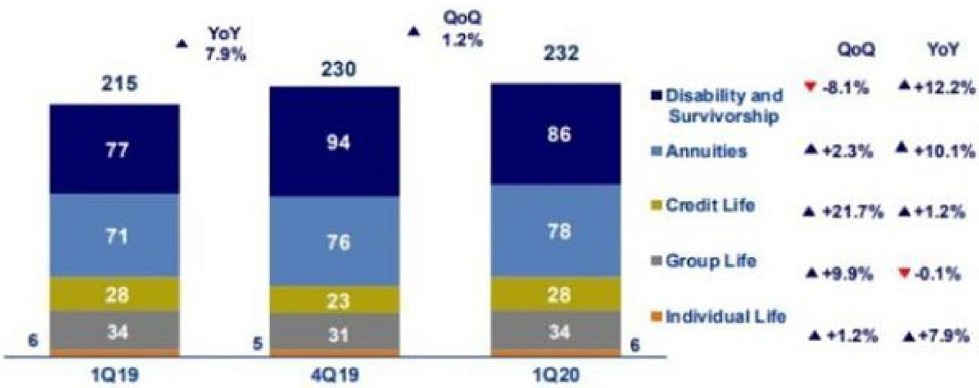


(1) Total premiums without considering reinsurance nor reserve premiums.

Net earned premiums increased 5.5% comparing the three months ended March 31, 2020 to the three months ended December 31, 2019. This was primarily attributable to growth in credit life policies and statutory life policies, which mirrored growth observed in total premiums, and was also due to the performance of annuities, which was driven by a decrease in reserves due to adjustments in the parameters for investment rates.

Comparing the three months ended March 31, 2020 to the corresponding period of 2019, net earned premiums increased 11.1%. This was primarily driven by: (i) credit life policies, which reported an increase in sales through the alliance and bancassurance channels and to the increase registered for solidarity payment; (ii) group life policies, which was mainly attributable to an increase in sales of the collective life product through the bancassurance channel; (iii) annuities, due to a decrease in reserves after adjustments were made to the parameters for investment rates; and (iv) D&S, due to an increase in the premiums reported in SISCO IV. These increases were offset in part by a decrease in individual life policies after a higher adjustment was made to reserves.

Life Insurance Net Claims
(S/ millions)

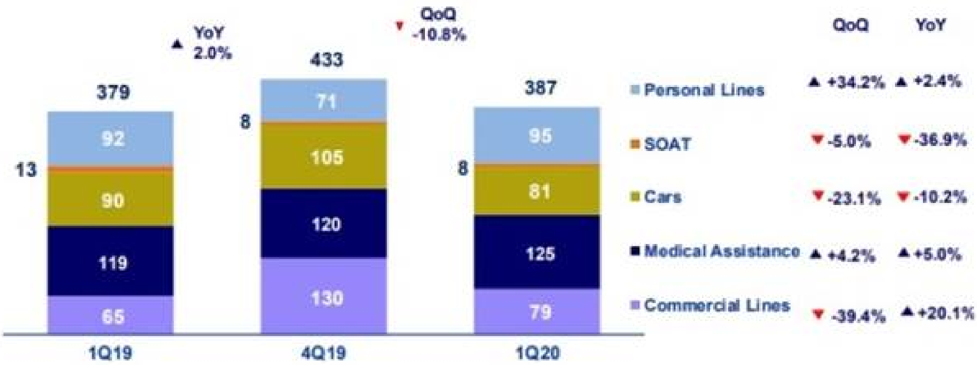


Net claims increased 1.2% comparing the three months ended March 31, 2020 to the three months ended December 31, 2019. This was attributable to: (i) credit life, which reported higher claims in the bancassurance channel; (ii) group life, after more IBNR reserves were set aside for statutory life and collective life products; and, (iii) annuities due to an increase in pension payments for individual annuities. These increases were offset in part by D&S after provisions for claims through SISCO IV were released.

Comparing the three months ended March 31, 2020 to the corresponding period of 2019, net claims increased 7.9%, which was primarily driven by D&S through SISCO II and SISCO III due to a decrease in interest rates and in annuities due to an increase in pension payments through individual annuities.

Property and Casualty Insurance

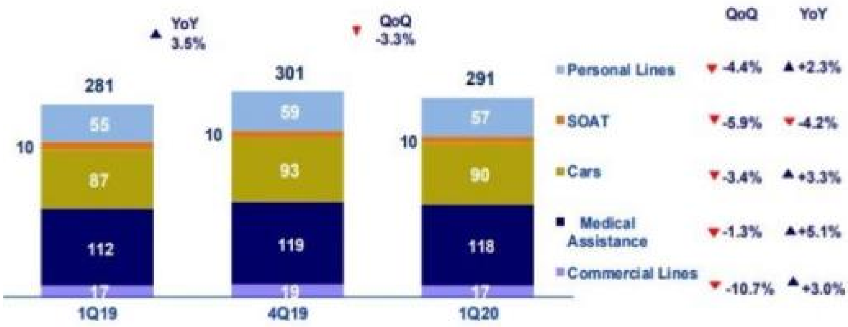
Property and Casualty Total Premiums
(S/ millions)



Total premiums in property and casualty insurance decreased 10.8% comparing the three months ended March 31, 2020 to the three months ended December 31, 2019, which was attributable to (i) commercial lines, due to a decrease in renewals in the fire and third-party liability lines, which was mitigated by an increase in sales in the agriculture and aviation lines; (ii) cars, due to a decrease in sales of new policies through the brokers channel and to a decrease in production due to the quarantine imposed by the Peruvian government in mid-March in connection with the COVID-19 pandemic; and (iii) SOAT, due a decrease in sales through brokers. These decreases were offset in part by increases in (i) personal lines, due to renewed premiums for mortgage products; and (ii) medical assistance, due to an increase in sales of comprehensive health products through brokers.

Comparing the three months ended March 31, 2020 to the corresponding period of 2019, total premiums in property and casualty insurance increased 2.0% due to (i) commercial lines, which experienced growth in the agriculture and aviation lines; (ii) medical assistance, due to an increase in sales of oncological and comprehensive health products; and (iii) personal lines, due to an increase in the price of the credit card protection product and to an increase in sales of personal accident products. These increases were offset in part by a decrease in sales of new policies for cars and SOAT through brokers and to the decrease in the number of selling days after the quarantine was imposed by the Peruvian government in mid-March in connection with the COVID-19 pandemic.

Property and Casualty Net Earned Premiums(1)
(S/ millions)

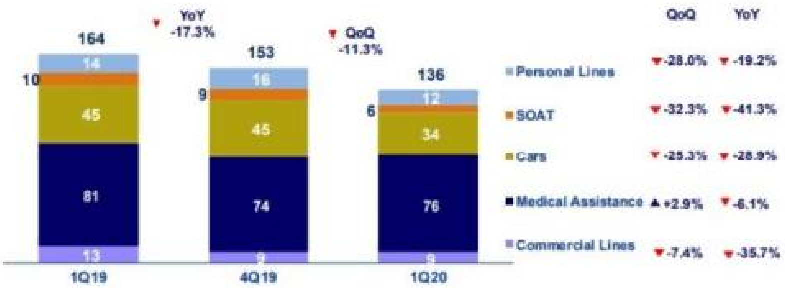


(1) Total premiums without considering reinsurance nor reserve premiums.

Net earned premiums in property and casualty insurance decreased 3.3% comparing the three months ended March 31, 2020 to the three months ended December 31, 2019, which was primarily attributable to the factors described above in relation to total premiums, as well as to an increase in unexpired risk reserves (URR) for products in the personal lines and medical assistance.

Comparing the three months ended March 31, 2020 to the corresponding period of 2019, net premiums in property and casualty insurance increased 3.5%. This was primarily attributable to increases in medical assistance premiums and personal lines premiums, for the same reasons as those attributable to the evolution of total premiums described above, and to the performance of cars, which was marked by a decrease in the reserves set aside for unexpired risk after direct premiums decreased.

Property and Casualty Net Claims
(S/ millions)

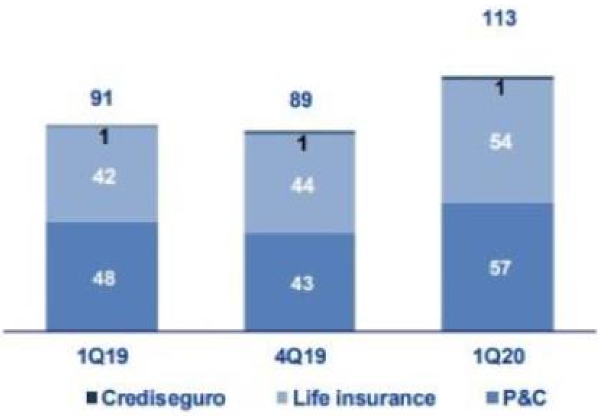


Net claims in property and casualty insurance decreased 11.3% comparing the three months ended March 31, 2020 to the three months ended December 31, 2019, which was attributable to a decrease in claims notifications after the quarantine was imposed by the Peruvian government in mid-March in connection with the COVID-19 pandemic. This decrease was mainly registered in cars, SOAT and personal lines. The decrease in claims was also attributable to an improvement in claims management in cars. The factors described above were offset in part by increases in claims for medical assistance, which registered an increase in IBNR reserves.

Comparing the three months ended March 31, 2020 to the corresponding period of 2019, net claims fell 17.3%. The decrease in claims was seen across business lines after fewer notifications for claims were received due to the quarantine that was instituted by the Peruvian government in mid-March in connection with the COVID-19 pandemic and to an improvement in claims management in cars.

Acquisition Costs

Acquisition Costs per Business
(S/ millions)



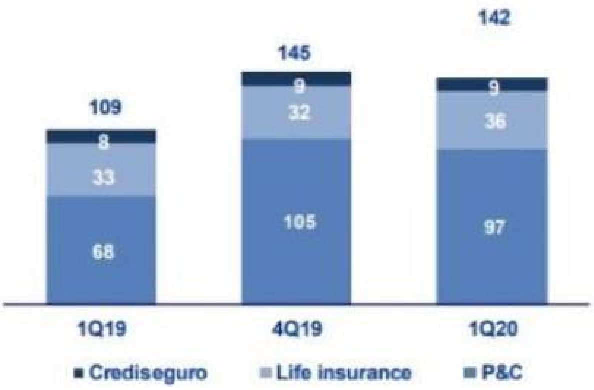
	For the Three Months Ended			% Change	
	March 31, 2019	December 31, 2019	March 31, 2020	March 31, 2020 / December 31, 2019	March 31, 2020 / 2019
	(Soles in thousands, except percentages)				
Acquisition Costs					
Net Fees	(60,013)	(65,316)	(65,825)	0.8%	9.7%
Underwriting Expenses	(34,576)	(35,206)	(47,286)	34.3%	36.8%
Underwriting Income	3,308	11,860	604	(94.9)%	(81.7)%
Acquisition Costs	**(91,281)**	**(88,662)**	**(112,507)**	**26.9%**	**23.3%**

Acquisition costs increased 26.9% comparing the three months ended March 31, 2020 to the three months ended December 31, 2019. This was attributable to an increase in the net underwriting expense in P&C and to an increase in fees associated with life insurance. In P&C, growth was driven mainly by an increase in the underwriting expenses for cars after S/8 million in premiums were returned to clients who were unable to use their cars during the quarantine; higher reserves for uncollectible premiums, mainly in the commercial, cars and medical assistance lines; and a decrease in underwriting income for commercial lines. In the life insurance business, the increase was due to growth in fees through the alliances channel for credit life products, after premiums rose, and to a decrease in underwriting income after profit sharing with reinsurers in the three months ended December 31, 2019.

Comparing the three months ended March 31, 2020 to the corresponding period of 2019, the acquisition costs increased 23.3% in both the life and P&C businesses. In Life insurance, growth was attributable to an increase in fees for credit life after premium rose through the alliance channel. In P&C, growth was attributable to the increase discussed in the previous paragraph and to a move to set aside more reserves for uncollectible premiums in cars, commercial lines and medical assistance.

Underwriting Result by Business

Underwriting Result by Business
(S/ millions)



Comparing the three months ended March 31, 2020 to the three months ended December 31, 2019, the decrease in the underwriting result was attributable to P&C and mitigated by life insurance. In P&C, the reduction was attributable to: (i) an increase in underwriting expenses after premiums were reimbursed in cars and to a move to set aside more reserves for uncollectible premiums; and (ii) a decrease in net premiums across business lines, which was mitigated by a decrease in claims given that fewer claims notifications were received during the quarantine imposed by the Peruvian government in mid-March in connection with the COVID-19 pandemic. In the life insurance business, growth was attributable to an increase in net earned premiums in credit life, annuities and group life, which was offset in part by an increase in the acquisition costs due to growth in fees after an increase in premiums, and to a decrease in underwriting income after profit sharing in the three months ended December 31, 2019.

Comparing the three months ended March 31, 2020 to the corresponding period of 2019, the increase in the underwriting results were primarily attributable to P&C and to a lesser extent to life insurance products. In P&C, the increase was associated with a decrease in claims after fewer claims notifications were received during the quarantine period imposed by the Peruvian government in Mid-March in connection with the COVID-19 pandemic and to an increase in net premiums in the medical assistance and personal lines, which was offset in part by an increase in the acquisition costs after premiums were reimbursed in cars. In the life insurance business, the variation was attributable to an increase in premiums in credit life, group life and annuities, which was offset in part by growth in claims in D&S and annuities and by an increase in fees in credit life after an increase in premiums.

Operating Expenses and Efficiency

The improvement in the operating efficiency ratio when comparing the three months ended March 31, 2020 to the three months ended December 31, 2019 was attributable to a seasonal effect on expenses, which reach their highest level in the last quarter of the year. Comparing the three months ended March 31, 2020 to the corresponding period of 2019, which excludes the seasonal effect, the operating efficiency ratio deteriorated 100 basis points, which was primarily due to an increase in salaries and employee benefits in the microfinance line, which offset the increase in net interest income.

	For the Three Months Ended			% Change	
	March 31, 2019	December 31, 2019	March 31, 2020	March 31, 2020 / December 31, 2019	March 31, 2020 / 2019
	(Soles in thousands, except percentages)				
Operating Expenses					
Salaries and employees benefits	834,317	885,526	891,183	0.6%	6.8%
Administrative, general and tax expenses	538,157	701,225	539,644	(23.0)%	0.3%
Depreciation and amortization	131,325	176,593	171,748	(2.7)%	30.8%
Association in participation	2,736	9,806	6,430	(34.4)%	135.0%
Acquisition costs(1)	91,281	88,662	112,507	26.9%	23.3%
Operating expenses(2)	**1,597,816**	**1,861,812**	**1,721,512**	**(7.5)%**	**7.7%**
Operating income(3)	**3,768,564**	**4,073,876**	**3,967,962**	**(2.6)%**	**5.3%**
Efficiency ratio	**42.4%**	**45.7%**	**43.4%**	**(230) bps**	**100 bps**
Operating expenses / Total average assets(4)	**3.60%**	**3.99%**	**3.57%**	**(42) bps**	**(3) bps**

(1) The acquisition costs of Pacifico include net fees and underwriting expenses.

(2) Operating expenses are equal to Salaries and employees benefits plus Administrative, general and tax expenses plus Depreciation and amortization plus Acquisition costs plus Association in participation.

(3) Operating income is equal to Net interest income plus Fee income plus Net gain on foreign exchange transactions plus Net gain from associates plus Net gain on derivatives held for trading plus Result on exchange differences plus Net premiums earned.

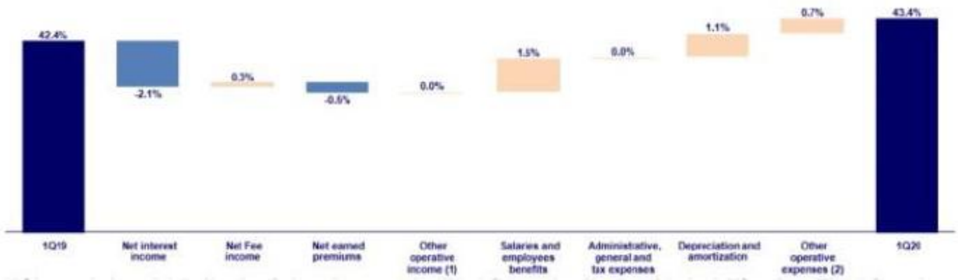
(4) Average is calculated with period-beginning and period-ending balances.

Comparing the three months ended March 31, 2020 to the three months ended December 31, 2019, the improvement in the efficiency ratio was attributable to a seasonal effect on operating expenses; as such, the comparison of the three months ended March 31, 2020 to the corresponding period of 2019 provides a clearer picture of the evolution of efficiency.

In the three months ended March 31, 2020 compared to the corresponding period of 2019, the efficiency ratio deteriorated 100 basis points. This was primarily attributable to the fact that operating expenses posted a higher increase than growth in operating income.

The figure below depicts the impact of the variation of each component of operating income and operating expenses in the efficiency ratio for the three months ended March 31, 2020 in comparison to the corresponding period in 2019:

Year on Year Evolution of the Efficiency Ratio by Account



(1) Other operating income includes: Net gain on foreign exchange transactions, Net gain from associates, Net gain on derivatives held for trading and Net gain from exchange difference.

(2) Other operating expenses includes: Acquisition costs and Association in participation

An analysis of the impact of operating expenses shows that the negative effect on the operating efficiency ratio was due to:

(i) An increase in salaries and employee benefits, mainly in the microfinance business and, to a lesser extent, at BCP Stand-alone. In the case of microfinance, the increase was attributable to (i) Mibanco, due to an increase in headcount in 2019, which was primarily to encourage commercial teams to build the capacities needed to ensure growth down the line at Mibanco; and (ii) Bancompartir, which has been consolidated in Credicorp's balance sheet since December 2019. At BCP Stand-alone, growth was attributable to hiring of individuals with specialist skills in 2019.

(ii) The increase in depreciation and amortization due to the higher amortization expenses for software, in line with the investment in new software to support our credit card business.

(iii) An increase in the acquisition costs, which was attributable to growth in net earned premiums and the reimbursement of 50% of the premiums paid by clients for cars for personal use in March.

In terms of operating income, the effects that positively impacted the operating efficiency ratio were:

(i) Growth in net interest income, in line with the expansion in average daily loan balances in all segments, as indicated in "—Interest Income."

(ii) The increase in net earned premiums at Grupo Pacifico, which was seen in both the life and P&C lines, as explained in further detail in "—Net Earned Premiums."

In the context of the COVID-19 pandemic, Credicorp is looking to reduce growth in operating expenses given that it expects operating income for the year to decrease.

Credicorp's Administrative, General and Tax Expenses

Credicorp's Administrative, General and Tax Expenses

	For the Three Months Ended						% Change	
	March 31, 2019	%	December 31, 2019	%	March 31, 2020	%	March 31, 2020 / December 31, 2019	March 31, 2020 / 2019
	(Soles in thousands, except percentages)							
Administrative, general and tax expenses								
Repair and maintenance	102,916	19%	167,771	24%	106,360	14%	(36.60)%	3.30%
Publicity	76,175	14%	129,938	19%	75,256	13%	(42.10)%	(1.20)%
Taxes and contributions	66,709	12%	93,004	14%	68,017	14%	(26.90)%	2.00%
Leases of low value and short-term	22,418	4%	15,953	2%	18,843	3%	18.10%	(15.90)%
Consulting and professional fees	41,360	8%	106,193	15%	39,485	5%	(62.80)%	(4.50)%
Transport and communications	41,636	8%	40,632	7%	35,466	5%	(12.70)%	(14.80)%
Sundry supplies	17,564	3%	18,551	3%	23,424	9%	26.30%	33.40%
Security and protection	17,002	3%	15,996	2%	15,286	1%	(4.40)%	(10.10)%
Electricity and water	12,027	2%	14,644	2%	11,175	1%	(23.70)%	(7.10)%
Subscriptions and quotes	9,570	2%	13,252	2%	10,752	4%	(18.90)%	12.40%
Services by third-party and others (1)	130,780	25%	77,597	11%	135,580	9%	74.70%	3.70%
Total administrative and general expenses	**538,157**	**100%**	**693,530**	**101%**	**539,644**	**100%**	**(23.0)%**	**0.3%**

(1) Others include Atlantic Security Bank, BCP Bolivia, Grupo Credito and eliminations for consolidation.

The decrease in administrative and general expenses and taxes when comparing the three months ended March 31, 2020 to the three months ended December 31, 2019 was due primarily to a seasonal effect given that these expenses reach their highest point in the last quarter of every year.

Comparing the three months ended March 31, 2020 to the corresponding period of 2019, which excludes the seasonal effect on operating expenses, administrative and general expenses and taxes remained stable, though with some notable increases.

(i) Total expenses for programs, systems and systems outsourcing increased, mainly in BCP Stand-alone, due to the higher expenses for the management of our IT infrastructure and the spending on new programs for projects related to our transformation strategy.

(ii) Infrastructure expense increased, primarily due to the purchase and distribution of medical supplies and to an increase in expenses for the cleaning of different branches at BCP.

These increases were offset in part by a decrease in expenses for consultants, primarily at BCP, given that in the three months ended March 31, 2019, more consultants were needed to implement a variety of projects related to the transformation strategy.

Efficiency Ratio

Efficiency Ratio by Subsidiary(1)

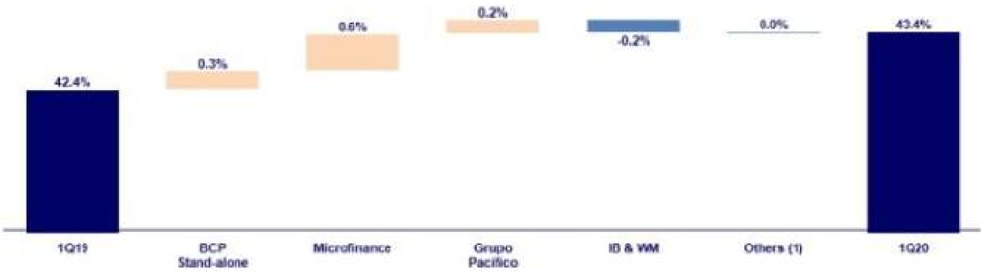
	BCP Stand-alone	BCP Bolivia	Microfinance	Pacifico	Prima AFP	Credicorp
Three Months Ended March 31, 2019	38.1%	61.8%	55.0%	39.0%	41.6%	42.4%
Three Months Ended December 31, 2019	43.8%	60.1%	56.4%	44.7%	45.1%	45.7%
Three Months Ended March 31, 2020	38.8%	57.0%	58.4%	41.5%	40.6%	43.4%
Variation (Quarter on Quarter)	**(500)bps**	**(310)bps**	**200bps**	**(320)bps**	**(450)bps**	**(230)bps**
Variation (Year on Year)	**70 bps**	**(480)bps**	**340bps**	**250 bps**	**(100)bps**	**100 bps**

(1) (Salaries and employee's benefits plus Administrative, general and tax expenses plus Depreciation and amortization plus Acquisition costs plus Association in participation) / (Net interest income plus Fee income plus Net gain on foreign exchange transactions plus Net gain from associates plus Net gain on derivatives held for trading plus Result on exchange differences plus Net premiums earned).

Comparing the three months ended March 31, 2020 to the three months ended December 31, 2019, the improvement in the efficiency ratio was attributable to a seasonal effect on operating expenses. As such, comparing the three months ended March 31, 2020 to the corresponding period of 2019 analysis provides a clearer picture of the change in the efficiency ratio.

The figure below shows the contribution of each subsidiary to the evolution of the efficiency ratio for the three months ended March 31, 2020 compared to the corresponding period of 2019.

Year on Year Evolution of the Efficiency Ratio by Subsidiary



(1) Others includes: Credicorp Capital, Prima AFP, BCP Bolivia, Atlantic Security Bank, Grupo Credito, among other subsidiaries and the eliminations for consolidation purposes.

Comparing the three months ended March 31, 2020 to the corresponding period of 2019, efficiency deteriorated 100 basis points, which was attributable to:

(i) The incorporation of Bancompartir, which was included in the balance sheet since December 2019 within the Microfinance business line. This subsidiary contributed 50 basis points to total deterioration given that more than 2,000 employees were added to Credicorp's payroll after the acquisition. Increased expenses related to Bancompartir were not offset by the net interest income at Bancompartir. Mibanco also registered slight deterioration, which was mainly attributable to on-going increases in headcount in 2019;

(ii) BCP Stand-alone registered an increase in administrative and general expenses, which was mainly attributable to payments to renew licenses for software programs and to higher marketing expenses for advertising campaigns through digital channels. Additionally, the expense for salaries and employee benefits increased due to growth in the headcount in 2019 and to a transportation bonus to help personnel reach branches during the quarantine. These expense increases and their effect on the efficiency ratio were offset in part by an increase in net interest income, in line with growth in average daily balances; and

(iii) Grupo Pacifico, which registered an increase in the acquisition costs in the life business due to growth in sales of D&S policies through the alliance channel and in the P&C business due to the reimbursement of 50% of the premiums for car insurance for certain clients for the months of March and April in connection with the quarantine ordered by the Peruvian government in relation to the COVID-19 pandemic.

BUSINESS AND OTHER UPDATES

Recent Developments

Declaration of dividends

At a meeting held on February 27, 2020, our Board of Directors approved the distribution of a cash dividend of S/2,831,469,510.00, for a total of 94,382,317 outstanding shares, which is equivalent to S/30.00 per share. The cash dividend was paid on May 8, 2020, without withholding tax at source, to shareholders of record on April 13, 2020.

The dividend was paid in U.S. dollars using the weighted exchange rate reported by the SBS for transactions at the close of business on May 6, 2020 (S/3.4081 per U.S. dollar). As a result, the dividend paid per share was U.S.$8.8026, equivalent to the declared dividend of S/30.00 per share.

Board of Directors

On April 24, 2020, we announced that Dionisio Romero Paoletti, Chairman of the Board of Directors, would not stand for reelection to our Board of Directors. At our Annual General Meeting of Shareholders held on June 5, 2020, the following individuals were re-elected as members of our Board of Directors: Fernando Fort Marie, Patricia Lizarraga Guthertz, Raimundo Morales Dasso and Luis Enrique Romero Belismelis. The following individuals were newly-elected as independent members of our Board of Directors: Mr. Alexandre Gouvea, Ms. Maite Aranzabal Harreguy, Mr. Antonio Abruña Puyol and Mr. Irzio Pinasco Menchelli. The shareholders also decided to increase the number of directors from eight to nine. As per our Bye-laws, after the Annual General Meeting of Shareholders, the new Board of Directors in its first session shall designate the new Chairman and the new composition of committees of the Board of Directors.

Distribution Channels

Distribution channels at BCP, Mibanco and BCP Bolivia totaled 10,806 points of contact at the end of March 2020, which represented a decrease of 194 points when comparing March 31, 2020 to December 31, 2019 due to a decrease in the number of Agentes BCP (BCP Agents). Comparing March 31, 2020 to March 31, 2019, however, the total expanded 356 points, which was mainly driven by growth in cost-efficient channels at BCP Bolivia, bolstered by more BCP Agentes, and, to a lesser extent, by expansion of these channels at BCP Stand-alone.

Consolidated Points of Contact

	As of			# Change	
	March 31, 2019	**December 31, 2019**	**March 31, 2020**	**March 31, 2020 / December 31, 2019**	**March 31, 2020 / 2019**
BCP Stand-alone					
Branches	405	404	404	—	(1)
ATMs	2,244	2,285	2,291	6	47
Agentes BCP	6,759	7,187	6,869	(318)	110
Total BCP Stand-alone	**9,408**	**9,876**	**9,564**	**(312)**	**156**
Total Mibanco's Network (1)	**324**	**323**	**325**	**2**	**1**
BCP Bolivia					
Branches	56	54	55	1	(1)
ATMs	299	301	307	6	8
Agentes BCP Bolivia	363	446	555	109	192
Total Bolivia's Network	**718**	**801**	**917**	**116**	**199**
Total Points of Contact	**10,450**	**11,000**	**10,806**	**(194)**	**356**

(1) Mibanco does not have Agents or ATMs because it uses the BCP network. Mibanco branches include Banco de la Nacion branches, which in March 31, 2019, December 31, 2019 and March 31, 2020 were 35.

Universal Banking

Points of Contact by Geographic Area – BCP

	As of			# Change	
	March 31, 2019	**December 31, 2019**	**March 31, 2020**	**March 31, 2020 / December 31, 2019**	**March 31, 2020 / 2019**
Lima	256	255	255	0	(1)
Provinces	149	149	149	0	0
Total Branches	**405**	**404**	**404**	**0**	**(1)**
Lima	1,490	1,533	1,536	3	46
Provinces	754	752	755	3	1
Total ATM's	**2,244**	**2,285**	**2,291**	**6**	**47**
Lima	3,460	3,581	3,418	(163)	(42)
Provinces	3,299	3,606	3,451	(155)	152
Total Agentes BCP	**6,759**	**7,187**	**6,869**	**(318)**	**110**
Total Points of Contact	**9,408**	**9,876**	**9,564**	**(312)**	**156**

BCP recorded a decrease of 312 points of contact comparing March 31, 2020 to December 31, 2019, to a total of 9,564 points as of March 31, 2020. The decline was due primarily to a decrease in the number of Agentes BCP, which fell 318 points (163 points in Lima and 155 in the provinces). Our service channels are evaluated on a regular basis to determine if they should remain open or be relocated. Decisions on these matters are executed in the first quarter of the year. In 2020, the plan was to relocate a large number of agents. As such, non-performing channels were closed at the beginning of the first quarter of 2020. In addition, the outbreak of COVID-19 and the government measures ordering the population to shelter in place adversely affected BCP's plans to relocate certain Agentes, which is expected to commence when the state of emergency is lifted.

The number of branches between December 31, 2019 and March 31, 2020 remained stable and ATMs increased by six. Growth at the branch level was seen in areas that required more coverage to meet the needs of BCP's clients. Expansion in ATMs was due to openings of neutral points in Lima and in certain provinces.

Comparing March 31, 2020 to March 31, 2019, BCP's total points of contact increased by 156 points. This was driven primarily by growth in Agentes BCP in the provinces (152) and by an increase in ATMs (47) after neutral points were installed in Lima and new modules were set up at our branches in Lima and Callao in 2019. The abovementioned reflects the bank's strategy to be closer to our clients and to the population that has yet to access the financial system by providing cost-efficient channels and ensuring better coverage in locations where we already have a presence.

Transactions per Channel – BCP Stand-alone

Transactions per Channel – BCP Stand-alone

		Monthly Average in Each Quarter						% Change	
	No. of Transactions per channel(1)	**Three Months Ended March 31, 2019**	**%**	**Three Months Ended December 31, 2019**	**%**	**Three Months Ended March 31, 2020**	**%**	**Quarter on Quarter**	**Year on Year**
Traditional channels	Teller	7,836,871	4.4%	7,715,870	3.1%	6,699,584	2.9%	(13.2)%	(14.5)%
	Telephone banking	4,947,564	2.8%	5,056,869	2.0%	4,354,138	1.9%	(13.9)%	(12.0)%
Cost-efficient channels	Agentes BCP	24,802,140	14.0%	32,534,245	13.0%	28,285,371	12.2%	(13.1)%	14.0%
	ATMs	24,405,732	13.8%	25,678,078	10.3%	21,110,659	9.1%	(17.8)%	(13.5)
Digital channels	Mobile banking	68,528,959	38.6%	120,275,484	48.1%	114,479,895	49.4%	(4.8)%	67.1%
	Internet banking Via BCP	16,185,835	9.1%	23,757,780	9.5%	22,449,556	9.7%	(5.5)%	38.7%

	No. of Transactions per channel(1)	Monthly Average in Each Quarter: Three Months Ended March 31, 2019	%	Three Months Ended December 31, 2019	%	Three Months Ended March 31, 2020	%	% Change: Quarter on Quarter	Year on Year
	Balance inquiries	1,295,030	0.7%	1,238,521	0.5%	991,474	0.4%	(19.9)%	(23.4)%
	Telecrédito	11,318,983	6.4%	13,208,492	5.3%	13,571,633	5.9%	2.7%	19.9%
Others	Direct debit	717,284	0.4%	920,143	0.4%	1,028,329	0.4%	11.8%	43.4%
	Points of sale P.O.S.	17,205,460	9.7%	19,251,035	7.7%	18,389,832	7.9%	(4.5)%	6.9%
	Other ATMs network	212,155	0.1%	290,695	0.1%	256,084	0.1%	(11.9)%	20.7%
	Total transactions	**177,456,012**	**100.0**%	**249,927,212**	**100.0**%	**231,616,556**	**100.0**%	**(7.3)**%	**30.5**%

(1)Figures include monetary and non-monetary transactions.

In the current economic and social environment, which has been marked by stringent restrictions on movements and economic activities since mid-March to stem contagion from the COVID-19 pandemic, the average number of transactions fell 7.3% comparing the three months ended March 31, 2020 to the three months ended December 31, 2019. The majority of this decline was concentrated in March, when the Peruvian government instituted a state of emergency and mandated obligatory social distancing measures. In contrast, the level of transactions increased 30.5% comparing the three months ended March 31, 2020 to the three months ended March 31, 2019.

Comparing the three months ended March 31, 2020 to the three months ended December 31, 2019, transactions decreased across all channels with the exception of *telecredito* (2.7%) and direct debit (11.8%). In the three months ended March 31, 2020, the largest decrease in volume was recorded in mobile banking (4.8%) and ATMs (17.8%) due to the COVID-19 crisis.

Comparing the three months ended March 31, 2020 to the corresponding period of 2019, the monthly average of transactions increased. This was mainly driven by an increase in volume through the following channels:

(i) Mobile banking (67.1% comparing the three months ended March 31, 2020 to the corresponding period of 2019), which continued to post an increase in its share of total transactions due to operating improvements that were rolled out for the “Mobile Banking BCP” application and also related to our clients’ on-going shift to digital channels.

(ii) Internet Banking Vía BCP (38.7% comparing the three months ended March 31, 2020 to the corresponding period of 2019), driven by the effort to redesign our web page to allow our clients to conduct transactions and find information with greater ease and speed.

(iii) Agentes BCP (14.0% comparing the three months ended March 31, 2020 to the corresponding period of 2019), which registered in increase in locations.

Transactions through traditional channels continued to fall comparing the three months ended March 31, 2020 to the corresponding period of 2019: (i) ATMs (13.5%), (ii) Tellers 14.5%), (iii) Telephone Banking (12.0%) and (iv) Balance Inquiry Modules (23.4%). These decreases were due to (i) an increased shift toward digital channels such as mobile and internet banking offer similar functions and (ii) on-going efforts to implement other digital platforms in branches, which allow clients to consult information, open savings accounts and pick up debit cards.

We expect that growth in banking transactions in the region will continue to be directed mainly through digital channels. The current scenario of social distancing and public health measures will drive even more demand for these services. Growth in the volume of transactions will be carried out primarily through mobile banking and internet banking, which will blend well with our objective to possess an efficient and profitable network of customer service channels. Our interbank payment application, Yape, hit the 2.5 million user mark in the first quarter of 2020 and has become a useful instrument for both individuals and businesses to conduct efficient, zero-cost transactions.

Points of Contact – BCP Bolivia

	As of			# Change	
	March 31, 2019	**December 31, 2019**	**March 31, 2020**	**March 31, 2020 / December 31, 2019**	**March 31, 2020 / 2019**
Branches	56	54	55	1	(1)
ATMs	299	301	307	6	8
Agentes BCP Bolivia	363	446	555	109	192
Total Bolivia's Network	**718**	**801**	**917**	**116**	**199**

At BCP Bolivia, points of contact increased by 116 comparing March 31, 2020 to December 31, 2019 after an increase in Agentes BCP Bolivia (109) were deployed in line with our strategy to growth points of contacts through cost-efficient channels.

The comparison between March 31, 2020 and March 31, 2019 experienced a similar trend, where the total number of points of contact in BCP Bolivia increased 199. This was primarily attributable to growth in the number of Agentes BCP Bolivia (192) and, to a lesser extent, to expansion in the number of ATMs (8). The number of branches, nonetheless, fell by one when comparing these periods. The increases in the number of Agentes and ATMs was attributable to the bank's strategy to establish cost-efficient channels to reach more clients and also reflects a move to offset the effect of branch closings.

Microfinance

Points of Contact – Mibanco

	As of			# Change	
	March 31, 2019	**December 31, 2019**	**March 31, 2020**	**March 31, 2020 / December 31, 2019**	**March 31, 2020 / 2019**
Total Mibanco's Network(1)	**324**	**323**	**325**	**2**	**1**

(1) Mibanco does not have Agents or ATMs because it uses the BCP network. Mibanco branches include Banco de la Nacion branches, which in Mar 19, Dec 19 and Mar 20 were 35.

At Mibanco, points of contact increased by two comparing March 31, 2020 to December 31, 2019. When comparing March 31, 2020 and March 31, 2019, there was one additional branch. Mibanco has an agreement with the Banco de la Nacion to use the latter's branches at the national level to reduce operating costs. At the end of March 31, 2020, these branches represented 11% (35 branches) of the 325 operated by Mibanco.

Economic Perspectives

Peru Economic Data and Forecasts

	For the Years Ended December 31,				
Peru	**2016**	**2017**	**2018**	**2019(3)**	**2020(3)**
GDP (U.S.$ Millions)	194,653	214,397	225,364	230,413	200,000
Real GDP (% change)	4.0	2.5	4.0	2.2	(7)–(13)
GDP per capita (U.S.$)	6,179	6,742	6,999	7,090	6,098
Domestic demand (% change)	1.1	1.4	4.3	2.3	(8)–(13)
Gross fixed investment (as % GDP)	21.9	20.5	21.4	21.2	(19)–(20)
Public Debt (as % GDP)	23.9	24.9	25.7	26.8	34.3–38.5
System loan growth (% change)(1)	4.9	5.6	10.1	6.2	—
Inflation(2)	3.2	1.4	2.2	1.9	0.0 – 0.5

Peru	For the Years Ended December 31, 2016	2017	2018	2019(3)	2020(3)
Reference Rate	4.25	3.25	2.75	2.25	0.25
Exchange rate, end of period	3.36	3.24	3.37	3.31	3.40–3.45
Exchange rate, (% change)	(1.7)%	(3.5)%	4.1%	(1.7)%	4.1%
Fiscal balance (% GDP)	(2.6)	(3.1)	(2.5)	(1.6)	(9.4)
Trade balance (U.S.$ Millions)	1,953	6,700	7,197	6,614	3,000
(As % GDP)	1.0%	3.1%	3.2%	2.9%	1.5%
Exports	37,082	45,422	49,066	47,688	37,000
Imports	35,128	38,722	41,870	41,074	34,000
Current account balance (U.S.$ Millions)	(5,064)	(2,779)	(3,821)	(3,530)	(5,000
(As % GDP)	(2.6)%	(1.3)%	(1.7)%	(1.5)%	(2.5)%
Net international reserves (U.S.$ Millions)	61,686	63,621	60,121	68,316	68,000
(As % GDP)	31.7%	29.7%	26.7%	29.6%	34.0%
(As months of imports)	21	20	17	20	24

Source: *INEI, BCRP, and SBS.*

(1) Financial System, Current Exchange Rate.

(2) Inflation target: 1% to 3%.

(3) Estimates by BCP Economic Research as of April 2020.

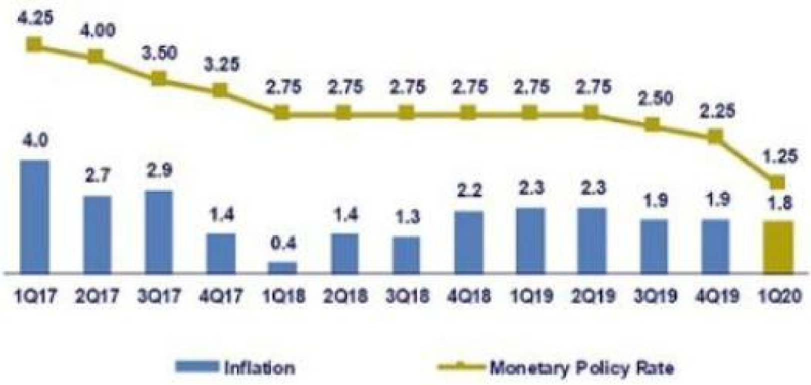
Main Economic Variables

Economic Activity – GDP
(% Change Year-on-Year)

Source: INEI

After expanding 3.0% comparing January 2020 to January 2019 and 3.8% comparing February 2020 to February 2019, economic activity was severely affected by government measures to halt the COVID-19 pandemic, which measures included instituting mandatory social distancing beginning on March 16, 2020. Some indicators that show the impact on economic activity in March include: electricity production (declined 27% comparing the second half of the month with the corresponding period of the previous year), public investment by the general government (decreased 25% in March in comparison to the corresponding period of the previous year), and wholesale poultry sales (decreased 10% in March in comparison to the corresponding period of the previous year and 25% in the last week of March in comparison to the corresponding period of the previous year).

Inflation and Monetary Policy Rate (%)

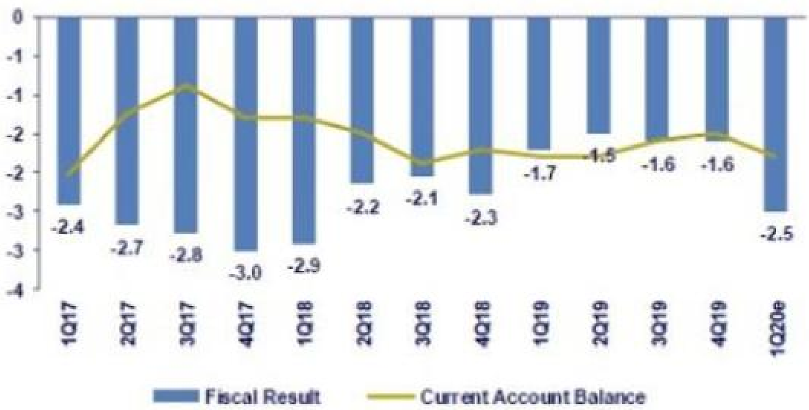


Source: INEI, BCRP

The inflation rate was 1.8% as of March 31, 2020 on a year-on-year basis, compared to 1.9% as of December 31, 2019. Furthermore, core inflation (excluding food and energy) decreased to 1.7% as of March 31, 2020 on a year-on-year basis compared to 2.3% as of December 31 2019, the lowest level in nine years.

In March 2020, the BCRP held an extraordinary (and unprecedented) monetary policy meeting, where it lowered its monetary policy rate by 100 basis points to 1.25%, a level not seen since the global financial crisis of 2009. The institution took into account the deterioration of the international environment due to the COVID-19 pandemic, as well as local economic conditions. In April 2020, the BCRP held another extraordinary meeting and agreed to cut an additional 100 basis points to set the rate at 0.25%, a new historic low. In addition, the BCRP took different measures to inject liquidity into the economy, such as extending its operating terms; exercising flexibility with regard to reserve requirements for institutions in the financial system; and providing liquidity through specific operations (such as asset repurchases and foreign exchange repurchases).

Fiscal Result and Current Account Balance (% of GDP, Quarter)

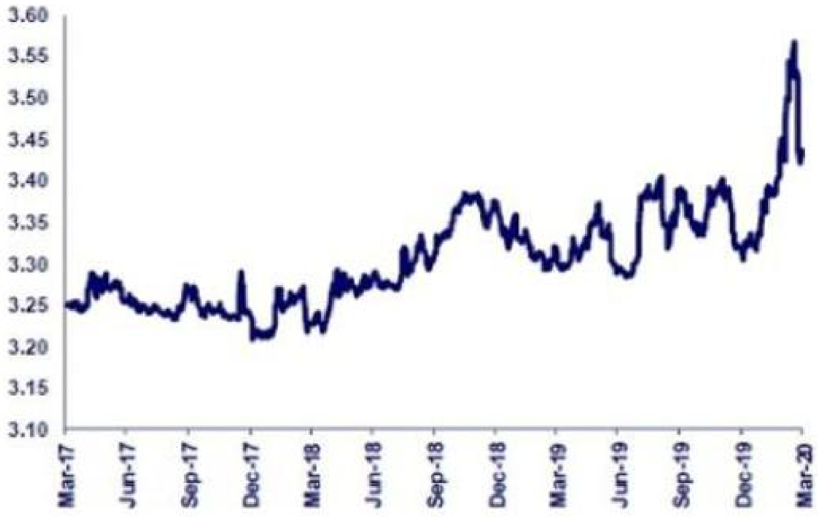


Source: BCRP

* BCP estimates

In March 2020, fiscal revenues at the national government level declined 19% year-on-year in real terms, the worst level recorded since July 2009. The strong contraction was attributable to an 11% decline in VAT revenues and a 24% decline in income tax revenues. The decline in fiscal revenues is primarily attributable to the measures adopted by the government during the national state of emergency in response to the COVID-19 pandemic. Certain notable measures include: (i) deferral of yearly income tax filings, (ii) deferral of internal tax payments and declarations, and (iii) flexibility regarding terms for installment payments, extensions and tax-debt refinancing. During the same period, national government non-financial spending increased 12% year-on-year in real terms. Current expenditures in particular increased 15% year-on-year, a 26-month peak, due to an increase in national government transfers (an increase of 94%). In contrast, public investment from the national government declined 25% year-on-year in real terms.

Exchange Rate (S/ per U.S.$)



Source: SBS

The exchange rate as of March 31, 2020 was S/3.437 for U.S.$1.00, representing depreciation of the Peruvian Sol of 3.7% in three month period ended March 31, 2020, primarily due to foreign currency effects of the international economic environment in the context of the COVID-19 pandemic.

The BCRP mitigated the depreciation of the Peruvian Sol though foreign exchange swaps for S/7,296 million in the three months ended March 31, 2020 (S/6,170 million were placed in March alone).

International net reserves stood at U.S.$68,022 million as of March 31, 2020, which represents a decrease of U.S.$294 million compared to March 31, 2019.

Finally, as of March 31, 2020, all currencies in the region depreciated compared to the end of 2019, with depreciation of the Brazilian Real of 29%, the Mexican Peso of 25%, the Colombian Peso of 24%, and the Chilean Peso of 13%). The Peruvian Sol was the only currency in the region which did not exceed its historical peak during this period.

Other

From time to time, we are and may become involved in litigation, investigations and other legal or administrative proceedings relating to claims arising from our operations, either in the normal course of business or otherwise, or arising from violations or alleged violations of laws, regulations or acts. As described in, but not limited to, “Item 8. Financial Information—8.A. Consolidated Statements and Other Financial Information—(1) Legal Proceedings” in our 2019 Form 20-F, as of December 31, 2019, we were subject to a number of significant legal proceedings. In addition, an investigation was carried out regarding certain donations in an amount of U.S.$3.65 million, which were made by Credicorp to the Fujimori 2011 presidential election campaign. The SMV has initiated a sanctioning process against Credicorp for not having disclosed to the market, in due course, the contributions made to political campaigns in the years 2011 and 2016. The SMV has also initiated a sanctioning process against three subsidiaries of Credicorp (BCP Stand-alone, Mibanco and Grupo Pacifico), for not having disclosed to the market, in due course, the contributions made to political campaigns in connection with the 2016 presidential elections. We do not believe the results of these sanctioning processes will have a material adverse effect on our business, financial condition or results of operations, but cannot assure you that these or any of our other regulatory matters and legal proceedings, including any that may arise in the future, will not harm our reputation, adversely affect our ability to conduct our business in the manner that we expect, or require us to pay fines, which could adversely affect our results of operation in case of an unfavorable ruling. In addition, Dionisio Romero Paoletti, the former Chairman of our Board of Directors, is currently part of a preliminary investigation by a district attorney in relation to allegations made by a private citizen with respect to campaign contributions made in the 2011 and 2016 elections. Such allegations are not directed against Credicorp and we believe they would not have any material impact on the Company.

FORWARD-LOOKING STATEMENTS

The preceding presentation contains estimates and forward-looking statements. Some of the matters discussed concerning our business and financial performance include estimates and forward-looking statements.

Our estimates and forward-looking statements are mainly based on our current expectations and estimates on projections of future events and trends, which affect or may affect our businesses and results of operations. Although we believe that these estimates and forward-looking statements are based upon reasonable assumptions, they are subject to several risks and uncertainties and are made in light of information currently available to us. Our estimates and forward-looking statements may be influenced by the following factors, among others:

- general economic conditions, including, in particular, economic conditions in Peru;
- the occurrence of disasters or political or social instability in the countries where we operate, including, in particular, the economic conditions in Peru;
- the adequacy of the dividends that our subsidiaries are able to pay to us, which may affect our ability to pay dividends to shareholders;
- performance of, and volatility in, financial markets, including Latin American and other emerging markets;
- the frequency and severity of insured loss events;
- fluctuations in interest rate levels;
- currency exchange rates, including the Sol/U.S. dollar exchange rate;
- deterioration in the quality of our loan portfolio;
- increasing levels of competition in Peru and other emerging markets;
- developments and changes in laws and regulations and adoption of new international guidelines;
- changes in the policies of central banks and/or foreign governments;
- general competitive factors, in each case on a global, regional and/or national basis, including in the Peruvian banking industry;
- effectiveness of our risk management policies and of our operational and security systems;
- losses associated with counterparty exposures;
- the duration and severity of the novel coronavirus 2019 (“COVID-19”) outbreak and its impacts on our business and economic conditions generally; and
- other risk factors discussed in our 2019 Form 20-F filed on May 29, 2020.

The words “believe,” “may,” “will,” “estimate,” “continue,” “anticipate,” “intend,” “expect” and similar words are intended to identify estimates and forward-looking statements. Estimates and forward-looking statements speak only as of the date they were made, and we undertake no obligation to update or to review any estimate and/or forward-looking statement because of new information, future events or other factors. Estimates and forward-looking statements involve risks and uncertainties and are not guarantees of future performance. Our future results may differ materially from those expressed in these estimates and forward-looking statements. In light of the risks and uncertainties described above, the estimates and forward-looking statements discussed in this Form 6-K might not occur and our future results and our performance may differ materially from those expressed in these forward-looking statements due to but not limited to, the factors mentioned above. Because of these uncertainties, you should not make any investment decision based on these estimates and forward-looking statements.