CREDICORP LTD. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF SEPTEMBER 30, 2022, AND DECEMBER 31, 2021
AND FOR THE THREE AND NINE-MONTH PERIODS
ENDED SEPTEMBER 30, 2022 AND 2021

CREDICORP LTD. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2022 AND DECEMBER 31, 2021 AND FOR THE THREE AND NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2022 AND 2021

CONTENT

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

Report on review of interim condensed consolidated financial statements

To the Board of Directors
Credicorp Ltd. and subsidiaries

November 25, 2022

We have reviewed the accompanying interim condensed consolidated statement of financial position of **Credicorp Ltd. and subsidiaries** as of September 30, 2022 and the related interim condensed consolidated statements of income and comprehensive income for the three-month and nine-month periods then ended, changes in net equity and cash flows for the nine-month period ended September 30, 2022, and notes, comprising a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34, 'Interim financial reporting'. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

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

Conclusion

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

Gaveglio Aparicio y Asociados

Countersigned by

------------------------------------(partner)
Gustavo Villafana
Peruvian Public Accountant
Registration No. 46192

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CREDICORP LTD. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2022 (UNAUDITED) AND DECEMBER 31, 2021 (AUDITED)

	Note	As of September 30, 2022 S/(000)	As of December 31, 2021 S/(000)
Assets			
Cash and due from banks:			
Non-interest-bearing		6,919,212	6,925,332
Interest-bearing		29,330,082	32,395,408
	4	36,249,294	39,320,740
Cash collateral, reverse repurchase agreements and securities borrowing	5(a)	1,586,967	1,766,948
Investments:			
At fair value through profit or loss	6(a)	4,550,783	5,928,497
At fair value through other comprehensive income		32,690,599	34,440,091
At fair value through other comprehensive income pledged as collateral		1,573,331	318,352
	6(b)	34,263,930	34,758,443
Amortized cost		4,670,928	4,411,592
Amortized cost pledged as collateral		3,357,629	3,853,967
	6(c)	8,028,557	8,265,559
Loans, net:	7		
Loans, net of unearned income		151,392,202	147,597,412
Allowance for loan losses		(8,030,104)	(8,477,308)
		143,362,098	139,120,104
Financial assets designated at fair value through profit or loss	8	767,425	974,664
Premiums and other policies receivable	9(a)	803,886	921,103
Accounts receivable from reinsurers and coinsurers	9(b)	1,063,972	1,198,379
Property, furniture and equipment, net	10	1,243,097	1,308,779
Due from customers on banker's acceptances		697,119	532,404
Intangible assets and goodwill, net	11	2,767,341	2,710,080
Right-of-use assets, net	12(a)	543,039	586,417
Deferred tax assets, net		1,102,620	1,177,359
Other assets	13	6,886,068	6,252,508
Total assets		243,916,196	244,821,984

	Note	As of September 30, 2022 S/(000)	As of December 31, 2021 S/(000)
Liabilities			
Deposits and obligations:			
Non-interest-bearing		46,625,814	51,851,206
Interest-bearing		106,166,200	98,489,656
	14(a)	152,792,014	150,340,862
Payables from repurchase agreements and securities lending	5(b)	16,575,580	22,013,866
Due to banks and correspondents	15(a)	9,002,035	7,212,946
Due from customers on banker's acceptances		697,119	532,404
Accounts payable to reinsurers	9(b)	328,031	463,825
Lease liabilities	12(b)	595,915	655,294
Financial liabilities at fair value through profit or loss		333,453	325,571
Technical reserves for insurance claims and premiums	16	11,709,884	12,534,511
Bonds and notes issued	17	17,019,694	17,078,829
Deferred tax liabilities, net		63,376	105,058
Other liabilities	13	7,121,152	6,521,379
Total liabilities		216,238,253	217,784,545
Equity, net	18		
Equity attributable to Credicorp's equity holders:			
Capital stock		1,318,993	1,318,993
Treasury stock		(207,518)	(207,534)
Capital surplus		225,832	228,853
Reserves		23,687,946	21,364,272
Other reserves		(1,482,023)	235,902
Retained earnings		3,565,824	3,556,281
		27,109,054	26,496,767
Non-controlling interest		568,889	540,672
Total equity, net		27,677,943	27,037,439
Total liabilities and net equity		243,916,196	244,821,984

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

CREDICORP LTD. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME
FOR THE THREE AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2022 AND 2021 (UNAUDITED)

		For the three-month period ended September 30, 2022 and 2021 (unaudited)		For the nine-month period ended September 30, 2022 and 2021 (unaudited)	
		2022	2021	2022	2021
		S/(000)	S/(000)	S/(000)	S/(000)
Interest and similar income	22	3,988,681	3,051,000	10,649,140	8,758,652
Interest and similar expenses	22	(987,255)	(599,901)	(2,374,221)	(1,876,282)
Net interest, similar income and expenses		3,001,426	2,451,099	8,274,919	6,882,370
Provision for credit losses on loan portfolio	7(c)	(545,249)	(265,158)	(1,342,966)	(1,329,147)
Recoveries of written-off loans		85,273	100,744	262,109	243,706
Provision for credit losses on loan portfolio, net of recoveries		(459,976)	(164,414)	(1,080,857)	(1,085,441)
Net interest, similar income and expenses, after provision for credit losses on loan portfolio		2,541,450	2,286,685	7,194,062	5,796,929
Other income					
Commissions and fees	23	934,244	876,391	2,745,767	2,569,573
Net gain on foreign exchange transactions		262,167	246,649	790,936	659,900
Net (loss) gain on securities	24	347	24,829	(97,466)	12,876
Net gain on derivatives held for trading		53,008	43,365	59,330	174,518
Net (loss) gain from exchange differences		(4,071)	(4,809)	(38,197)	18,868
Others	29	64,890	52,258	296,944	189,172
Total other income		1,310,585	1,238,683	3,757,314	3,624,907
Insurance underwriting result					
Net premiums earned	25	751,936	675,571	2,138,019	1,959,443
Net claims incurred for life, general and health insurance contracts	26	(478,039)	(517,951)	(1,448,803)	(1,832,639)
Acquisition cost		(75,055)	(87,416)	(211,786)	(258,182)
Total insurance underwriting result		198,842	70,204	477,430	(131,378)
Other expenses					
Salaries and employee benefits	27	(1,021,946)	(915,564)	(2,975,319)	(2,655,300)
Administrative expenses	28	(870,852)	(802,547)	(2,446,326)	(2,055,040)
Depreciation and amortization		(134,311)	(131,459)	(391,667)	(380,761)
Depreciation for right-of-use assets		(39,189)	(39,501)	(115,192)	(120,833)
Others	29	(75,221)	(88,114)	(216,970)	(304,815)
Total other expenses		(2,141,519)	(1,977,185)	(6,145,474)	(5,516,749)

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME (CONTINUED)

		For the three-month period ended September 30, 2022 and 2021 (unaudited)		For the nine-month period ended September 30, 2022 and 2021 (unaudited)	
		2022	**2021**	**2022**	**2021**
		S/(000)	**S/(000)**	**S/(000)**	**S/(000)**
Net result before income tax		1,909,358	1,618,387	5,283,332	3,773,709
Income tax		(575,083)	(428,037)	(1,634,265)	(1,189,127)
Net result after income tax		1,334,275	1,190,350	3,649,067	2,584,582
Attributable to:					
Credicorp's equity holders		1,302,420	1,163,699	3,561,006	2,523,966
Non-controlling interest		31,855	26,651	88,061	60,616
		1,334,275	1,190,350	3,649,067	2,584,582
Net basic and dilutive earnings (losses) per share attributable to Credicorp's equity holders (in Soles):					
Basic	30	16.38	14.64	44.78	31.75
Diluted	30	16.35	14.61	44.70	31.69

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

CREDICORP LTD. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2022 AND 2021
(UNAUDITED)

	For the three-month period ended September 30, 2022 and 2021 (unaudited)		For the nine-month period ended September 30, 2022 and 2021 (unaudited)	
	2022	**2021**	**2022**	**2021**
	S/(000)	**S/(000)**	**S/(000)**	**S/(000)**
Net profit for the period	1,334,275	1,190,350	3,649,067	2,584,582
Other comprehensive income:				
To be reclassified to profit or loss in subsequent periods:				
Net (loss) on investments at fair value through other comprehensive income	(741,694)	(1,058,581)	(2,871,279)	(2,821,225)
Income tax	22,238	18,180	110,086	40,312
	(719,456)	(1,040,401)	(2,761,193)	(2,780,913)
Net movement of cash flow hedge reserves	(9,522)	41,375	20,291	86,449
Income tax	2,895	(11,940)	(5,557)	(24,925)
	(6,627)	29,435	14,734	61,524
Insurance reserves	306,147	207,288	1,146,616	662,067
Income tax	–	–	–	(26,846)
	306,147	207,288	1,146,616	635,221
Exchange differences on translation of foreign operations	81,608	239,586	(112,142)	406,715
Net movement in hedges of net investments in foreign businesses	(35,697)	(58,860)	1,373	(90,956)
	45,911	180,726	(110,769)	315,759
Total	(374,025)	(622,952)	(1,710,612)	(1,768,409)
Not to be reclassified to profit or loss in subsequent periods:				
Net (loss) in equity instruments designated at fair value through other comprehensive income	(16,726)	(52,058)	(32,186)	(121,031)
Income tax	1,029	2,597	2,032	6,223
Total	(15,697)	(49,461)	(30,154)	(114,808)
Total other comprehensive income	(389,722)	(672,413)	(1,740,766)	(1,883,217)
Total comprehensive income for the period, net of income tax	944,553	517,937	1,908,301	701,365
Attributable to:				
Credicorp's equity holders	918,722	505,975	1,843,081	677,503
Non-controlling interest	25,831	11,962	65,220	23,862
	944,553	517,937	1,908,301	701,365

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

CREDICORP LTD. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN NET EQUITY
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2022 AND 2021 (UNAUDITED)

	Attributable to Credicorp's equity holders													
						Other reserves								
		Treasury stock				Instruments that will not be reclassified to income	Instruments that will be reclassified to the interim condensed consolidated statement of income							
	Capital stock	Shares of the Group	Share-based payment	Capital surplus	Reserves	Investments in equity instruments	Investments in debt instruments	Cash flow hedge reserve	Insurance reserves	Foreign currency translation reserve	Retained earnings	Total	Non-controlling interest	Total net equity
	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)
Balances as of January 1, 2021	1,318,993	(204,326)	(4,107)	192,625	21,429,635	315,202	2,256,531	(41,102)	(892,598)	227,865	347,152	24,945,870	499,777	25,445,647
Changes in equity in 2021 -														
Net profit for the period	–	–	–	–	–	–	–	–	–	–	2,523,966	2,523,966	60,616	2,584,582
Other comprehensive income	–	–	–	–	–	(114,860)	(2,735,886)	60,164	629,456	314,663	–	(1,846,463)	(36,754)	(1,883,217)
Total comprehensive income	–	–	–	–	–	(114,860)	(2,735,886)	60,164	629,456	314,663	2,523,966	677,503	23,862	701,365
Transfer of retained earnings to reserves, Note 18(c)	–	–	–	–	346,994	–	–	–	–	–	(346,994)	–	–	–
Dividend distribution, Note 18(d)	–	–	–	–	(398,808)	–	–	–	–	–	–	(398,808)	–	(398,808)
Dividends paid to interest non-controlling of subsidiaries	–	–	–	–	–	–	–	–	–	–	–	–	(4,160)	(4,160)
Minority purchase	–	–	–	–	–	–	–	–	–	–	–	–	(7,808)	(7,808)
Purchase of treasury stock, Note 18(b)	–	–	(1,369)	(57,538)	–	–	–	–	–	–	–	(58,907)	–	(58,907)
Sale of treasury stocks, Note 18(b)	–	–	84	3,668	–	–	–	–	–	–	–	3,752	–	3,752
Share-based payment transactions	–	–	1,973	76,316	(27,671)	–	–	–	–	–	–	50,618	–	50,618
Others	–	–	–	–	–	–	–	–	–	–	(27,459)	(27,459)	1,204	(26,255)
Balances as of September 30, 2021	1,318,993	(204,326)	(3,419)	215,071	21,350,150	200,342	(479,355)	19,062	(263,142)	542,528	2,496,665	25,192,569	512,875	25,705,444
Balances as of January 1, 2022	1,318,993	(204,326)	(3,208)	228,853	21,364,272	206,885	(143,400)	(273)	(158,666)	331,356	3,556,281	26,496,767	540,672	27,037,439
Changes in equity in 2022 -														
Net profit for the period	–	–	–	–	–	–	–	–	–	–	3,561,006	3,561,006	88,061	3,649,067
Other comprehensive income	–	–	–	–	–	(30,162)	(2,724,831)	14,415	1,133,660	(111,007)	–	(1,717,925)	(22,841)	(1,740,766)
Total comprehensive income	–	–	–	–	–	(30,162)	(2,724,831)	14,415	1,133,660	(111,007)	3,561,006	1,843,081	65,220	1,908,301
Transfer of retained earnings to reserves, Note 18(c)	–	–	–	–	2,354,859	–	–	–	–	–	(2,354,859)	–	–	–
Dividend distribution, Note 18(d)	–	–	–	–	–	–	–	–	–	–	(1,196,422)	(1,196,422)	–	(1,196,422)
Dividends paid to interest non-controlling of subsidiaries	–	–	–	–	–	–	–	–	–	–	–	–	(31,450)	(31,450)
Minority purchase	–	–	–	–	–	–	–	–	–	–	–	–	(1,396)	(1,396)
Purchase of treasury stock, Note 18(b)	–	–	(1,923)	(81,682)	–	–	–	–	–	–	–	(83,605)	–	(83,605)
Sale of treasury stocks, Note 18(b)	–	–	231	9,718	–	–	–	–	–	–	–	9,949	–	9,949
Share-based payment transactions	–	–	1,708	68,943	(31,185)	–	–	–	–	–	–	39,466	–	39,466
Others	–	–	–	–	–	–	–	–	–	–	(182)	(182)	(4,157)	(4,339)
Balances as of September 30, 2022	1,318,993	(204,326)	(3,192)	225,832	23,687,946	176,723	(2,868,231)	14,142	974,994	220,349	3,565,824	27,109,054	568,889	27,677,943

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

CREDICORP LTD. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2022 AND 2021 (UNAUDITED)

		For the nine-month period ended September 30,	
	Note	**2022**	**2021**
		S/000	**S/000**
CASH AND CASH EQUIVALENTS (USED IN) FROM OPERATING ACTIVITIES			
Net profit for the period		3,649,067	2,584,582
Adjustment to reconcile net profit to net cash arising from operating activities:			
Provision for credit losses on loan portfolio	7(c)	1,342,966	1,329,147
Depreciation and amortization	10 and 11(a)	391,667	380,761
Depreciation of right-of-use assets	12(a)	115,192	120,833
Depreciation of investment properties	13(h)	5,172	5,258
Provision for sundry risks	29	12,600	61,999
Deferred expense tax	19(b)	155,514	180,358
Adjustment of technical reserves	25(a)	379,441	597,083
Net loss (gain) on sale of securities	24	97,466	(12,876)
Net loss (gain) on financial assets designated at fair value through profit and loss	25(a)	224,633	(22,454)
Net (gain) of trading derivatives		(59,330)	(158,222)
Net loss from sale of property, furniture and equipment	29	13,465	5,172
Net (gain) from sale of seized and recovered assets	29	(8,323)	(647)
Expense for share-based payment transactions	27	65,733	59,601
Net (gain) from sale of written off portfolio	29	(16,946)	(14,137)
Intangible losses due to withdrawals and dismissed projects	29	7,582	8,016
Others		56,721	(21,065)
Net changes in assets and liabilities			
Net (increase) decrease in assets:			
Loans		(5,643,287)	(6,270,597)
Investments at fair value through profit or loss		1,522,599	1,028,293
Investments at fair value through other comprehensive income		(2,823,642)	8,778,507
Cash collateral, reverse repurchase agreements and securities borrowings		178,334	88,165
Sale of written off portfolio		21,152	22,118
Other assets		707,571	(700,195)
Net (decrease) in liabilities			
Deposits and obligations		2,538,304	2,176,884
Due to banks and correspondents		1,791,614	1,216,489
Payables from repurchase agreements and securities lending		(5,437,864)	(4,596,697)
Bonds and notes issued		98,760	(262,990)
Short-term and low-value lease payments		(67,712)	(64,564)
Other liabilities		1,094,977	1,753,728
Income tax paid		(828,569)	(882,676)
Net cash flow (used in) from operating activities		(415,143)	7,389,874

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

	Note	For the nine-month period ended September 30, 2022 S/000	2021 S/000
NET CASH FLOWS USED IN INVESTING ACTIVITIES			
Proceeds from sale of property, furniture and equipment		4,855	1,744
Collections for maturities and coupons of investment at amortized cost		1,370,846	695,543
Purchase of property, furniture and equipment	10	(89,707)	(40,137)
Purchase of investment property	13(h)	(64,343)	(9,084)
Purchase of intangible assets	11(a)	(423,118)	(305,618)
Purchase of investment at amortized cost		(1,876,937)	(3,715,535)
Net cash flows used in investing activities		(1,078,404)	(3,373,087)
NET CASH FLOWS USED IN FINANCING ACTIVITIES			
Dividends paid	18(d)	(1,196,422)	–
Dividends paid to non-controlling interest of subsidiaries		(31,450)	(4,160)
Principal payments of leasing contracts		(113,562)	(116,593)
Interest payments of leasing contracts		(18,892)	(20,946)
Purchase of treasury stock	18(b)	(83,605)	(58,907)
Sale of treasury stock		9,949	3,752
Purchase of non-controlling interest of subsidiaries		(1,396)	(7,808)
Subordinated bonds		(94,700)	118,886
Net cash flows used in financing activities		(1,530,078)	(85,776)
Net (decrease) increase of cash and cash equivalents before effect of changes in exchange rate		(3,023,625)	3,931,011
Effect of changes in exchange rate of cash and cash equivalents		(83,421)	3,799,616
Cash and cash equivalents at the beginning of the period		39,293,545	36,733,767
Cash and cash equivalents at the end of the period		36,186,499	44,464,394
Additional information from cash flows			
Interest received		10,623,051	8,749,932
Interest paid		(1,947,252)	(1,713,840)
Transactions that do not represent cash flow			
Recognition of lease operations		71,814	(89,293)
Declared unpaid dividends		-	398,808

Reconciliation of liabilities arising from financing activities:

		Changes that generate cash flows		Changes that do not generate cash flows		
For the nine-month period ended September 30, 2022	**As of January 1, 2022**	**Received**	**Paid**	**Exchange difference**	**Others**	**As of September 30 2022**
	S/(000)	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**
Subordinated bonds	6,061,301	–	(94,700)	(8,997)	19,558	5,977,162
Lease liabilities	655,294	–	(132,454)	(508)	73,583	595,915
	6,716,595	–	(227,154)	(9,505)	93,141	6,573,077

		Changes that generate cash flows		Changes that do not generate cash flows		
For the nine-month period ended September 30, 2021	**As of January 1, 2021**	**Received**	**Paid**	**Exchange difference**	**Others**	**As of September 30 2021**
	S/(000)	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**
Subordinated bonds	5,381,323	2,017,491	(1,898,605)	767,354	14,654	6,282,217
Lease liabilities	750,578	–	(137,539)	53,865	40,415	707,319
	6,131,901	2,017,491	(2,036,144)	821,219	55,069	6,989,536

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

CREDICORP LTD. AND SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2022, AND DECEMBER 31, 2021 AND FOR THE THREE AND NINE - MONTH PERIODS ENDED SEPTEMBER 30, 2022 AND 2021.

1 OPERATIONS

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

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

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

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

At a Credicorp Board of Directors meeting, held on December 19, 2019, the Corporate Policy for the Prevention of Corruption and Bribery was approved. This document specifies that neither Credicorp nor any of its subsidiaries can make contributions or deliver any benefit to political organizations or their members, under any modality, directly or indirectly. Management confirms that during the 2022 and during the 2021, none of these contributions have been made.

The consolidated financial statements as of December 31, 2021 and for the year then ended were approved by the Board of Directors on February 24, 2022. The interim condensed consolidated financial statements as of September 30, 2022, and for the nine-month periods ended September 30, 2022, were approved by the Management on November 25, 2022 and will be submitted for their final approval by the Board of Directors; in Management’s opinion, these will be approved without modifications.

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

2 SIGNIFICANT TRANSACTIONS

a) Main acquisitions, incorporations and mergers -

i) Acquisition of Wally POS S.A.C.

On December 17, 2019, Credicorp through its subsidiary Grupo Credito, acquired 19.30 percent of the minority participation of the company Wally POS S.A.C., equivalent to S/0.2 million, and finally, on January 11, 2022, it acquired 70.60 percent, equivalent to S/0.9 million, thus obtaining 89.90 percent of the company.

This transaction has not generated a significant impact on the Group´s interim condensed consolidated financial statements.

ii) Merger by absorption between ASB Bank Corp. and Atlantic Security Bank -

At the General Shareholders' Meeting - Extraordinary Meeting held on November 27, 2020, the shareholders of ASB Bank Corp. approved the legal merger of Atlantic Security Bank. This operation was authorized by the Superintendence of Banks of Panama through Resolution SBP-033-2021 of April 9, 2021. Also, on August 2, 2021, ASB Bank Corp. (absorbing entity) acquired all the assets, liabilities, rights and obligations of Atlantic Security Bank (absorbed entity).

This transaction has not generated a significant impact on the Group's interim condensed consolidated financial statements.

iii) Merger by absorption between Ultralat Capital Markets, LLC and Credicorp Capital Securities, Inc. -

On February 1, 2021, we finalized the merger between Credicorp Capital Securities, Inc. and Ultralat Capital Markets, LLC, which resulted in a new company named Credicorp Capital LLC. Credicorp Capital LLC is a broker-dealer registered with the Financial Industry Regulatory Authority - FINRA and the Securities and Exchange Commission - SEC. Credicorp Capital LLC is owned by Credicorp Capital Limited, which is wholly owned by Credicorp Ltd. Credicorp Capital LLC has an affiliate investment adviser, Credicorp Capital Advisors LLC. They share the same board of directors and ownership.

This operation did not have an impact on the interim condensed consolidated financial statements of Credicorp Ltd. and Subsidiaries.

3 SIGNIFICANT ACCOUNTING POLICIES

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

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

The accompanying interim condensed consolidated financial statements as of September 30, 2022, and for the three and nine - month periods ended September 30, 2022, 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, 2021 (henceforth “2021 Annual consolidated financial statements”), dated February 24, 2022.

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, 2021, except for the adoption of new standards effective as of January 1, 2022, as described below:

(i) Amendment of IAS16 - Property, Plant and Equipment: Product prior to use -

In May 2020, the Board of International Accounting Standards issued the Property, Plant and Equipment rule: Product prior to foreseen use, which prohibits companies from deducting from the cost of an article of Property, Plant and Equipment any product of the sale of articles produced while said asset is transported to the location and the conditions are adequate for it to operate in the manner foreseen by the administration. Instead, an entity must recognize the product of the sale of said articles and the costs of production of the same in the profit and loss statement. These amendments go into effect on January 1, 2022 and must be applied retrospectively to articles of property, plant and equipment that are made available for use on or after the beginning with the first period that the entity applied the amendment for the first time. The Group is currently assessing the impact of this may have on the consolidated financial statements.

(ii) Amendments to IFRS 3 - Reference to the conceptual Framework -

Minor amendments were made to IFRS 3 Business combinations to update references to the Conceptual Framework for Financial Information and add an exception to recognize liabilities and contingent liabilities within the scope of IAS37 Provisions, Contingent Liabilities and the Interpretation IFRIC 21 Levies. The amendments also confirm that contingent assessment should not be recognized on the date of acquisition. The amendment will be in effect for annual periods reported on or after January 1, 2022. The Group is currently assessing the impact that this amendment may have on the consolidated financial statements.

(iii) Onerous Contracts - Cost of complying with a contract - Amendments to IAS37 -

In May 2020, the Board of International Standards for Accounting issued amendments to IAS 37 to specify which cost an entity must include when assessing if a contract is onerous or generates losses. The amendment to IAS37 clarifies that the direct costs of complying with a contract include both the incremental costs of complying with the contract and the assignment of other costs directly required to comply with the contracts. Prior to recognizing a separate provision for the onerous contract, the entity will recognize any loss for impairment that occurred relative to the assets used to comply with the contract. The Amendment is effective for the annual periods reported begin inning on or after January 1, 2022. The Company will apply this amendment to contracts that have yet to comply with all their obligations by the beginning of the annual period reported, which will constitute the first time that said amendments are applied. The Group is currently assessing the impact that this amendment may have on its consolidated financial statements.

(iv) Annual improvements to the IFRS Cycle 2018 - 2020 - As part of its annual improvements 2018-2020 to the standard process of IFRS, in May 2020, the Board for International Accounting Standards issued the following amendments: - IFRS Financial Instruments - clarifies that commissions must be included in the test of 10.0 percent for derecognition of financial liabilities. - IFRS 16 Leasing - amendment to the illustrative example 13 to eliminate the example of lessor payment related to improvements in the object of leasing to eliminate any confusion regarding the treatment of leasing incentives. - IFRS 1 First-time adoption of international standards of financial information -permits entities that have measured their assets and liabilities at the value of registered books in their headquarters' books to also measure any difference of accumulated conversion by using the amounts reported by headquarters. This amendment will also apply to associates and joint ventures that have taken the same expectation to IFRS 1. - IAS41 Agriculture - elimination of the requirement that entities exclude cash flows of taxes when it measures the reasonable value according to IAS41. This amendment's objective is to align with the standard's requirement to discount cash flows on an aftertax basis. The amendments will be effective for reported annual periods beginning on or after January 1, 2022 with permissible anticipated adoption. The Company will apply amendments related to financial liabilities. Leasing, which will be applied at or after the beginning of the annual reported period in which the entity first applied amendments. The Group is currently assessing the impact that this amendment can have on consolidated financial statements.

The adoption of the modification did not have significant effects on the consolidated financial statements of the Group.

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 2021 Annual Consolidated Financial Statements.

As of September 30, 2022 and December 31, 2021, the following entities comprise the Group (the individual or consolidated figures of their financial statements are presented in accordance with IFRS and before eliminations for consolidation purposes, except for the elimination of Credicorp's treasury shares and its related dividends):

Entity	Activity and country of incorporation	Percentage of interest (direct and indirect)		Assets		Liabilities		Equity		Net income (loss) for the nine-month period ended September 30	
		As of September 30, 2022	As of December 31, 2021	As of September 30, 2022	As of December 31, 2021	As of September 30, 2022	As of December 31, 2021	As of September 30, 2022	As of December 31, 2021	2022	2021
		%	%	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	218,466,109	218,429,760	190,061,383	191,639,807	28,404,727	26,789,953	3,561,822	2,613,037
Pacífico Compañía de Seguros y Reaseguros S.A and Subsidiaries (ii)	Insurance, Peru	98.86	98.86	15,301,705	16,486,493	13,180,551	14,188,938	2,121,154	2,297,555	328,217	(192,812)
Atlantic Security Holding Corporation and Subsidiaries (iii)	Capital Markets, Cayman Islands	100.00	100.00	10,488,503	11,688,283	8,581,920	9,508,250	1,906,583	2,180,033	225,797	179,777
Credicorp Capital Ltd. and Subsidiaries (iv)	Capital Markets and asset management, Bermuda	100.00	100.00	4,546,040	4,692,121	3,627,033	3,701,411	919,007	990,710	35,880	57,854
CCR Inc.(v)	Special purpose Entity, Bahamas	100.00	100.00	399	105,733	–	104,703	399	1,030	(631)	(57)

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

Entity	Activity and country of incorporation	Percentage of interest (direct and indirect)		Assets		Liabilities		Equity		Net income (loss) for the nine-month period ended September 30	
		As of September 30, 2022	As of December 31, 2021	As of September 30, 2022	As of December 31, 2021	As of September 30, 2022	As of December 31, 2021	As of September 30, 2022	As of December 31, 2021	2022	2021
		%	%	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)
Banco de Crédito del Perú and Subsidiaries (a)	Banking, Peru	97.74	97.74	199,869,521	199,307,837	177,629,696	178,545,004	22,239,826	20,762,833	3,619,764	2,616,407
Inversiones Credicorp Bolivia S.A. and Subsidiaries (b)	Banking, Bolivia	99.96	99.96	13,207,558	13,839,856	12,282,832	12,952,609	924,726	887,247	61,120	56,806
Prima AFP (c)	Private pension fund administrator, Peru	100.00	100.00	734,766	839,772	278,345	265,185	456,421	574,587	69,257	110,594
Tenpo SpA and Subsidiaries (d)	Holding, Chile	100.00	100.00	248,436	158,328	75,701	43,140	172,735	115,188	(90,093)	(22,602)

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

Its main subsidiary is MiBanco, Banco de la Microempresa S.A. (hereinafter "MiBanco"), a banking entity in Peru oriented towards the micro and small business sector. As of September 30, 2022, the assets, liabilities and equity of MiBanco amount to approximately S/17,607.7 million, S/14,876.5 million and S/2,731.2 million, respectively (S/16,162.6 million, S/13,799.6 million and S/2,363.0 million, respectively as of December 31, 2021). Likewise the net result of MiBanco as nine-month period ended September 30, 2022 amount to S/378.0 million (S/146.4 million as nine-month period ended September 30, 2021).

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

Its principal subsidiary is Banco de Crédito de Bolivia (hereinafter "BCB"), a commercial bank which operates in Bolivia. As of September 30, 2022, the assets, liabilities and equity of BCB amount to approximately S/13,143.4 million, S/12,271.7 million and S/871.7 million, respectively (S/13,799.8 million, S/12,964.8 million and S/835.0 million, respectively as of December 31, 2021). Likewise the net result of BCB as nine-month period ended September 30, 2022 amount to S/51.3 million (S/49.7 million as nine-month period ended September 30, 2021).

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

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

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

(iii) Its most important subsidiary is ASB Bank Corp. (merged with Atlantic Security Bank on August 2021, see Note 2(a)), was established in September 9, 2020 in the Republic of Panama; its main activities are private and institutional banking services and trustee administration, mainly for BCP's Peruvian customers.

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

Entity	**Percentage of interest (direct and indirect)**		**Assets**		**Liabilities**		**Equity**		**Net income (loss) for the nine-month period ended September 30**	
	As of September 30, 2022	**As of December 31, 2021**	**As of September 30, 2022**	**As of December 31, 2021**	**As of September 30, 2022**	**As of December 31, 2021**	**As of September 30, 2022**	**As of December 31, 2021**	**2022**	**2021**
	%	**%**	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**
Credicorp Holding Colombia S.A.S. and Subsidiaries (a)	100.00	100.00	3,065,267	3,288,924	2,437,744	2,608,445	627,522	680,479	35,471	38,485
Credicorp Capital Holding Chile and Subsidiaries (b)	100.00	100.00	1,181,478	1,121,622	1,010,183	933,173	171,295	188,449	5,737	(11,443)
Credicorp Capital Holding Perú S.A. and Subsidiaries (c)	100.00	100.00	271,211	259,348	174,822	135,937	96,389	123,411	2,105	28,064

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

Its main subsidiaries are Credicorp Capital Colombia S.A and Banco de la Microempresa de Colombia S.A (hereinafter MiBanco Colombia, formerly Banco Compartir S.A.). Credicorp Capital Colombia S.A. which was acquired in Colombia in the year 2012 and merged with Ultraserfinco S.A. in June 2020, this subsidiary is oriented to the activities of commission agents and securities brokers. Likewise, MiBanco Colombia was acquired in the year 2019 and merged with Edyficar S.A.S. in October 2020, this subsidiary is oriented to grant credits to the micro and small business sector. As of September 30, 2022 and December 31, 2021, the direct and indirect interest held by Credicorp and the assets, liabilities, equity and net income were:

Entity	Percentage of interest (direct and indirect)		Assets		Liabilities		Equity		Net income (loss) for the nine-month period ended September 30	
	As of September 30, 2022	As of December 31, 2021	As of September 30, 2022	As of December 31, 2021	As of September 30, 2022	As of December 31, 2021	As of September 30, 2022	As of December 31, 2021	2022	2021
	%	%	S/000	S/000	S/000	S/000	S/000	S/000	S/000	S/000
Credicorp Capital Colombia S.A.	100.00	100.00	1,172,841	1,544,956	1,012,169	1,378,697	160,672	166,259	27,521	28,083
MiBanco - Banco de la Microempresa de Colombia S.A.	85.58	85.58	1,545,619	1,392,887	1,319,662	1,158,575	225,956	234,312	21,704	23,045

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

(v) CCR Inc. was incorporated in 2000, its main activity is to manage loans granted to BCP by foreign financial entities. 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 September 30, 2022:

(i) Disclosure of Accounting Policies - Amendments to IAS 1 and the Practice Statement 2 -

Originally, the IAS stipulated that “significant” accounting policies must be divulged. With this amendment, there is a specification that disclosure must be for “material” accounting policies. This amendment incorporates the definition of what is considered “information on material accounting policies” and explains how to identify this type of information. Additionally, the amendment clarifies that it is not necessary to divulge information on immaterial accounting policies and if the same is divulged, it should not create confusion about what truly constitutes important accounting information. Consistently, Practice Statement 2 was also amended to express judgements on materiality to provide a guide to apply the concept of materiality in accounting policy disclosures. These amendments will go into effect for the annual period reported beginning on or before January 1, 2023 and anticipated adoption is permitted. The Group is currently assessing the impact that this amendment will have on its consolidated financial statements.

(ii) Amendments to IAS 8 - Definition of accounting estimates -

This amendment clarifies how to distinguish changes in accounting policies from changes in accounting estimates. The distinction is important when defining accounting treatment given that changes in accounting estimates recognize future transactions and events prospectively while changes in accounting policies generally apply to past transactions and events retroactively, as is the case with the current period. Amendments will be in effect for the annual periods reported beginning on or after January 1, 2023 and anticipated adoption is permitted.

The Group is currently assessing the impact that this amendment will have on its consolidated financial statements.

(iii) Amendments to IAS 12, Deferred tax related to assets and liabilities that arise from a single transaction -

These amendments indicate that deferred taxes that arise from a single transaction should be recognized if, in their initial recognition, temporary taxable differences and deductibles for the same value arise. This will generally apply to transactions such as leasing (for lessees) and obligation to dismantle or remediate in those situations that will require recognition of deferred tax assets and liabilities. These amendments must apply to transactions that occur on or after the beginning of the comparative period presented. Additionally, it is necessary to recognize deferred tax assets (to the extent that it is probable that they will be utilized) and deferred tax liabilities at the beginning of the first comparative period for all deductible or taxable temporary differences associated with: - Assets for rights of use and leasing liabilities, and - Liabilities for dismantling, restoration and similar and the corresponding contributions are recognized as part of the cost of related assets. The accumulated effect of these adjustments is recognized in accumulated results or through another component of equity as applicable. Previously, IAS 12 had not stablished a particular accounting treatment for the tax effects of leasing that are recognized in the balance and for similar transactions; as such, different approaches are considered acceptable. The entities that are already recognizing deferred taxes on these transactions will not see impacts on their financial statements. Amendments will be in effect for the annual reported periods beginning or after January 1, 2023 and anticipated adoption is permitted. The Group is currently assessing the impact that this amendment may have on their consolidated financial statements.

(iv) 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 is 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 June 25, 2020, the IASB agreed to defer the effective date of application to annual periods beginning on or after January 1, 2023.

(v) 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 interim condensed consolidated financial statements.

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

4 CASH AND DUE FROM BANKS

a) The composition of the item is presented below:

	As of September 30, 2022	**As of December 31, 2021**
	S/(000)	**S/(000)**
Cash and clearing (b)	5,808,522	4,973,007
Deposits with Central Reserve Bank of Peru (BCRP) (b)	25,781,816	25,359,565
Deposits with Central Bank of Bolivia and Colombia (b)	526,462	913,377
Deposits with foreign banks (c)	2,980,024	6,727,014
Deposits with local banks (c)	792,305	1,316,292
Interbank funds	262,160	2,943
Accrued interest	35,210	1,347
Total cash and cash equivalents	36,186,499	39,293,545
Restricted funds	62,795	27,195
Total cash	36,249,294	39,320,740

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

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

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

	As of September 30, 2022	As of December 31, 2021
	S/(000)	**S/(000)**
Legal cash requirements (i)		
Deposits with Central Reserve Bank of Peru	12,465,943	19,383,577
Deposits with Central Bank of Bolivia	521,550	905,309
Deposits with Republic Bank of Colombia	4,912	8,068
Cash in vaults of Bank	4,974,463	4,275,997
Total legal cash requirements	17,966,868	24,572,951
Additional funds		
Overnight deposits with Central Reserve Bank of Peru (ii)	13,000,324	4,536,379
Term deposits with Central Reserve Bank of Peru (iii)	–	1,260,000
Cash in vaults of Bank and others	834,059	697,010
Other Deposits BCRP	315,549	179,609
Total additional funds	14,149,932	6,672,998
Total	32,116,800	31,245,949

(i) As of September 30, 2022, cash and deposits that generate interest subject to legal cash requirements in local and foreign currency are subject to an implicit rate of 6.01 percent and 34.39 percent, respectively, on the total balance of obligations subject to legal cash requirements, as required by the BCRP (4.77 percent and 33.17 percent, respectively, as of December 31, 2021).

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

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

(ii) As of September 30, 2022, the Group maintains three "overnight" deposits with the BCRP, of which one is denominated in soles in amount of S/287.0 million and two are in U.S. Dollar in amount of US$3,193.5 million, equivalent to S/12,713.3 million. At said date, the deposit in soles and deposits in U.S. Dollar accrue interest at annual rates of 4.75 percent and 3.07 percent, respectively, and have maturities at 3 day.

As of December 31, 2021, the Group maintains four “overnight” deposits with the BCRP, which are two denominated in soles in amount of S/690.0 million and two in U.S. Dollar in amount of US$964.7 million, equivalent to S/3,846.4 million. At said date, deposit in soles and deposits in U.S. Dollar accrue interest at annual rates of 1.85 percent and 0.05 percent, respectively, and have maturities at 3 days.

(iii) As of September 30, 2022, the group does not maintain term deposits with the BCRP. As of December 31, 2021, the group held four term deposits denominated in soles, accruing interest at an annual rate of 2.48 percent and 2.49 and have maturing between January 3 and January 4, 2022. The decrease in term deposits at the BCRP is mainly due to lower liquidity surpluses due to a lower level of customer deposits.

c) Deposits with local and foreign banks -

Deposits with local and foreign banks mainly consist of balances in soles and U.S. Dollar; these are cash in hand and earn interest at market rates. As of September 30, 2022 and December 31, 2021 Credicorp and its subsidiaries do not maintain significant deposits with any bank in particular.

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

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

	As of September 30, 2022 S/(000)	As of December 31, 2021 S/(000)
Cash collateral on repurchase agreements and security lendings (i)	874,360	1,080,616
Reverse repurchase agreement and security borrowings	573,462	654,783
Receivables for short sales	139,145	31,549
Total	1,586,967	1,766,948

(i) As of September 30, 2022, the balance corresponds mainly to cash collaterals in U.S. Dollar and Bolivianos. Banco Central de Bolivia received cash collateral in Bolivianos and U.S. Dollar for the equivalent of S/627.5 million (S/736.2 million, at December 31, 2021). Cash collateral for US$52.5 million, equivalent to S/209.1 million, were delivered to BCRP to secure debts with this same institution for approximately S/185.0 million (as of December 31, 2021, cash collateral for approximately US$82.4 million, equivalent to S/328.4 million to secure a borrowing in Soles of approximately S/285.0 million).

Cash collateral granted bears interest at an average annual effective interest rate according to market rates. The related liability is presented in “Payables from repurchase agreements and securities lending” 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 September 30, 2022						As of December 31, 2021					
	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)			69,128	–	15,632,543	15,701,671	15,549,138		–	204,916	20,986,894	21,191,810	21,362,884
Instruments issued by the Colombian Government	Colombian pesos	5.94	482,133	160,937	–	643,070	642,104	5.36	–	676,361	–	676,361	676,300
Instruments issued by the Chilean Government	Chilean pesos	0.90	45,606	–	–	45,606	45,606	0.31	–	74,218	–	74,218	74,216
Other instruments		1.55	160,513	24,720	–	185,233	185,151	2.91	–	71,477	–	71,477	71,431
			757,380	185,657	15,632,543	16,575,580	16,421,999		–	1,026,972	20,986,894	22,013,866	22,184,831

c) As of September 30, 2022, and December 31, 2021, the Group has repurchase agreements secured with: (i) cash, see Note 5(a), (ii) investments, see Note 6(b) and Credits from the Reactiva Peru program, see Note 7(a). This item consists of the following:

		As of September 30, 2022			As of December 31, 2021		
Counterparties	Currency	Maturity	Carrying amount	Collateral	Maturity	Carrying amount	Collateral
			S/(000)			S/(000)	
BCRP - Reactiva Perú (*)	Sol	May 2023 / December 2025	9,985,006	Loans guaranteed by National Government	May 2023 / December 2025	15,729,959	Loans guaranteed by National Government
BCRP	Sol	October 2022 / September 2025	3,624,923	Investments	January 2022 / September 2025	2,938,683	Investments
Banco Central de Bolivia	Boliviano	December 2022 / January 2023	627,477	Cash	February 2022 / December 2022	736,155	Cash
BCRP - Reactiva Perú Especial (*)	Sol	June 2023 / December 2025	589,735	Loans guaranteed by National Government	June 2023 / December 2025	672,289	Loans guaranteed by National Government
Natixis S.A.	Sol	August 2028	270,000	Investments	August 2028	270,000	Investments
BCRP, Note 5(a)(i)	Sol	March 2023	185,000	Cash with BCRP	March 2022 / March 2023	285,000	Cash with BCRP
Citigroup Global Markets	U.S. Dollar	August 2026	179,145	Investments	August 2026	179,415	Investments
Natixis S.A.	U.S. Dollar	August 2026	99,525	Investments	August 2026	99,675	Investments
Banco de la República	Colombian peso	October 2022	69,110	Investments	January 2022	203,026	Investments
Other minors		October 2022	3,528	Investments	January 2022	1,848	Investments
Accrued interest			68,222			75,760	
			15,701,671			21,191,810	

(*) Throug Repo Operations, BCP and MiBanco sell representing credit securities guaranteed by the BCRP, they receive soles and are obliged to buy them back at a later date. The credit representing securities with guarantee of the National Government may have the form of a portfolio of credit representing titles or of Certificates of Participation in trustee of the loan portfolio guaranteed by the National Government (Reactiva Especial). The BCRP will charge a fixed interest annual rate in soles of 0.50 percent for the operation and will include a grace period of twelve months without payment of interest or principal. As of September 30, 2022, the total credits granted through the Reactiva Peru program are S/11,503.1 million (S/18,404.6 million, at December 31, 2021), see Note 7(a).

As of September 30, 2022, said operations accrue interest at fixed and variable rates between 0.50 percent and 10.08 percent and between Libor 6M + 1.68 percent and Libor 6M + 1.90 percent, respectively, (between 0.50 percent and 6.73 percent and between Libor 6M + 1.68 percent and Libor 6M + 1.90 percent, respectively, as of December 31, 2021). Also, certain repurchase agreements were hedged using cross-currency swaps (CCS), see Note 13(c).

6 INVESTMENTS

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

	As of September 30, 2022 S/(000)	As of December 31, 2021 S/(000)
Mutual funds (i)	1,638,545	1,574,233
Government treasury bonds (ii)	777,696	1,185,541
Investment funds (iii)	690,453	531,847
Restricted mutual funds (iv)	338,209	365,954
Participation in RAL Funds (v)	238,533	323,139
Hedge funds	191,021	176,816
Certificates of deposit BCRP (vi)	206,456	1,111,142
Corporate bonds	204,360	172,857
Subordinated bonds	76,216	110,484
Shares	56,170	90,728
Multilateral organization bonds	39,353	33,082
ETF (Exchange - Traded Fund)	21,621	105,305
Central Bank of Chile bonds	12,305	32,761
Others	55,160	105,310
Balance before accrued interest	4,546,098	5,919,199
Accrued interest	4,685	9,298
Total	4,550,783	5,928,497

(i) As of September 30, 2022, the balance corresponds to mutual funds from Luxembourg, Bolivia, Peru, Chile, Ireland, and other countries, which represent 62.7 percent, 22.9 percent, 4.4 percent, 4.4 percent, 3.4 percent, and 2.2 percent of the total, respectively. As of December 31, 2021, the balance corresponds to mutual funds from Luxembourg, Bolivia, Ireland and other countries and Ireland, which represent 70.5 percent, 21.5 percent, percent 3.8 and 4.2 percent of the total, respectively.

(ii) As of September 30, 2022 and December 31, 2021, the balance of these instruments includes the following government treasury bonds:

	As of September 30, 2022 S/(000)	As of December 31, 2021 S/(000)
Colombian treasury bonds	616,967	898,733
Peruvian treasury bonds	106,430	211,571
Chilean treasury bonds	43,784	66,643
Mexican treasury bonds	6,556	–
U.S. treasury and federal agency bonds	3,959	7,948
Brazilian treasury bonds	–	646
Total	777,696	1,185,541

(iii) As of September 30, 2022, the balance corresponds mainly to investment funds in Peru and the United States of America that represent 54.1 percent and 40.8 percent, respectively, among other countries. As of December 31, 2021, the balance corresponds mainly to investment funds in Peru and the United States of America that represented 40.6 percent and 55.6 percent, respectively.

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

(v) As of September 30, 2022, these funds are approximately Bs 239.5 million, equivalent to S/139.1 million, and US$25.0 million, equivalent to S/99.4 million. As of December 31, 2021, these funds were approximately Bs 346.1 million, equivalent to S/202.3 million, and US$30.3 million, equivalent to S/120.8 million; and comprise the investments made by the Group in the Central Bank of Bolivia as collateral for deposits received from the public. These funds have restrictions for their use and are required from all banks in Bolivia.

(vi) As of September 30, 2022, the balance corresponds to 519 certificates of deposit for US$51.9 million, equivalent to S/206.5 million, accruing interest at an annual effective rate of 3.19 percent, and with maturities October 2022. As of December 31, 2021, the balance corresponds to 2,789 certificates of deposit for US$278.7 million, equivalent to S/1,111.1 million, accruing interest at an annual effective rate of 0.67 percent to 0.70 percent, and with maturities from January to February 2022.

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

	As of September 30, 2022				As of December 31, 2021			
		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)	15,167,110	46,510	(1,548,660)	13,664,960	14,456,083	594,025	(334,687)	14,715,421
Government treasury bonds (ii)	11,826,622	46,573	(1,467,390)	10,405,805	9,600,115	206,701	(568,417)	9,238,399
Certificates of deposit BCRP (iii)	7,849,924	2,277	(3,529)	7,848,672	8,347,101	7	(9,676)	8,337,432
Securitization instruments (iv)	780,107	1,403	(128,211)	653,299	768,012	20,202	(66,825)	721,389
Negotiable certificates of deposit (v)	535,690	5,492	(1,810)	539,372	615,514	10,505	(1,508)	624,511
Subordinated bonds	385,544	296	(22,736)	363,104	217,222	6,281	(4,224)	219,279
Others	124,423	824	(8,656)	116,591	125,877	4,699	(4,324)	126,252
	36,669,420	103,375	(3,180,992)	33,591,803	34,129,924	842,420	(989,661)	33,982,683
Equity instruments designated at the initial recognition								
Shares issued by:								
Inversiones Centenario	112,647	45,859	-	158,506	112,647	72,124	-	184,771
Alicorp S.A.A.	12,197	120,243	-	132,440	12,197	125,356	-	137,553
Bolsa de Valores de Lima	18,367	4,709	-	23,076	19,423	6,730	-	26,153
Bolsa de Comercio de Santiago	3,565	3,764	-	7,329	3,648	4,108	-	7,756
Compañía Universal Textil S.A.	9,597	-	(3,233)	6,364	9,597	-	(3,233)	6,364
Pagos Digitales Peruanos S.A.	5,611	-	(5,611)	-	5,197	-	(5,197)	-
Bolsa de Valores de Colombia	3,878	-	(981)	2,897	4,402	-	(188)	4,214
Corporación Andina de Fomento	4,441	2,220	-	6,661	4,441	1,176	-	5,617
Others	2,903	3,200	(685)	5,418	3,584	2,557	(742)	5,399
	173,206	179,995	(10,510)	342,691	175,136	212,051	(9,360)	377,827
Balance before accrued interest	36,842,626	283,370	(3,191,502)	33,934,494	34,305,060	1,054,471	(999,021)	34,360,510
Accrued interest				329,436				397,933
Total				34,263,930				34,758,443

Credicorp's management has determined that the unrealized losses of investments at fair value with changes in other comprehensive income as of September 30, 2022 and December 31, 2021 are of a temporary nature; considering factors such as the planned strategy in relation to the security or portfolio identified, the related guarantee and the credit rating of the issuers. During 2022, as a result of the evaluation of the impairment loss of investments at fair value with changes in other comprehensive income, the Group has recorded a provision for credit loss amounting to S/41.1 million (recovery of credit loss of S/4.9 million during the nine-month periods ended September 30, 2021), which is presented in the caption "Net (loss) gain on securities", see Note 24, of the consolidated income statement. Likewise, Management has decided and has the capacity to maintain each of these investments for a sufficient period of time to allow an early recovery in the fair value, even before its recovery or expiration.

The maturities and annual market rates of investments at fair value through other comprehensive income as of September 30, 2022 and December 31, 2021, are as follows:

	Maturities		**Annual effective interest rate**												
	As of September 30, 2022	**As of December 31, 2021**	**As of September 30, 2022**						**As of December 31, 2021**					
			S/		**US$**		**Other currencies**		**S/**		**US$**		**Other currencies**	
			Min %	**Max %**	**Min %**	**Max %**	**Min %**	**Max %**	**Min %**	**Max %**	**Min %**	**Max %**	**Min %**	**Max %**
Corporate bonds	Oct-2022 / Nov-2095	Jan-2022 / Nov-2095	4.24	14.88	-	156.97	2.60	14.44	1.64	19.28	-	67.59	1.35	7.86
Government treasury bonds	Oct-2022 / Feb-2055	Jan-2022 / Feb-2055	3.01	8.95	1.19	8.59	5.16	7.82	1.79	6.91	-	4.61	4.00	5.16
Certificates of deposit BCRP	Oct-2022 / Set-2023	Jan-2022 / Mar-2023	5.86	6.82	-	-	-	-	2.52	3.40	-	-	-	-
Negotiable certificates of deposits	Oct-2022 / Jul-2033	Jan-2022 / Jul-2033	7.96	8.47	2.48	4.80	1.00	12.50	3.88	3.88	2.48	2.68	1.00	6.02
Securitization instruments	Nov-2022 / Sep-2045	Jan-2022 / Sep-2045	6.12	31.21	6.30	16.88	3.50	7.50	4.05	28.90	2.17	10.85	3.50	-
Subordinated bonds	Jan-2023 / Aug-2045	Apr-2022 / Aug-2045	2.45	10.60	3.35	43.76	-	-	0.28	7.48	0.86	7.62	-	-
Others	Oct-2022 / Feb-2035	Apr-2022 / Feb-2035	2.94	10.25	6.42	8.69	0.05	0.08	1.77	7.99	3.39	5.05	0.05	0.05

Likewise, as of September 30, 2022, the Group has entered into repurchase agreements (Repos) on public treasury bonds and BCRP certificates of deposit classified as investments at fair value with changes in other comprehensive income for an estimated market value of S/1,573.3 million. As of December 31, 2021 the Group entered into these agreements on public treasury bonds and BCRP certificates of deposit for an estimated market value of S/318.4 million; whose related liability is presented in the caption "Payables from repurchase agreements and securities lending" of the consolidated statement of financial position, see Note 5(c).

(i) As of September 30, 2022, the balance corresponds to corporate bonds issued by companies from the United States of America, Peru, Chile, and other countries, which represent 42.5 percent, 35.2 percent, 4.4 percent, and 17.9 percent of the total, respectively. As of December 31, 2021, the balance corresponds to corporate bonds issued by companies from the United States of America, Peru, Chile, and other countries, which represent 38.1 percent, 37.1 percent, 4.6 percent, and 20.2 percent of the total, respectively.

As of September 30, 2022, the most significant individual unrealized loss amounts to approximately S/38.9 million from Inversiones Nacionales de Turismo - Intursa S.A (S/18.5 million from Inversiones Nacionales de Turismo - Intursa S.A as of December 31, 2021). The largest unrealized loss with respect to the 2021 balance sheet is due to market behavior.

(ii) As of September 30, 2022 and December 31, 2021, the balance includes the following Government Treasury Bonds:

	As of September 30, 2022	**As of December 31, 2021**
	S/(000)	**S/(000)**
Peruvian treasury bonds	7,244,762	7,496,775
U.S. treasury and federal agency bonds	2,843,721	1,455,114
Colombian treasury bonds	141,216	87,428
Chilean treasury bonds	79,821	83,978
Bolivian treasury bonds	75,962	89,941
Others	20,323	25,163
Total	10,405,805	9,238,399

(iii) As of September 30, 2022, the Group maintains 78,748 certificates of deposits BCRP (83,494 as of December 31, 2021); which are instruments issued at discount through public auction, traded on the Peruvian secondary market and payable in soles. The decrease in the balance is mainly due to the maturity of these instruments.

(iv) As of September 30, 2022 and December 31, 2021, the balance of securitization instruments includes the following:

	As of September 30, 2022	**As of December 31, 2021**
	S/(000)	**S/(000)**
Inmuebles Panamericana S.A.	125,305	142,629
ATN S.A.	79,320	98,525
Colegios Peruanos S.A.	58,762	68,714
Multimercados Zonales S.A.C.	43,880	50,000
Costa de Sol S.A.	38,800	46,502
Nessus Hoteles Perú S.A.	33,021	38,547
Fábrica Nacional de Cemento S.A.	27,881	28,187
Concesionaria La Chira S.A.	24,839	27,370
Asociación Civil San Juan Bautista	24,235	17,764
Homecenters Peruanos S.A.	23,854	27,206
Others	173,402	175,945
Total	653,299	721,389

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

(v) As of September 30, 2022, the balance corresponds to certificates for US$1.8 million, equivalent to S/6.9 million, in currency soles for S/12.7 million; and in other currencies, equivalent to S/519.7 million issued mainly by the financial systems of Colombia and Bolivia. As of December 31, 2021, the balance corresponds to certificates for US$0.67 million, equivalent to S/2.7 million, in soles currency for S/6.8 million; and in other currencies, equivalent to S/615.1 million issued mainly by the financial system of Colombia and Bolivia.

c) Amortized cost investments consist of the following:

	As of September 30, 2022	
	Carrying amount	**Fair value**
	S/(000)	**S/(000)**
Peruvian sovereign bonds (i)	7,387,045	6,113,012
Corporate bonds (i)	407,932	401,464
Subordinated bonds (i)	32,665	31,869
Certificates of payment on work progress (CRPAO) (ii)	55,965	55,029
Foreign government bonds (i)	81,867	81,331
	7,965,474	6,682,705
Accrued interest	63,083	63,083
Total investments at amortized cost	8,028,557	6,745,788

	As of December 31, 2021	
	Carrying amount	**Fair value**
	S/(000)	**S/(000)**
Peruvian sovereign bonds (i)	7,438,364	7,169,787
Corporate bonds (i)	420,263	419,069
Subordinated bonds (i)	86,861	86,412
Certificates of payment on work progress (CRPAO) (ii)	74,499	19,310
Foreign government bonds (i)	74,122	73,645
	8,094,109	7,768,223
Accrued interest	171,450	171,450
Total investments at amortized cost	8,265,559	7,939,673

(i) As of September 30, 2022, such bonds have maturities between October 2022 and February 2042; accruing interest at an annual effective rate between 6.65 percent and 8.95 percent for bonds issued in soles, between 3.66 percent and 11.20 percent for bonds issued in U.S. Dollar, and between 3.94 percent and 10.35 percent per year for bonds issued in other currencies. As of December 31, 2021, they have maturities between January 2022 and February 2042, accruing interest at an annual effective interest rate between 3.62 percent and 6.77 percent on bonds denominated in soles, between 0.71 percent and 4.50 percent for bonds issued in U.S. Dollar and between 0.0 percent and 2.96 percent on bonds issued in other currencies.

As of December 31, the instruments with an interest rate of 0.00 percent correspond to bonds issued by the Colombian Government, whose emission indicators at the date of acquisition were at very low levels; however, MiBanco Colombia invested in these instruments because it is a Colombian company that must invest in them in accordance with local regulations, with the objective that the funds acquired by the Colombian Government be used for the development and incentive of certain economic sectors.

Likewise, Credicorp Management has determined that as of September 30, 2022, the difference between amortized cost and the fair value of these investments is temporary in nature and Credicorp has the intention and ability to hold each of these investments until its maturity.

As of September 30, 2022, the Group has repurchased agreement transactions for investments at amortized cost for an estimated fair value of S/3,357.6 million (S/3,854.0 million as of December 31, 2021), the related liability for which is presented in the caption "Payables from repurchase agreements and securities lending" in the interim condensed consolidated statement of financial position, see Note 5(c).

(ii) As of September 30, 2022, there are 65 certificates of Annual Recognition of Payment on Work Progress - CRPAO from Spanish initials (89 CRPAOs as of December 31, 2021), issued by the Peruvian Government to finance projects and concessions. Said issuance is a mechanism established in the concession agreement signed between the State and the concessionaire, which allows the latter to obtain financing to continue with the work undertaken. Said investment mature between October 2022 and April 2026, accruing interest at an annual effective rate between 5.51 percent and 7.78 percent (between January 2022 and April 2026, accruing interest at an annual effective rate between 2.32 percent and 4.26 percent as of December 31, 2021).

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

	As of September 30, 2022		
	At fair value through profit or loss	At fair value through other comprehensive income	Amortized cost
	S/(000)	S/(000)	S/(000)
Up to 3 months	269,530	9,066,926	134,039
From 3 months to 1 year	157,823	4,394,560	430,922
From 1 to 3 years	417,090	4,041,162	1,360,757
From 3 to 5 years	399,463	4,226,690	441,615
More than 5 years	793,147	11,862,465	5,598,141
Without maturity	2,509,045	342,691	–
Total	4,546,098	33,934,494	7,965,474

	As of December 31, 2021		
	At fair value through profit or loss	At fair value through other comprehensive income	Amortized cost
	S/(000)	S/(000)	S/(000)
Up to 3 months	1,172,834	8,117,458	78,311
From 3 months to 1 year	209,172	3,683,466	296,699
From 1 to 3 years	746,115	4,804,229	1,641,340
From 3 to 5 years	136,444	4,111,276	459,363
More than 5 years	1,020,840	13,266,254	5,618,396
Without maturity	2,633,794	377,827	–
Total	5,919,199	34,360,510	8,094,109

7 LOANS, NET

a) This item consists of the following:

	As of September 30, 2022 S/(000)	As of December 31, 2021 S/(000)
Direct loans -		
Loans	123,117,457	120,621,183
Credit cards	5,837,194	5,626,026
Leasing receivables	6,315,677	6,446,450
Factoring receivables	3,712,544	3,572,697
Discounted notes	2,816,983	2,718,321
Advances and overdrafts in current account	150,336	69,238
Refinanced loans	1,797,773	1,800,465
Total direct loans	143,747,964	140,854,380
Internal overdue loans and under legal collection loans	6,256,079	5,562,439
	150,004,043	146,416,819
Add (less) -		
Accrued interest	1,469,962	1,280,262
Unearned interest	(81,803)	(99,669)
Total direct loans	151,392,202	147,597,412
Allowance for loan losses (c)	(8,030,104)	(8,477,308)
Total direct loans, net	143,362,098	139,120,104

The credits granted as part of the Reactiva Perú program are guaranteed by the Peruvian Government, these loans accrue interest at rates lower than market rates. The total granted through this program as of September 30, 2022, is S/11,503.1 million (S/18,404.6 million as of December 31, 2021). These amounts include the rescheduled credits of the Reactiva Perú for S/6,588.3 million (S/7,539.9 million as of December 31, 2021). Likewise, the Group has Repurchase Agreements which guarantees are detailed in Note 5(c).

The government, to serve small companies that the Reactiva Perú program does not reach, has established the Business Support Fund for the MYPE (FAE-MYPE) which represents for MiBanco a total of S/4.9 million and S/116.5 million for FAE-MYPE 1 and FAE-MYPE 2, respectively as of September 30, 2022 (S/14.8 million and S/209.9 million for FAE-MYPE 1 and FAE-MYPE 2, respectively as of December 31, 2021).

Likewise, due COVID-19 Pandemic effects, BCP and MiBanco, the main Subsidiaries of Credicorp have offered its clients the opportunity to reschedule their loans for 30 or 90 days without incurring in overdue fees and interest on capital. As of September 30, 2022, the rescheduled portfolio amounted to S/13,594.1 million, of which S/6,960.8 million corresponds to reschedule, S/6,588.3 million corresponds to Reactiva Perú reschedule and S/44.9 million to FAE-MYPE reschedule. As of December 31, 2021, the rescheduled portfolio amounts to a total of S/20,961.0 million, of which S/13,365.2 million corresponds to reschedule, S/7,539.9 million corresponds to Reactiva Perú reschedule and S/55.9 million to FAE-MYPE reschedule. In accordance with Emergency Decree No. 011-2022 published on May 13, 2022 for the 2022 Reactive Rescheduling and Urgent Decrees No. 026 -2021 / No. 039-2021 for the 2021 Reactive Rescheduling.

In the loan portfolio, the most vulnerable segments are: MiBanco and within BCP stand-alone SME-Pyme and individuals, where debt reprogramming rates reached 11.58 percent, 25.60 percent, and 4.81 percent respectively at the end of September 30, 2022 (5.25 percent, 34.0 percent and 11.04 percent respectively as of December 31, 2021).

b) As of September 30, 2022 and December 31, 2021, the composition of the gross credit balance is as follows:

	As of September 30, 2022 S/(000)	As of December 31, 2021 S/(000)
Direct loans, Note7(a)	150,004,043	146,416,819
Indirect loans, Note 21(a)	21,399,133	22,914,343
Due from customers on banker's acceptances	697,119	532,404
Total	172,100,295	169,863,566

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

	Direct and indirect loans		**Allowance for loan losses of direct and indirect loans**	
Loans by class	**As of September 30, 2022** **S/000**	**As of December 31, 2021** **S/000**	**As of September 30, 2022** **S/000**	**As of December 31, 2021** **S/000**
Stage 1				
Commercial loans	88,614,116	90,281,463	602,779	607,880
Residential mortgage loans	19,076,933	18,702,189	84,305	76,706
Micro-business loans	12,743,063	10,803,696	329,332	434,162
Consumer loans	14,845,612	11,993,823	245,795	317,597
Total	135,279,724	131,781,171	1,262,211	1,436,345
Stage 2				
Commercial loans	9,767,072	11,342,409	610,902	652,781
Residential mortgage loans	2,653,353	1,758,125	121,762	97,388
Micro-business loans	8,269,888	8,927,358	633,253	625,255
Consumer loans	3,605,078	2,921,075	358,560	637,763
Total	24,295,391	24,948,967	1,724,477	2,013,187
Stage 3				
Commercial loans	8,168,982	8,756,743	2,733,120	2,730,792
Residential mortgage loans	1,402,051	1,371,146	799,162	800,639
Micro-business loans	1,859,869	1,906,210	1,149,518	1,148,632
Consumer loans	1,094,278	1,099,329	962,162	941,416
Total	12,525,180	13,133,428	5,643,962	5,621,479
Consolidated 3 Stages				
Commercial loans	106,550,170	110,380,615	3,946,801	3,991,453
Residential mortgage loans	23,132,337	21,831,460	1,005,229	974,733
Micro-business loans	22,872,820	21,637,264	2,112,103	2,208,049
Consumer loans	19,544,968	16,014,227	1,566,517	1,896,776
Total	172,100,295	169,863,566	8,630,650	9,071,011

(a) Gross balance of direct loans, indirect loans and due from customers on banker's acceptances:

As of September 30, 2022, the gross balance of direct loans, indirect loans and due from customers on banker's acceptances increased compared to December 31, 2021. The increase was mainly generated by the increase in disbursements of Consumer loans at BCP and Microbusiness loans at Mibanco Perú. This was partially offset by a decrease in Commercial loans, which was mainly explained by the amortization of loans from Reactiva Perú program.

(b) Allowance for loan losses from direct loans, indirect loans and due from customers on banker's acceptances:

As of September 30, 2022, the allowance for loan losses gross from direct loans, indirect loans and due from customers on banker's acceptances decreased compared to December 31, 2021. The decrease was concentrated in Consumer loans at BCP, which was mainly driven by the improvement in the credit behavior of the clients of this portfolio, which led to a lower probability of default (PD). Additionally, the decrease was explained by the calibrations made at BCP in the LGD ELBE of retail banking refinanced loans and mortgage-backed retail banking loans at default (explained in note 34.1), the methodological improvements in the risk models at Mibanco and the write offs. This was partially offset by other effects, being the most important the update of the macroeconomic projections, which were more pessimistic than the ones considered in the figures presented as of December 31, 2021, and an uptick in SME provisions which reflects efforts to penetrate higher yield and riskier segments.

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

	For the nine-month period ended September 30,	
	2022	**2021**
	S/(000)	**S/(000)**
Balance at beginning of period	9,071,011	10,435,623
Provision for credit losses on loan	1,342,966	1,329,147
Written-offs loans, Note 7(b)	(1,650,228)	(2,222,442)
Condonation	(105,138)	(106,157)
Exchange differences and others (*)	(27,961)	226,073
Balance ended of period (**)	8,630,650	9,662,244

(*) The variation is mainly due to the decrease in the provision because for the appreciation of the Sol against U.S. Dollar of S/3.981 as of September 30, 2022, and S/3.987 as of December 31, 2021 (S/4.134 as of September 30, 2021, and S/3.621 as of December 31, 2020). Likewise, includes S/13.4 million of portfolio sale as nine-month ended September 30, 2022 (S/38.9 million of portfolio sale for the nine month of 2021).

(**) The movement in the allowance for loan losses for the nine-month period ended September 30, 2022, includes the allowance for direct and indirect loans for approximately S/8,030.1 million and S/600.6 million, respectively (approximately S/8,477.3 million and S/593.7 million, respectively, as of December 31, 2021). 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 September 30, 2022, and December 31, 2021, has been established in accordance with IFRS 9 and is enough to cover expected losses on the loan portfolio.

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

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

f) The following table presents the gross direct loan portfolio as of September 30, 2022 and December 31, 2021 by maturity based on the remaining period to the payment due date:

	As of September 30, 2022	**As of December 31, 2021**
	S/(000)	**S/(000)**
Outstanding loans -		
Up to 1 year	71,331,230	64,096,027
From 1 to 3 years	30,683,056	36,354,113
From 3 to 5 years	10,977,863	9,327,203
From 5 to 15 years	27,264,228	26,926,208
More than 15 years	3,491,587	4,150,829
	143,747,964	140,854,380
Internal overdue loans -		
Overdue up to 90 days	1,448,447	1,353,655
Over 90 days	4,807,632	4,208,784
	6,256,079	5,562,439
Total	150,004,043	146,416,819

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 September 30, 2022	**As of December 31, 2021**
	S/(000)	**S/(000)**
Net result	(228,611)	44,763
Dividends, interests and others	3,978	9,900
Total, Note 25 (a)	(224,633)	54,663

The net result from the sale and fluctuation of financial instruments is mainly due to the high volatility of the prices of fixed and variable income instruments, due to the growing fears of a recession in the United States of America, high inflation and the aggressive tightening of policy by the Federal Reserve Board (FED). The fall in investment prices is affected by the local and European economic environment. Inflationary pressures have remained high as a result of rising food prices and housing costs. In this context, the FED increased the reference rate by 0.75 percent at its last meeting and an increase in it is expected.

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(a).

9 ACCOUNTS RECEIVABLE AND PAYABLE FROM INSURANCE CONTRACTS

a) As of September 30, 2022 and December 31, 2021, "Premiums and other policies receivable" in the interim condensed consolidated statement of financial position includes balances for approximately S/803.9 million and S/921.1 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 September 30, 2022 S/(000)	As of December 31, 2021 S/(000)
Balances as of January 1	1,198,379	919,419
Reported claims of premiums ceded, Note 26	252,686	542,341
Reserve risk in progress of premiums ceded, Note 25 (a) (***)	(49,739)	8,996
Premiums assumed	1,202	803
Settled claims of premiums ceded by reinsurance contracts	(78,978)	(419,342)
Collections and others, net	(259,578)	146,162
Balances at the end of the period	1,063,972	1,198,379

Accounts receivable as of September 30, 2022 and December 31, 2021, include S/221.0 million and S/299.0 million, respectively, which correspond to the assigned portion of technical reserves for premiums ceded to the reinsurers.

As of September 30, 2022, the variation in reported claims of ceded premiums, settled claims of facultative ceded premiums and ongoing risk reserve corresponds mainly to the decrease in life business claims, decrease in general business claims and issuance of fire policies respectively.

Accounts Payable:

	As of September 30, 2022 S/(000)	As of December 31, 2021 S/(000)
Balances as of January 1	463,825	338,446
Premiums ceded for automatic contracts (mainly excess of loss), Note 25 (a) (***)	277,127	355,356
Premiums ceded to reinsurers in facultative contracts, Note 25 (a) (***)	257,361	392,346
Coinsurance granted	16,167	8,154
Payments and other, net	(686,449)	(630,477)
Balances at the end of the period	328,031	463,825

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 September 30, 2022, and December 31, 2021 was as follows:

	Land	Buildings and other constructions	Installations	Furniture and fixtures	Computer hardware	Vehicles and equipment	Work in progress	As of September 30, 2022	As of December 31, 2021
	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)
Cost -									
Balance as of January 1	401,856	1,157,506	720,176	465,006	602,387	115,650	38,309	3,500,890	3,515,202
Additions	1,833	8,915	16,616	23,647	14,616	483	23,597	89,707	107,790
Acquisition of business, Note 2(a)	–	–	–	147	118	–	–	265	–
Transfers	–	–	7,500	9,892	2,607	1,552	(21,551)	–	–
Disposals and others	(14,641)	(18,673)	(16,094)	(29,843)	(38,542)	(3,609)	(12,311)	(133,713)	(122,102)
Balance as of September 30	389,048	1,147,748	728,198	468,849	581,186	114,076	28,044	3,457,149	3,500,890
Accumulated depreciation -									
Balance as of January 1	–	711,547	527,619	327,178	534,693	91,074	–	2,192,111	2,140,327
Depreciation of the period	–	20,087	24,954	21,911	25,182	4,328	–	96,462	140,173
Acquisition of business, Note 2(a)	–	–	–	44	33	–	–	77	–
Transfers	–	–	–	–	–	–	–	–	–
Disposals and others	–	(9,224)	(5,742)	(19,207)	(37,248)	(3,177)	–	(74,598)	(88,389)
Balance as of September 30	–	722,410	546,831	329,926	522,660	92,225	–	2,214,052	2,192,111
Net carrying amount	389,048	425,338	181,367	138,923	58,526	21,851	28,044	1,243,097	1,308,779

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

During the year 2022, the management, as part of the investment in fixed assets, has made disbursements mainly related to the purchase of furniture and fixtures, for the conditioning and remodeling of its various agencies and administrative offices. Likewise During 2021 as part of the investment in fixed assets made annually, it has made disbursements related mainly to the remodeling of its headquarters located in La Molina, San Pedro office, Lima office.

During 2022, Management decided to sell various properties, mainly land and buildings, whose approximate sale price was S/28.9 million, with a cost of S/18.2 million. During 2021, Management decided to sell various properties, mainly land and buildings, whose approximate sale price was S/14.2 million, at a cost of S/7.9 million.

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 September 30, 2022 and December 31, 2021 and 2020 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 September 30, 2022 and December 31, 2021 was as follows:

Description	Client relationships (i)	Brand name (ii)	Fund manager contract (iii)	Relationships with holders	Software and developments	Intangible in progress	Other	As of September 30, 2022	As of December 31, 2021
	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)
Cost -									
Balances at January 1	380,413	171,864	95,378	21,100	3,359,995	656,912	22,643	4,708,305	4,293,864
Additions	-	-	-	-	101,679	321,105	334	423,118	532,244
Acquisition of business, Note 2(a)	-	-	-	-	-	-	1,901	1,901	–
Transfers	-	-	-	-	207,286	(207,286)	-	-	–
Disposals and others	(8,719)	-	(22,393)	-	(95,399)	(33,292)	(8,749)	(168,552)	(117,803)
Balance as of September 30	371,694	171,864	72,985	21,100	3,573,561	737,439	16,129	4,964,772	4,708,305
Accumulated amortization -									
Balance at January 1	291,192	53,539	21,945	21,100	2,398,769	-	8,539	2,795,084	2,475,466
Amortization of the period	11,429	5,184	2,951	-	272,496	-	3,145	295,205	381,794
Disposals and others	(5,075)	-	(13,787)	-	(78,523)	-	(7,294)	(104,679)	(62,176)
Balance as of September 30	297,546	58,723	11,109	21,100	2,592,742	-	4,390	2,985,610	2,795,084
Net carrying amount	74,148	113,141	61,876	-	980,818	737,439	11,739	1,979,162	1,913,221

As of September 30, 2022, capitalized disbursements were mainly related to the implementation and development of various IT projects such as Cubo - Mis Financiero, Yape, DataLake - Data Vault, IFRS 9 Strategic Tool, Office Banking, Visio Plus and others.

The main intangibles activated during 2021 correspond to projects Data Lake - Data Vault, Mobile Banking I14, Telephone banking by voice call I15 and improvements Yape.

(i) Client relationships -

This item consists of the following:

	As of September 30, 2022	As of December 31, 2021
	S/(000)	S/(000)
Prima AFP - AFP Unión Vida	48,350	57,613
Credicorp Capital Holding Chile - Inversiones IMT	14,606	17,679
Ultraserfinco S.A.	7,980	10,148
Tenpo	1,403	1,930
Culqi	1,809	1,852
Net carrying amount	74,148	89,222

(ii) Brand name -

	As of September 30, 2022	As of December 31, 2021
	S/(000)	S/(000)
MiBanco	112,774	117,670
Culqi	367	654
Net carrying amount	113,141	118,324

(iii) Fund management contract -

	As of September 30, 2022	As of December 31, 2021
	S/(000)	S/(000)
Credicorp Capital Colombia	30,477	36,724
Credicorp Capital Holding Chile - Inversiones IMT	28,443	33,717
Ultraserfinco S.A.	2,956	2,992
Net carrying amount	61,876	73,433

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

b) Goodwill -

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

	As of September 30, 2022	As of December 31, 2021
	S/(000)	S/(000)
MiBanco - Edyficar Perú	273,694	273,694
MiBanco Colombia	109,876	124,746
Prima AFP - AFP Unión Vida	124,641	124,641
Credicorp Capital Colombia	101,327	114,714
Banco de Crédito del Perú	52,359	52,359
Pacífico Seguros	36,354	36,354
Atlantic Security Holding Corporation	29,795	29,795
Tenpo SpA	22,776	24,444
Tenpo Prepago S.A.	10,750	13,719
Wally POS S.A.	24,214	–
Compañía Incubadora de Soluciones Móviles S.A-Culqi	2,297	2,297
Crediseguro Seguros Personales	96	96
Net carrying amount	788,179	796,859

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

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

As of September 30, 2022, the group has evaluated the impairment of goodwill by making an interim estimate based on the information available, concluding that there is no evidence of impairment at said date; therefore, during the nine - month period ended September 30, 2022 and December 31, 2021 the Group did not recorded any impairment loss.

12 RIGHT-OF-USE ASSETS AND LEASE LIABILITES

a) Right-of-use -

The Group has leased agreements according to the following composition:

	Property: Agencies and offices	Servers and technology platforms	Transport units	Other leases	As of September 30, 2022	As of December 31, 2021
	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)
Cost -						
Balance as of January 1,	769,181	151,135	2,731	46,308	969,355	990,148
Additions	68,433	615	595	12,074	81,717	110,005
Disposal and others	(49,218)	(429)	(228)	–	(49,875)	(130,798)
Balance as of September 30	788,396	151,321	3,098	58,382	1,001,197	969,355
Accumulated depreciation -						
Balance as of January 1,	324,244	43,950	1,652	13,092	382,938	287,220
Depreciation of the period	86,290	21,194	465	7,243	115,192	161,287
Disposal and others	(39,337)	(427)	(208)	–	(39,972)	(65,569)
Balance as of September 30	371,197	64,717	1,909	20,335	458,158	382,938
Net carrying amount	417,199	86,604	1,189	38,047	543,039	586,417

b) Lease Liabilities -

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

13 OTHER ASSETS AND OTHER LIABILITIES

a) This item consists of the following:

	As of September 30, 2022	As of December 31, 2021
	S/(000)	S/(000)
Other assets -		
Financial instruments:		
Receivables (b)	1,673,190	1,524,407
Derivatives receivable (c)	1,813,284	1,661,628
Receivables from sale of investments (d)	601,164	76,852
Operations in process (e)	88,320	195,875
	4,175,958	3,458,762
Non-financial instruments:		
Deferred fees (f)	1,079,421	967,622
Investment in associates (g)	660,849	658,697
Investment properties, net (h)	528,252	469,113
Income tax prepayments, net	180,545	436,961
Adjudicated assets, net	136,060	136,125
Improvements in leased premises	69,081	65,867
VAT (IGV) tax credit	46,647	50,120
Others	9,255	9,241
	2,710,110	2,793,746
Total	6,886,068	6,252,508
Other liabilities -		
Financial instruments:		
Accounts payable (i)	1,974,942	2,103,062
Derivatives payable (c)	1,575,693	1,524,761
Accounts payable for acquisitions of investments (d)	497,975	241,026
Salaries and other personnel expenses	883,516	825,000
Allowance for indirect loan losses, Note 7(c)	600,546	593,703
Dividends payable	17,958	18,880
Operations in process (e)	84,243	51,763
	5,634,873	5,358,195
Non-financial instruments:		
Taxes	695,440	337,511
Provision for sundry risks	604,317	614,012
Others	186,522	211,661
	1,486,279	1,163,184
Total	7,121,152	6,521,379

b) As of September, 2022, the balance is mainly made up of margin call for derivatives for S/345.8 million, tax account receivable for S/126.3 million, account receivable for foreign exchange sale for S/99.5 million, works for taxes for S/84.3 million, third party paid accounts for S/62.5 million, account receivable for services S/49.7 million, commissions receivable for S/42.6 million, advances to staff for S/20.2 million, dividends receivable for S/5.4 million, among others. As of December 31, 2021, the balance corresponds mainly to margin call of derivative transactions for S/410.3 million, works for taxes for S/178.3 million, accounts receivable from Visa for payments to establishments for S/111.0 million, accounts receivable for sale of deferred currency for S/89.7 million, taxes paid on behalf of third parties and other tax-related accounts receivable for S/73.7 million, account receivable for financial intermediation for S/27.3 million, accounts receivable from associated companies for S/6.6 million, among others.

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

The table below shows as of September 30,2022 and December 31,2021 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 September 30, 2022				As of December 31, 2021				2022 and 2021
	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	375,138	519,547	31,193,080	October 2022 / August2024	344,780	387,371	28,618,406	January 2022 / June 2023	-
Interest rate swaps	441,471	296,822	10,700,976	October 2022 / September 2032	367,906	320,186	26,878,186	January 2022 / December 203	-
Currency swaps	771,746	705,883	16,635,361	October 2022 / January 2033	860,170	795,845	15,935,149	January 2022 / January 2033	-
Foreign exchange options	11,046	18,176	1,504,537	October 2022 / August 2023	2,485	3,258	576,398	January 2022 / December 2022	-
Futures	1,093	1,769	55,734	December 2022 / December 2022	19	405	72,165	March 2022 / November 2022	-
	1,600,494	1,542,197	60,089,688		1,575,360	1,507,065	72,080,304		
Derivatives held as hedges									
Cash flow hedges -									
Cross currency swaps (CCS)	64,680	-	875,820	January 2025	36,512	-	199,350	January 2025	Bonds issued
Cross currency swaps (CCS)	34,404	-	179,145	August 2026	16,972	-	179,415	August 2026	Repurchase agreements (*)
Cross currency swaps (CCS)	-	28,662	137,545	December 2023	-	216	173,215	December 2023	Bonds issued
Cross currency swaps (CCS)	36,683	4,834	160,118	October 2022 / January 2025	19,939	4,126	154,635	January 2022 / September 202	Investments
Cross currency swaps (CCS)	21,729	-	99,525	August 2026	12,845	-	99,675	August 2026	Repurchase agreements (*)
Interest rate swaps (IRS)	-	-	-		-	1,076	119,610	March 2022	Bonds issued
Fair value hedges -									
Interest rate swaps (IRS)	55,294	-	1,082,514	October 2022 / February 2028	-	12,278	636,405	March 2022 / May 2023	Investments
	212,790	33,496	2,534,667		86,268	17,696	1,562,305		
	1,813,284	1,575,693	62,624,355		1,661,628	1,524,761	73,642,609		

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

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

	As of September 30, 2022						As of December 31, 2021					
	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	261,062	105,632	8,444	-	-	375,138	193,678	148,219	2,883	-	-	344,780
Interest rate swaps	3,956	34,495	61,001	132,726	209,293	441,471	16,120	25,612	16,117	51,990	258,067	367,906
Currency swaps	46,742	307,513	115,585	132,884	169,022	771,746	61,522	182,002	219,240	137,046	260,360	860,170
Foreign exchange options	5,397	5,649	-	-	-	11,046	1,287	1,198	-	-	-	2,485
Futures	1,093	-	-	-	-	1,093	-	19	-	-	-	19
Total assets	318,250	453,289	185,030	265,610	378,315	1,600,494	272,607	357,050	238,240	189,036	518,427	1,575,360

	As of September 30, 2022						As of December 31, 2021					
	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	285,165	232,155	2,227	-	-	519,547	231,022	153,550	2,799	-	-	387,371
Interest rate swaps	2,622	29,223	52,577	57,349	155,051	296,822	13,098	13,481	28,424	40,984	224,199	320,186
Currency swaps	51,442	154,779	145,480	157,807	196,375	705,883	37,410	225,813	211,630	145,507	175,485	795,845
Foreign exchange options	10,063	8,113	-	-	-	18,176	1,102	2,156	-	-	-	3,258
Futures	1,769	-	-	-	-	1,769	405	-	-	-	-	405
Total liabilities	351,061	424,270	200,284	215,156	351,426	1,542,197	283,037	395,000	242,853	186,491	399,684	1,507,065

d) As of September 30, 2022, and December 31, 2021, 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.

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

f) As of September 30, 2022, the balance corresponds mainly to the payment in favor of Latam Airlines Group S.A. Sucursal Peru for US$144.6 million, equivalent to S/575.7 million (US$113.9 million, equivalent to S/454.0 million, as of December 31, 2021) on account of the Latam Pass Miles that the Bank has been crediting to its clients for the use of your credit and debit cards, and other financial products BCP Latam Pass. Customers can use these miles directly with Latam to exchange tickets, goods or services offered by them.

g) Credicorp's main associate is Entidad Prestadora de Salud (EPS), whose balance amounts to S/603.1 million and S/598.1 million as of September 30, 2022 and December 31, 2021, respectively.

h) Investment properties -

The movement of investment properties is as follows:

	As of September 30, 2022			As of December 31, 2021
	Land	**Buildings**	**Total**	**Total**
	S/(000)	**S/(000)**	**S/(000)**	**S/(000)**
Cost				
Balance at January 1	274,769	252,166	526,935	513,918
Additions (i)	52,993	11,350	64,343	12,068
Disposals and others	(18)	(14)	(32)	949
Ending Period	327,744	263,502	591,246	526,935
Accumulated depreciation				
Balance at January 1	–	56,412	56,412	45,649
Depreciation for the period	–	5,172	5,172	7,302
Disposals and others	–	–	–	3,461
Ending Period	–	61,584	61,584	56,412
Impairment losses (ii)	689	721	1,410	1,410
Net carrying amount	327,055	201,197	528,252	469,113

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

(i) As of September 30, 2022, the Group acquired a Decor Center property in the city of Callao for S/47.5 million and a piece of land in the city of Arequipa for S/11.5 million. Additionally, in order to consolidate real estate projects, the Group has made disbursements for improvements in the Pacific Tower in the city of Lima for S/2.5 million and in the IPAE building located in the city of Arequipa for S/2.3 million and other minor for S/0.5 million.

As of December 31, 2021, in order to consolidate real estate projects, the Group has made improvements disbursements for S/12.1 million. Among the main disbursements are the IPAE building located in the city of Arequipa for S/5.8 million, Torre Pacifico located on the corner of Tamayo and Juan de Arona in the district of San Isidro, Lima for S/4.3 million and other minor ones for S/2.0 million.

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

As of September 30, 2022 and December 31, 2021, the market value of the property amounts to approximately S/1,200.5 million and S/1,244.1 million, respectively; which was determined through a valuation made by an independent appraiser.

i) As of September 30, 2022, the balance corresponds mainly to accounts payable to suppliers for S/334.2 million, accounts payable to policyholders for S/103.7 million, account payable for foreign exchange S/98.6 million, accounts payable to intermediaries for S/85.5 million, interbank operations to be settled with the BCRP for S/77.3 million, accounts payable for premiums to the Deposit Insurance Fund for S/58.5 million, among others. As of December 31, 2021, the balance corresponds mainly to accounts payable to suppliers for S/208.4 million, accounts payable to policyholders for S/108.1 million, accounts payable for purchase of deferred foreign currency for S/101.6 million, accounts payable to intermediaries for S/90.0 million, accounts payable for premiums to the Deposit Insurance Fund for S/52.7 million, settlement funds of Financiera TFC for S/12.0 million, interbank operations to be settled with the BCRP for S/8.8 million, accounts payable to an associate for S/7.4 million, among others).

14 DEPOSITS AND OBLIGATIONS

a) This item consists of the following:

	As of September 30, 2022	As of December 31, 2021
	S/(000)	S/(000)
Saving deposits	55,154,337	56,945,262
Demand deposits	53,512,525	58,629,661
Time deposits (c)	37,978,733	28,668,120
Severance indemnity deposits	3,745,597	4,017,065
Bank's negotiable certificates	1,393,314	1,327,690
Total	151,784,506	149,587,798
Interest payable	1,007,508	753,064
Total	152,792,014	150,340,862

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

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

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

	As of September 30, 2022	As of December 31, 2021
	S/(000)	S/(000)
Non-interest-bearing -		
In Peru	43,050,165	45,909,164
In other countries	3,575,649	5,942,042
	46,625,814	51,851,206
Interest-bearing -		
In Peru	93,308,357	86,987,254
In other countries	11,850,335	10,749,338
	105,158,692	97,736,592
Total	151,784,506	149,587,798

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

	As of September 30, 2022	As of December 31, 2021
	S/(000)	S/(000)
Up to 3 months	18,867,490	14,133,476
From 3 months to 1 year	11,198,421	8,661,200
From 1 to 3 years	4,301,795	2,517,392
From 3 to 5 years	540,530	419,445
More than 5 years	3,070,497	2,936,607
Total	37,978,733	28,668,120

In Management's opinion the Group's deposits and obligations are diversified with no significant concentrations as of September 30, 2022 and December 31, 2021.

As of September 30, 2022 and December 31, 2021, the balance of deposits and obligations, guaranteed by the Peruvian "Fondo de Seguro de Depósitos" (Deposit Insurance Fund) amounts to approximately S/52,741.5 million and S/50,478.8 million, respectively. At said dates, maximum amount of coverage per depositor recognized by "Fondo de Seguro de Depósitos" totaled S/124,428 and S/115,637, respectively.

As of September 30, 2022 and December 31, 2021, the balance of deposits and obligations of Mi Banco Colombia guaranteed by the "Financial Institutions Guarantee Fund" (Fogafín, for its Spanish acronym) of Colombia, amounts to 276,123.3 million Colombian pesos (equivalent to S/238.6 million) and 224,078.1 million Colombian pesos (equivalent to S/219.8 million), respectively. At said dates, maximum amount of coverage per depositor recognized by "Fogafín" totaled 50,000,000.0 Colombian pesos (equivalent to S/43,200 and S/49,050, respectively).

15 DUE TO BANKS AND CORRESPONDENTS

a) This item consists of the following:

	As of September 30, 2022	As of December 31, 2021
	S/(000)	S/(000)
International funds and others (b)	4,509,936	3,519,453
Promotional credit lines (c)	4,006,564	3,592,008
Inter-bank funds	369,925	–
	8,886,425	7,111,461
Interest payable	115,610	101,485
Total	9,002,035	7,212,946

b) This item consists of the following:

	As of September 30, 2022	As of December 31, 2021
	S/(000)	S/(000)
Standard Chartered Bank	618,550	–
Wells Fargo Bank NY	597,150	677,790
Bank of New York Mellon	597,150	–
Corporación Financiera de Desarrollo (COFIDE)	596,416	563,136
The Toronto Dominion Bank	457,815	–
Citibank N.A.	398,100	398,700
International Finance Corporation (IFC)	380,827	–
Banco Internacional del Perú S.A.A. (Interbank)	180,000	–
Scotiabank Perú S.A.A.	120,000	180,198
Bancoldex	101,089	174,145
Banco ICBC	100,000	–
Banco BBVA Perú	82,910	119,900
Bradesco Bac Florida Bank	79,620	–
Bancolombia S.A.	72,631	78,715
Banco de Occidente	42,951	43,167
Bank of America	30,261	920,036
Banco de la Nación	–	185,000
Others	54,466	178,666
Total	4,509,936	3,519,453

As of September 30, 2022 the loans have maturities between October 2022 and December 2031 (between January 2022 and March 2032, as of December 31, 2021), accrue interest in soles at rates that fluctuate between 2.23 percent and 9.02 percent (annual interest in soles at 1.15 percent and 7.53 percent, respectively as of December 31, 2021), and accrue interest in foreign currency as follows:

	As of September 30, 2022		As of December 31, 2021	
	Min	Max	Min	Max
	%	%	%	%
Boliviano	6.00	6.00	0.73	6.00
Chilean Peso	-	-	5.20	5.26
Colombian Peso	0.40	14.05	0.40	8.30
U.S. Dollar	1.20	6.30	0.43	6.30

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 October 2022 and January 2032 and bear annual interest in soles at rates that fluctuate between 3.50 percent and 7.60 percent and interest in foreign currency at 7.75 percent as of September 30, 2022 (between January 2022 and January 2032 and with annual interest in soles at rates that fluctuate between 6.00 percent and 7.60 percent and interest in foreign currency at 7.75 percent as of December 31, 2021). These credit lines are secured by a loan portfolio totaling S/4,006.6 million and S/3,592.3 million, as of September 30, 2022 and December 31, 2021, respectively.

d) The following table presents the maturities of due to banks and correspondents as of September 30, 2022 and December 31, 2021 based on the period remaining to maturity:

	As of September 30, 2022	As of December 31, 2021
	S/(000)	S/(000)
Up to 3 months	1,633,370	1,786,693
From 3 months to 1 year	2,654,685	1,255,291
From 1 to 3 years	1,406,840	1,091,482
From 3 to 5 years	778,566	781,547
More than 5 years	2,412,964	2,196,448
Total	8,886,425	7,111,461

e) As of September 30, 2022 and December 31, 2021, lines of credit granted by various local and foreign financial institutions, to be used for future operating activities total S/8,516.5 million and S/7,111.5 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 interim condensed consolidated financial statements.

16 TECHNICAL RESERVES FOR INSURANCE CLAIMS AND PREMIUMS

This item consists of the following:

	As of September 30, 2022		
	Technical reserves for claims	Technical reserves for premiums	Total
	S/(000)	S/(000)	S/(000)
Life insurance	1,759,023	8,272,476	10,031,499
General insurance	682,097	624,550	1,306,647
Health insurance	167,624	204,114	371,738
Total	2,608,744	9,101,140	11,709,884

	As of December 31, 2021		
	Technical reserves for claims	Technical reserves for premiums	Total
	S/(000)	S/(000)	S/(000)
Life insurance	1,696,733	9,101,456	10,798,189
General insurance	714,700	684,950	1,399,650
Health insurance	144,147	192,525	336,672
Total	2,555,580	9,978,931	12,534,511

As of September 30,2022, the variation in the technical reserves for claims corresponds mainly to direct claims reserves for S/21.0 million (SCTR for S/36.1 million, fire S/18.9 million, net of relief for S/20.4 million and other minors for S/13.6 million), SONR for S/77.7 million (SISCO for S/61.7 million, AMED for S/15.7 million, and SCTR for S/14.5 million; net of other minors for S/14.2 million) and premium technical reserves for S/888.8 million (income of rents for S/638.6 million, individual life for S/143.3 million, AFP for S/61.3 million and fire for S/40.8 million, among other minors for S/4.8 million).

As of September 30, 2022, the variation in the mathematical reserves of pensions corresponds of rents for S/663.3 million, AFP for S/60.4 million and SCTR for S/9.4 million, net of VGF for S/24.9 million.

As of September 30, 2022, the reserves for direct claims include reserves for IBNR for life, general and health insurance for an amount of S/888.0 million, S/34.0 million and S/126.0 million, respectively (S/825.0 million, S/38.9 million and S/109.9 million, respectively, as of December 31, 2021).

Technical reserves for premiums 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.

The adjustment of market rates in the pension funds is recorded in other comprehensive incomes, which responds to the fluctuation of the market values of the investments.

17 BONDS AND NOTES ISSUED

a) This item consists of the following:

	Annual interest rate	Interest payment	Hedge Accounting			As of September 30, 2022			As of December 31, 2021		
			Type	Notional	Notional Equivalent	Maturity	Issued amount	Carrying amount	Maturity	Issued amount	Carrying amount
	%			(000)	S/(000)		(000)	S/(000)		(000)	S/(000)
Senior notes - BCP (i)	4.25	Semi-annual	-	-	-	April 2023	US$716,301	2,827,764	April 2023	US$716,301	2,821,515
Senior notes - BCP (ii)	2.70	Semi-annual	CCS	US$220,000	875,820	January 2025	US$700,000	2,733,072	January 2025	US$700,000	2,721,570
Senior notes - BCP (iii)	4.65	Semi-annual	-	-	-	September 2024	S/2,900,000	2,489,587	September 2024	S/2,900,000	2,484,121
Senior notes - Credicorp Ltd. (iv)	2.75	Semi-annual	Net investment of a foreign operation	US$228,828	910,964	June 2025	US$500,000	1,904,263	June 2025	US$500,000	1,906,364
Senior notes - BCP	Libor 3M + 55 pb	Quarterly	-	-	-	-	-	-	March 2022	US$30,000	119,585
Senior notes - BCP	0.45	Semi-annual	CCS	¥5,000,000	137,545	December 2023	¥5,000,000	137,317	December 2023	¥5,000,000	172,773
Senior notes - BCP (v)	5.05	Semi-annual	-	-	-	June 2027	US$30,000	119,248	-	-	-
MMT 100 - Secured notes- CCR Inc. (vi)											
2012 Series C Floating rate certificates	4.75	Monthly	-	-	-	-	-	-	July 2022	US$315,000	104,659
Corporate bonds -											
First program											
First issuance (Series A) - Mibanco Colombia	9.00	Quarterly	-	-	-	January 2025	$112,500	81,133	-	-	-
Fourth program											
Tenth issuance (Series A, B and C) - BCP	From 5.31 to 5.50	Semi-annual	-	-	-	October 2022 / November 2022	S/400,000	399,888	October 2022 / November 2022	S/400,000	399,923
Fifth program											
Third issuance (Series C) - BCP	4.25	Semi-annual	-	-	-	-	-	-	July 2022	S/109,310	109,182
Third issuance (Series D) - BCP	3.88	Semi-annual	-	-	-	-	-	-	August 2022	S/42,660	42,580
								10,692,272			10,882,272

	Annual rate	Interest payment	Hedge Accounting			As of September 30, 2022			As of December 31, 2021		
			Type	Notional	Notional Equivalent	Maturity	Issued amount	Carrying amount	Maturity	Issued amount	Carrying amount
	%			S/(000)	S/(000)		(000)	S/(000)		S/(000)	S/(000)
Subordinated bonds -											
Subordinated bonds - BCP (vii)	From 3.13 to 3.25	Semi-annual	-	-	-	July 2030 / September 2031	US$1,350,000	5,282,571	April 2027 / September 2031	US$1,350,000	5,269,458
First program											
First issuance (Series A) - Pacífico Seguros	6.97	Quarterly	-	-	-	November 2026	US$60,000	238,860	November 2026	US$60,000	239,220
First issuance (Series A) - BCP	6.22	Semi-annual	-	-	-	-	-	–	May 2027	S/15,000	15,000
Second program											
Second issuance (Series A) - Pacífico Seguros	4.41	Semi-annual	-	-	-	December 2030	US$50,000	181,042	December 2030	US$50,000	181,511
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 II - Banco de Crédito de Bolivia	5.25	Semi-annual	-	-	-	-	-	–	August 2022	Bs137,200	80,453
Issuance III - Banco de Crédito de Bolivia	6.00	Semi-annual	-	-	-	August 2030	Bs100,000	58,187	August 2030	Bs100,000	58,461
Issuance I - Banco de Crédito de Bolivia	6.25	Semi-annual	-	-	-	August 2028	Bs70,000	40,663	August 2028	Bs70,000	40,922
Fourth program											
First issuance (Series A) - MiBanco (viii)	5.84	Semi-annual	-	-	-	March 2031	S/155,000	145,839	March 2031	155,000	146,276
								5,977,162			6,061,301
Negotiable certificate of deposit - MiBanco	From 2.11 to 7.97	Annual	-	-	-	October 2022 / June 2024	S/264,013	263,776	January 2022 / August 2025	S/939	845
								16,933,210			16,944,418
Interest payable								86,484			134,411
Total								17,019,694			17,078,829

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

(i) 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.

(ii) 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.

(iii) 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) 100.0 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 Peru 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.

(iv) These Senior notes can redeem the whole or part mainly by the following ways (i) at any time prior to May 17, 2025, make whole or partial call, at Treasury plus 40 basis points, and (ii) at any time on or after May 17, 2025, at par value.

(v) On June 21, 2022, the Bank issued Senior Notes under the Medium-Term Bond Program amounting to US$30.0 million at a semi-annual rate of 5.05 percent maturing in June 2027. An amount equivalent to the net proceeds from the offering will be used to finance or refinance, in whole or in part, new or existing green Eligible Projects, as per BCP’s Sustainability Financing Framework dated January 2022. The Bank may redeem all or part of the notes at a redemption price equal to 100 percent of the aggregate amount of the principal of the notes to be redeemed.

(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 the beneficiary that is not a financial institution.

(vii) On July 1, 2025, the Bank may redeem the whole or part of the notes at a redemption price equal to 100 percent of the aggregate amount of the principal of the notes to be redeemed. From now on, the Bank may redeem all or part of the notes at a redemption price equal to the higher of (i) 100 percent of the principal amount of the notes and (ii) the sum of the remaining cashflows discounted at a rate equivalent to the U.S. Treasury interest rate plus 45 basis points.

Through a repurchase offer announced in March 2021, the Bank repurchased US$88.5 million and exchanged US$11.0 million from the total US$294.7 million outstanding amount of “6.125 percent Fixed-to-Floating Rate Subordinated Notes due 2027”, which were registered and settled on March 31, 2021. Also, in June 2021, US$60.6 million were repurchased from the total US$181.5 million outstanding amount of “6.875 percent Fixed-to-Floating Rate Subordinated Notes due 2026”.

On March 29, 2021, the Bank announced its decision to exercise the Make-Whole Redemption option of the entire two subordinated Notes, “6.875 percent Fixed-to-Floating Rate Subordinated Notes due 2026” and “6.125 percent Fixed-to-Floating Rate Subordinated Notes due 2027 ”, whose holders have not accepted. The redemption date for both bonds was effective on April 28, 2021.

On the other hand, effective on March 30, 2021, the Bank issued Subordinated Notes under the Medium-Term Bond Program amounting to US$500.0 million at a semi-annual rate of 3.25 percent maturing in September 2031 called “3,250 percent Subordinated Fixed-to-Fixed Rate Notes due 2031 (Callable 2026)”. As of September 30, 2026, it will be paid a fixed interest rate equal to U.S. Treasury interest rate, comparable to 5 years, plus 245 basis points. On September 30, 2026, the Bank may redeem all or part of the notes at a redemption price equal to 100 percent of the aggregate amount of the principal of the notes to be redeemed. From now on, the Bank may redeem all or part of the notes at a redemption price equal to the higher of (i) 100 percent of the principal amount of the notes and (ii) the sum of the remaining cashflows discounted at a rate equivalent to the U.S. Treasury interest rate plus 40 basis points.

(viii) The payment of the principal will take place on the maturity date, or when Mibanco S.A. redeems them, only after a minimum term of 5 years since issuance date.

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

	As of September 30, 2022	As of December 31, 2021
	S/(000)	S/(000)
Up to 3 months	400,064	164,559
From 3 months to 1 year	3,091,372	692,342
From 1 to 3 years	7,345,603	5,478,658
From 3 to 5 years	119,248	4,628,011
More than 5 years	5,976,923	5,980,848
Total	16,933,210	16,944,418

18 EQUITY

a) Capital stock -

As of September 30, 2022 and December 31, 2021, a total of 94,382,317 shares have been issued at US$5 per share.

b) Treasury stock -

We present below the stocks of Credicorp Ltd., that the entities of the Group maintain as of September 30, 2022 and 2021:

	Number of shares		
As of September 30, 2022	Shares of the Group	Shared-based payment (*)	Total
Atlantic Security Holding Corporation	14,620,846	–	14,620,846
BCP	–	120,505	120,505
Grupo Crédito	–	23,214	23,214
Pacífico Seguros	–	20,606	20,606
Credicorp Capital Servicios Financieros	–	15,007	15,007
Other Subsidiaries	–	49,045	49,045
	14,620,846	228,377	14,849,223

As of September 30, 2021	Number of shares Shares of the Group	 Shared-based payment (*)	 Total
Atlantic Security Holding Corporation	14,620,846	–	14,620,846
BCP	–	134,133	134,133
Grupo Crédito	–	23,006	23,006
Pacífico Seguros	–	22,966	22,966
Credicorp Capital Servicios Financieros	–	15,561	15,561
Other Subsidiaries	–	48,992	48,992
	14,620,846	244,658	14,865,504

(*) 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 nine-month period ended September 30, 2022 and 2021, the group purchased 137,604 and 97,951 shares of Credicorp Ltd., respectively, for a total of US$22.5 million (equivalent to S/83.6 million) and US$16.1 million (equivalent to S/58.9 million).

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 September 30, 2022, and December 31, 2021, the balance of this reserves amounts approximately to S/7,787.4 million and S/7,088.6 million, respectively.

At the Board meetings held on April 28, 2022 and February 25, 2021, the decision was made to transfer from "Retained earnings" to "Reserves" the amounts of S/2,354.9 million and S/347.0 million, respectively.

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

d) Dividend distribution -

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

	As of September 30, 2022	As of December 31, 2021
Date of Meeting - Board of Directors	28.04.2022	26.08.2021
Dividends distribution, net of treasury shares effect (in thousands of soles)	1,196,422	398,808
Payment of dividends per share (in soles)	15.00	5.00
Date of dividends payout	10.06.2022	07.10.2021
Exchange rate published by the SBS	3.7560	4.1310
Dividends payout (equivalent in thousands of US$)	318,536	96,540

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

e) Regulatory capital -

As of September 30, 2022 and December 31, 2021, 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/32,013.9 million and S/29,741.6 million, respectively. At those dates, the Group's regulatory requirement exceeds by approximately S/9,947.0 million and S/10,294.3 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 September 30, 2022 and December 31, 2021 was 29.5 percent of the taxable income after calculating the worker's participation, which is determined using a rate of 5.0 percent.

The income tax rate in Bolivia is 25.0 percent as of September 30, 2022 and December 31, 2021. Financial entities have an additional rate if the ROE exceeds 6.0 percent; in that case, they must consider an additional 25.0 percent, with which the rate would be 50.0 percent. Situation that from the 2021 management, was also established for the brokerage agencies, the investment fund management companies and the insurance entities.

In the case of Chile, tax legislation changed in 2020, two new regimes currently in force are established: the general regime and the Pro SME regime, for smaller companies. Credicorp Capital Holding Chile, like all its subsidiaries, is taxed under the general tax regime, whose first category income tax rate for domiciled legal entities remains at 27.0 percent as of September 30, 2022.

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

In the case of Colombia, according to Law No.2155 of 2021 issued on September 14, 2021, the general income tax rate for the year 2022 will be 35.0 percent. An additional 3.0 percent will be added to the general tax rate for financial institutions for the taxable years of 2022 to 2025, totaling an income tax rate of 38.0 percent. The additional rate will be applicable only to financial institutions that in the corresponding tax year have a taxable income equal to or greater than 120,000 Tax Value Unit ("UVT"), which as of September 30, 2022 is equivalent to a total of S/4.4 million.

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

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

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

Increase in net income tax compared to the previous year	Firmness of the declaration
35 percent	6 months
25 percent	12 months

b) Income tax expense comprises:

	For the three-month period ended September 30,		**For the nine-month period ended September 30,**	
	2022	**2021**	**2022**	**2021**
	S/(000)	**S/(000)**	**S/(000)**	**S/(000)**
Current -				
In Peru	605,408	300,031	1,466,281	879,578
In other countries	(78,641)	43,471	12,470	129,191
	526,767	343,502	1,478,751	1,008,769
Deferred -				
In Peru	21,012	87,043	75,670	185,189
In other countries	27,304	(2,508)	79,844	(4,831)
	48,316	84,535	155,514	180,358
Total	575,083	428,037	1,634,265	1,189,127

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

Banco de Crédito del Perú S.A.	2016 to 2021
MiBanco, Banco de la Microempresa S.A.	2017 to 2021
Prima AFP S.A.	2018 to 2021
Pacífico Compañía de Seguros y Reaseguros S.A.	2018 to 2021
Credicorp Capital Holding Peru S.A.A.	2017 to 2021
Credicorp Capital Perú S.A.A.	2017 to 2021

It is important to mention that the Peruvian Tax Authority notified MiBanco for the start of the examination of the Income Tax for the year 2020. Currently the examination procedure is in process.

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

Banco de Credito de Bolivia	2014 to 2021
Credicorp Capital Colombia	2017 to 2021
Credicorp Capital Holding Chile	2020 to 2021

Given that tax regulations are subject to interpretation by the different Tax Authorities in whose jurisdictions Credicorp's subsidiaries are located, it is not possible to determine as of the current date whether significant additional liabilities may arise from eventual tax inspections in said subsidiaries. Any resulting unpaid taxes, tax penalties or interest that may arise will be recognized as expenses in the year in which they are determined. However, Credicorp's Management, its subsidiaries and legal advisors consider that any increase in the determination of taxes would not have a significant impact on the interim condensed consolidated financial statements as of September 30, 2022.

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 September 30, 2022 and December 31, 2021, the Group has granted 116,626 and 88,507 Credicorp shares, of which 228,377 and 229,523 shares not vested as of September 30, 2022 and December 31, 2021, respectively. During the nine-month period ended September 30, 2022 and 2021, the recorded expense amounted to approximately S/65.7 million and S/59.6 million, respectively, see Note 27.

21 OFF-BALANCE SHEET ACCOUNTS

a) This item consists of the following:

	As of September 30, 2022	As of December 31, 2021
	S/(000)	S/(000)
Contingent credits - indirect loans (b)		
Guarantees and standby letters	18,593,563	20,455,238
Import and export letters of credit	2,805,570	2,459,105
Sub-total, Note 7(b)	21,399,133	22,914,343
Responsibilities under credit line agreements (c)	87,600,569	88,382,322
Total	108,999,702	111,296,665

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

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 period ended September 30,		For the nine-month period ended September 30,	
	2022	2021	2022	2021
	S/(000)	S/(000)	S/(000)	S/(000)
Interest and similar income				
Interest on loans	3,288,864	2,607,349	8,904,198	7,516,297
Interest on investments at fair value through other comprehensive income	439,026	283,100	1,153,733	857,873
Interest on investments at amortized cost	91,500	89,706	271,221	232,834
Interest on due from banks	139,077	12,185	222,212	26,157
Interest on investments at fair value through profit or loss	12,799	13,068	29,699	40,271
Dividends received	7,498	19,668	25,500	34,425
Other interest and similar income	9,917	25,924	42,577	50,795
Total	3,988,681	3,051,000	10,649,140	8,758,652
Interest and similar expense				
Interest on deposits and obligations	(510,116)	(209,564)	(1,106,008)	(642,482)
Interest on bonds and notes issued	(188,503)	(189,055)	(539,235)	(652,181)
Interest on due to banks and correspondents	(185,891)	(110,308)	(443,653)	(323,801)
Deposit Insurance Fund	(59,435)	(55,111)	(170,170)	(157,605)
Interest on lease liabilities	(6,320)	(6,626)	(18,892)	(20,946)
Other interest and similar expense	(36,990)	(29,237)	(96,263)	(79,267)
Total	(987,255)	(599,901)	(2,374,221)	(1,876,282)

23 COMMISSIONS AND FEES

This item consists of the following:

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2022	2021	2022	2021
	S/(000)	S/(000)	S/(000)	S/(000)
Maintenance of accounts, transfers and credit and debit card services	413,091	362,821	1,196,593	1,039,528
Funds and equity management	157,328	157,471	485,323	535,678
Contingent loans and foreign trade fees	114,097	122,796	334,312	345,458
Commissions for banking services	95,368	77,325	263,615	222,629
Brokerage, securities and custody services	33,207	26,873	91,599	90,117
Collection services	29,416	28,206	86,049	78,196
Commissions for consulting and technical studies	15,017	15,034	50,520	41,193
Commissions for salary advance and payment of services	15,792	13,508	50,145	35,902
Commissions for intermediation in virtual platforms	8,785	19,931	24,655	32,786
Penalty commissions	1,305	(8,728)	2,190	16,047
Others	50,838	61,154	160,766	132,039
Total	934,244	876,391	2,745,767	2,569,573

24 NET (LOSS) GAIN ON SECURITIES

This item consists of the following:

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2022	2021	2022	2021
	S/(000)	S/(000)	S/(000)	S/(000)
Net gain in associates (i)	25,806	19,005	79,039	60,712
Net gain on investments at fair value through other comprehensive income (ii)	11,433	39,063	43,879	37,195
(Loss) recovery due to impairment of investments at fair value through other comprehensive income (iii), Note 6(b)	(8,029)	(813)	(41,114)	4,916
Net (loss) on financial assets at fair value through profit or loss (iv)	(28,974)	(33,503)	(180,185)	(89,310)
Others	111	1,077	915	(637)
Total	347	24,829	(97,466)	12,876

(i) It mainly includes the profit of its associate "Entidad Prestadora de Salud" for approximately S/50.0 million during the nine-month period ended September 30, 2022 (S/45.2 million during the nine-month period ended September 30, 2021).

(ii) The result of investments at fair value with changes in other comprehensive income is mainly due to the result of the following subsidiaries that occurred during the nine-month period ended September 30, 2022:

- Credicorp Capital Colombia S.A. had a net income of approximately S/42.7 million (for the nine-month period ended September 30, 2021, net income of S/39.9 million).

- Credibolsa S.A. Agente de Bolsa had net gain for approximately S/14.7 million (during the nine-month period ended September 30, 2021, net gain for S/11.0 million).

- Banco de Credito del Bolivia had a net profit of approximately S/10.6 million (during the nine-month period ended September 30, 2021, net profit of S/12.7 million).

- Credicorp Capital SAB had a net profit of approximately S/6.1 million (during the nine-month period ended September 30, 2021, net profit of S/12.0 million).

- Banco de Crédito del Perú had net gain for approximately S/4.5 million (during the nine-month period ended September 30, 2021, net loss for S/92.7 million).

- ASB Bank Corp. had a net loss of approximately S/15.7 million (for the nine-month period ended September 30, 2021, a net profit of S/39.4 million).

- Pacífico Seguros obtained a net loss of approximately S/19.1 million (during the nine-month period ended September 30, 2021, net profit of S/11.4 million).

(iii) As a result of the impairment evaluation, during the nine-month period ended September 30, 2022, it corresponds mainly to the net effect of market values recorded mainly by the following subsidiaries: (i) S/28.1 million of Pacífico Seguros, (ii) S/11.8 million registered by ASB Bank Corp. (ASB) and (iii) S/2.9 million registered by Banco de Crédito del Perú. The result for the nine-month period ended September 30, 2021 corresponds mainly to the following Subsidiaries: (i) S/2.8 million from Pacífico Seguros, (ii) S/1.5 million from ASB Bank Corp. (ASB), among others.

(iv) The result on financial assets at fair value through profit or loss is mainly due to the result of the following subsidiaries that occurred during the nine-month period ended September 30, 2022:

- Credicorp Ltd. had a net loss of S/78.4 million (during the nine-month period ended September 31, 2021, net income of S/4.3 million).

- Prima AFP had a net loss of approximately S/41.1 million (during the nine-month period ended September 30, 2021, net income of S/7.5 million).

- Banco de Credito del Peru had a net loss of approximately S/27.7 million (during the nine-month period ended September 30, 2021, a net loss of S/28.7 million).

- Credicorp Capital Colombia S.A. had a net loss of approximately S/18.8 million (during the nine-month period ended September 30, 2021, a net loss of S/42.3 million).

- ASB Bank Corp. had a net loss of approximately S/10.1 million (for the nine-month period ended September 30, 2021, a net loss of S/21.0 million).

25 NET PREMIUMS EARNED

a) This item consists of the following:

For the three-month period ended September 30,	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	Total Net premiums earned
	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)
2022						
Life insurance	663,360	(133,886)	529,474	(63,355)	(40,478)	425,641
Health insurance	164,838	(2,202)	162,636	(3,902)	–	158,734
General insurance	240,703	38,696	279,399	(111,838)	–	167,561
Total	1,068,901	(97,392)	971,509	(179,095)	(40,478)	751,936
2021						
Life insurance	663,435	(226,481)	436,954	(56,210) –	(17,958)	362,786
Health insurance	155,253	(2,645)	152,608	(3,876) –	–	148,732
General insurance	258,613	18,357	276,970	(112,917) –	–	164,053
Total	1,077,301	(210,769)	866,532	(173,003)	(17,958)	675,571

For the nine-month period ended September 30,	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)
2022						
Life insurance	1,962,142	(367,965)	1,594,177	(185,045)	(224,633)	1,184,499
Health insurance	503,998	(28,655)	475,343	(10,652)	–	464,691
General insurance	810,441	66,918	877,359	(388,530)	–	488,829
Total	3,276,581	(329,702)	2,946,879	(584,227)	(224,633)	2,138,019
2021						
Life insurance	1,808,690	(602,801)	1,205,889	(161,061)	22,454	1,067,282
Health insurance	473,820	(29,779)	444,041	(11,206)	–	432,835
General insurance	733,777	98,671	832,448	(373,122)	–	459,326
Total	3,016,287	(533,909)	2,482,378	(545,389)	22,454	1,959,443

(*) The variation in life insurance is mainly lower sales in annuities and the private pension system, generating an initial lower reserve.

(**) 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 period ended September 30,	
	2022	2021
	S/(000)	S/(000)
Premiums ceded for automatic contracts (mainly excess of loss)	(73,282)	(66,406)
Premiums ceded for facultative contracts	(61,592)	(89,036)
Variation of reserve risk in progress of premiums ceded	(44,221)	(17,561)
	(179,095)	(173,003)

	For the nine-month period ended September 30,	
	2022	2021
	S/(000)	S/(000)
Premiums ceded for automatic contracts (mainly excess of loss), Note 9(b)	(277,127)	(252,096)
Premiums ceded for facultative contracts, Note 9(b)	(257,361)	(230,119)
Variation of reserve risk in progress of premiums ceded, Note 9(b)	(49,739)	(63,174)
	(584,227)	(545,389)

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

	For the three-month period ended September 30,			
	2022		2021	
	S/(000)	%	S/(000)	%
Life insurance (i)	529,474	54.50	436,954	50.43
Health insurance (ii)	162,636	16.74	152,608	17.61
General insurance (iii)	279,399	28.76	276,970	31.96
Total	971,509	100.00	866,532	100.00

	For the nine-month period ended September 30,			
	2022		2021	
	S/(000)	%	S/(000)	%
Life insurance (i)	1,594,177	54.10	1,205,889	48.58
Health insurance (ii)	475,343	16.13	444,041	17.89
General insurance (iii)	877,359	29.77	832,448	33.53
Total	2,946,879	100.00	2,482,378	100.00

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

	For the three-month period ended September 30,			
	2022		2021	
	S/(000)	%	S/(000)	%
Credit life	177,451	33.51	148,877	34.07
Disability and survival (*)	203,957	38.52	158,498	36.27
Individual life (**)	79,406	15.00	59,975	13.73
Group life	41,090	7.76	39,344	9.00
Annuities	27,570	5.21	30,260	6.93
Total	529,474	100.00	436,954	100.00

	For the nine-month period ended September 30,			
	2022		2021	
	S/(000)	%	S/(000)	%
Credit life	489,397	30.70	432,978	35.91
Disability and survival (*)	577,763	36.24	472,427	39.18
Individual life (**)	334,024	20.95	105,258	8.73
Group life	125,891	7.90	110,301	9.15
Annuities	67,102	4.21	84,925	7.03
Total	1,594,177	100.00	1,205,889	100.00

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

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

(i) Health insurance gross written premiums after adjustments include medical assistance which amounts to S/412.3 million and personal accident insurance for S/63.1 million during the nine-month period ended September 30; and represents 86.73 percent and 13.27 percent respectively.

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

	For the three-month period ended September			
	2022		2021	
	S/(000)	%	S/(000)	%
Automobile	86,284	30.88	83,770	30.25
Fire and allied lines	83,153	29.76	82,335	29.73
Theft and robbery	33,977	12.16	29,019	10.48
Technical lines (*)	18,068	6.47	17,853	6.45
Third party liability	22,585	8.08	18,694	6.75
Transport	17,431	6.24	15,543	5.61
SOAT (Mandatory automobile line)	6,254	2.24	6,230	2.25
Marine Hull	8,589	3.07	7,795	2.81
Aviation	4,810	1.72	13,752	4.97
Others	(1,752)	(0.62)	1,979	0.70
Total	279,399	100.00	276,970	100.00

	For the nine-month period ended September			
	2022		2021	
	S/(000)	%	S/(000)	%
Automobile	249,913	28.48	246,104	29.56
Fire and allied lines	244,437	27.86	228,335	27.43
Theft and robbery	95,842	10.92	86,980	10.45
Technical lines (*)	51,024	5.82	48,444	5.82
Third party liability	88,765	10.12	78,355	9.41
Transport	52,606	6.00	42,730	5.13
SOAT (Mandatory automobile line)	18,896	2.15	19,395	2.33
Marine Hull	25,906	2.95	21,193	2.55
Aviation	11,941	1.36	32,840	3.94
Others	38,029	4.34	28,072	3.38
Total	877,359	100.00	832,448	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 period ended September 30,			
	Life insurance	General insurance	Health insurance	Total
	S/(000)	S/(000)	S/(000)	S/(000)
2022				
Gross claims	377,244	102,560	84,748	564,552
Ceded claims	(57,701)	(27,635)	(1,177)	(86,513)
Net insurance claims	319,543	74,925	83,571	478,039

	For the three-month period ended September 30,			
	Life insurance	General insurance	Health insurance	Total
	S/(000)	S/(000)	S/(000)	S/(000)
2021				
Gross claims	507,593	102,385	92,798	702,776
Ceded claims	(154,007)	(21,609)	(9,209)	(184,825)
Net insurance claims	353,586	80,776	83,589	517,951

	For the nine-month period ended September 30,			
	Life insurance	General insurance	Health insurance	Total
	S/(000)	S/(000)	S/(000)	S/(000)
2022				
Gross claims	1,181,547	269,018	250,924	1,701,489
Ceded claims	(201,117)	(46,517)	(5,052)	(252,686)
Net insurance claims	980,430	222,501	245,872	1,448,803

	For the nine-month period ended September 30,			
	Life insurance	General insurance	Health insurance	Total
	S/(000)	S/(000)	S/(000)	S/(000)
2021				
Gross claims	1,748,646	246,910	244,071	2,239,627
Ceded claims	(330,826)	(64,463)	(11,699)	(406,988)
Net insurance claims	1,417,820	182,447	232,372	1,832,639

As of September 30, 2022, the decrease in net life insurance claims is mainly due to the release of IBNR for S/85.4 million, and a lower loss ratio of real COVID-19 cases for S/398.4 million net of other minors for S/58.7 million.

As of September 30, 2022, the increase in net general insurance claims corresponds to a higher loss ratio of S/29.4 million in vehicles and transportation for S/12.3 million, among others lower by S/6.3 million.

27 SALARIES AND EMPLOYEE BENEFITS

This item consists of the following:

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2022	2021	2022	2021
	S/(000)	S/(000)	S/(000)	S/(000)
Salaries	557,667	533,314	1,654,842	1,526,696
Vacations, medical assistance and others	92,092	81,077	250,254	231,113
Bonuses	82,690	70,353	233,370	209,446
Workers profit sharing (i)	84,411	53,163	230,008	154,869
Additional participation	81,261	69,038	226,237	195,619
Social security	57,727	52,138	185,409	159,766
Severance indemnities	44,833	42,239	129,466	118,190
Share-based payment plans, Note [illegible]	21,265	14,242	65,733	59,601
Total	1,021,946	915,564	2,975,319	2,655,300

(i) As of September 30, 2022, the variation is mainly due to a higher provision of the legal participation of profits with respect to the third quarter of 2021 of BCP and to the fact that MiBanco S.A. did not have a provision for employee participation as of September 30, 2021.

28 ADMINISTRATIVE EXPENSES

This item consists of the following:

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2022	2021	2022	2021
	S/(000)	S/(000)	S/(000)	S/(000)
Systems expenses (i)	229,025	196,970	666,034	497,800
Publicity (ii)	173,728	123,603	440,510	300,989
Taxes and contributions	51,963	80,626	204,536	226,840
Consulting and professional fees	74,790	114,073	197,962	216,268
Transport and communications	74,435	54,312	164,370	142,035
Repair and maintenance	30,563	30,125	101,334	88,170
Outsourcing	29,799	26,094	82,001	69,797
Comissions by agents	25,574	26,486	78,683	76,740
Lease	24,171	23,517	67,712	64,564
Sundry supplies	25,266	13,068	65,000	42,058
Insurance	40,561	36,358	54,365	48,798
Security and protection	16,841	15,468	48,115	47,119
Subscriptions and quotes	14,013	13,363	43,418	40,448
Electricity and water	11,867	11,102	36,111	34,502
Electronic processing	7,770	10,863	23,671	31,954
Cleaning	5,358	4,630	15,067	15,118
Others	35,128	21,889	157,437	111,840
Total	870,852	802,547	2,446,326	2,055,040

(i) The increase is mainly due to higher expenses for IT support, maintenance services and license renewal.

(ii) The increase is mainly due to higher marketing and advertising expenses; specially in Tenpo Prepago and Tenpo Technology to attract new customers and promote the use of their products.

29 OTHER INCOME AND EXPENSES

This item consists of the following:

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2022	2021	2022	2021
	S/(000)	S/(000)	S/(000)	S/(000)
Other income				
Rental income	11,455	9,395	34,086	25,671
Gain from sale of loan portfolio	778	3,378	16,946	14,137
Net income from the sale of foreclosed assets	2,759	647	8,323	647
Contract resolution impact	3,458	822	5,153	6,390
Recoveries of other accounts receivable and other assets	103	244	1,172	3,092
Others (i)	46,337	37,772	231,264	139,235
Total other income	64,890	52,258	296,944	189,172

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2022	2021	2022	2021
	S/(000)	S/(000)	S/(000)	S/(000)
Other expenses				
Losses due to operational risk	16,449	15,655	52,180	38,275
Association in participation	9,999	10,426	28,019	33,211
Operating expenses due to COVID-19	3,373	27,334	17,296	36,851
Expenses on improvements in building for rent	4,444	6,275	14,091	18,482
Net loss from the sale of property, furniture and equipment	13,200	815	13,465	5,172
Provision for sundry risks	3,553	5,076	12,600	61,999
Provision for other accounts receivable	3,939	2,221	12,468	23,575
Donations	5,235	3,807	10,046	8,352
Reduction of intangibles due to withdrawals and dismissed projects	–	3,011	7,582	8,016
Administrative and tax penalties	792	173	1,241	879
Net loss from the sale of foreclosed assets	–	(1,404)	–	–
Others	14,237	14,725	47,982	70,003
Total other expenses	75,221	88,114	216,970	304,815

(i) The increase is mainly due to a refund for overpayment of Income Tax for the years 2014 (S/17.8 million) and 2015 (S/38.6 million) to BCP, as well as a higher sale of goods in comparison with its comparative period.

30 EARNING PER SHARE

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

	For the three-month period ended September 30,		For the nine-month periods ended September 30,	
	2022	**2021**	**2022**	**2021**
Net income attributable to equity holders of Credicorp (in thousands of Soles)	1,302,420	1,163,699	3,561,006	2,523,966
Number of stock				
Ordinary stock, Note 18(a)	94,382,317	94,382,317	94,382,317	94,382,317
Less – opening balance of treasury stock	(14,850,369)	(14,914,734)	(14,850,369)	(14,914,734)
Acquisition of treasury stock, net	(5,651)	19,105	(5,651)	19,105
Weighted average number of ordinary shares for basic earnings	79,526,297	79,486,688	79,526,297	79,486,688
Plus - dilution effect - stock awards	134,026	165,224	134,026	165,224
Weighted average number of ordinary shares adjusted for the effect of dilution	79,660,323	79,651,912	79,660,323	79,651,912
Basic earnings per share (in Soles)	16.38	14.64	44.78	31.75
Diluted earnings per share (in Soles)	16.35	14.61	44.70	31.69

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 S.A.

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

c) Microfinance -

Includes the management of loans, credits, deposits and current accounts of the small and microenterprises: carried out through MiBanco, Banco de la Microempresa S.A. and MiBanco - Banco de la Microempresa de Colombia S.A.

d) Investment Banking and Wealth Management -

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 these services are provided through Credicorp Capital Ltd. and subsidiaries; ASB Bank Corp. 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 10.0 percent or more of the total income of the Group for the nine - month period ended September 30, 2022 and 2021.

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

	For the nine -month period ended September 30, 2022									As of September 30, 2022	
	Income (*)										
Operating segments	**External**	**From other segments (**)**	**Net interest, similar income and expenses**	**Other income, net (***)**	**Provision for credit losses on loan portfolio**	**Depreciation and amortization**	**Income tax**	**Net profit (loss)**	**Additions of fixed asset, intangibles and goodwill**	**Total assets**	**Total liabilities**
Universal Banking											
Banco de Crédito del Perú	9,467	313	5,461	2,222	(884)	(333)	(1,240)	3,242	306	184,284	164,845
Banco de Crédito de Bolivia	648	7	246	124	(48)	(18)	(104)	51	11	13,143	12,272
Insurance and Pension funds											
Pacífico Seguros y subsidiarias	3,037	56	536	595	–	(38)	(9)	333	51	15,309	13,187
Prima AFP	254	2	(1)	254	–	(17)	(34)	69	24	735	278
Microfinance											
MiBanco	2,012	–	1,600	22	(377)	(57)	(147)	378	58	17,608	14,877
MiBanco Colombia	277	–	180	36	(34)	(10)	(6)	22	4	1,546	1,320
Investment Banking and Wealth Management	651	62	72	482	–	(31)	–	10	40	–	17
Other segments	198	30	181	500	–	(3)	(94)	(456)	43	–	16
Eliminations	–	–	–	–	–	–	–	–	–	11,291	9,426
Total consolidated	16,544	470	8,275	4,235	(1,343)	(507)	(1,634)	3,649	537	243,916	216,238

	For the nine-month period ended September 30, 2021									As of December 31, 2021	
	Income (*)										
Operating segments	**External**	**From other segments (**)**	**Net interest, similar income and expenses**	**Other income, net (***)**	**Provision for credit losses on loan portfolio**	**Depreciation and amortization**	**Income tax**	**Net profit (loss)**	**Additions of fixed asset, intangibles and goodwill**	**Total assets**	**Total liabilities**
Universal Banking											
Banco de Crédito del Perú	8,229	268	4,599	2,394	(876)	(324)	(921)	2,470	231	184,715	166,387
Banco de Crédito de Bolivia	659	8	253	111	(6)	(17)	(52)	50	14	13,800	12,965
Insurance and Pension funds											
Pacífico Seguros y subsidiarias	2,604	57	451	42	–	(43)	(4)	(193)	50	16,491	14,194
Prima AFP	304	–	(3)	303	–	(15)	(52)	111	7	840	265
Microfinance											
MiBanco	1,536	–	1,355	(14)	(437)	(59)	(81)	146	31	16,163	13,800
MiBanco Colombia	221	–	166	26	(8)	(11)	(5)	23	5	1,393	1,159
Investment Banking and Wealth Management	657	44	3	599	–	(30)	(20)	148	6	14,744	12,990
Other segments	133	16	60	33	(2)	(3)	(54)	(170)	2	3,377	2,634
Eliminations	–	–	–	–	–	–	–	–	–	(6,701)	(6,609)
Total consolidated	14,343	393	6,884	3,494	(1,329)	(502)	(1,189)	2,585	346	244,822	217,785

(*) 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 nine -month period ended September 30, 2022		As of September 30, 2022		For the nine-month period ended September 30, 2021		As of December 31, 2021	
	Total income (*)	**Operating income (**)**	**Total non current assets (***)**	**Total liabilities**	**Total income (*)**	**Operating income (**)**	**Total non current assets (***)**	**Total liabilities**
Peru	14,937	8,203	4,132	188,304	12,757	6,238	3,773	188,481
Bermuda	(73)	(14)	134	2,479	21	(2)	134	2,174
Panama (****)	223	70	49	9,388	266	82	30	10,389
Cayman Islands	72	71	–	126	(2)	–	–	88
Bolivia	716	284	118	12,339	722	279	121	13,012
Colombia	319	(83)	4	2,444	442	155	415	2,610
United States of America	6	–	3	10	25	1	1	5
Chile	125	3	113	1,148	112	–	131	1,026
Others	219	218	–	–	–	–	–	–
Total consolidated	16,544	8,752	4,553	216,238	14,343	6,753	4,605	217,785

(*) 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.
(****) In August 2021, the merger by absorption between ASB Bank Corp. and Atlantic Security Bank (absorbed entity) was carried out. See more detail in Note 2(a).

32 TRANSACTIONS WITH RELATED PARTIES

a) The Group's interim condensed consolidated financial statements as of September 30, 2022 and December 31, 2021 include transactions with related companies, the Board of Directors (that also include some shareholders, "directors & shareholders"), 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 September 30, 2022	As of December 31, 2021
	S/(000)	S/(000)
Statement of financial position -		
Direct loans	1,895,670	1,888,433
Investments (*)	835,414	920,852
Deposits (**)	(1,201,772)	(970,072)
Derivatives at fair value	145,171	30,026

(*) The balance includes mainly S/154.8 million of corporate bonds and S/132.8 million of shares of Alicorp S.A.A., S/142.8 million of corporate bonds issued by Cementos Pacasmayo S.A., and S/158.5 million of shares of Inversiones Centenario. The decreasse in the balance corresponds mainly to the fluctuation that negatively affected the investments in corporative bonds of Alicorp S.A.A., Cementos Pacasmayo S.A. and Corporaciòn Primax.

During the year 2021, the balance mainly includes S/183.3 million of corporate bonds, S/178.6 million of corporate bonds issued by Cementos Pacasmayo S.A., S/137.7 million of shares of Alicorp S.A.A. and S/184.8 million of shares of Inversiones Centenario.

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

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2022	2021	2022	2021
	S/(000)	S/(000)	S/(000)	S/(000)
Statement of income				
Interest income related to loans	10,409	7,700	26,117	28,063
Interest expenses related to deposits	(10,309)	(4,379)	(18,994)	(11,467)
Other income	4,258	2,216	9,856	7,438

c) All transactions with related parties are made in accordance with normal market conditions available to other customers. As of September 30, 2022, direct loans to related companies are secured by collateral, had maturities between October 2022 and June 2029, at an annual soles average interest rate of 6.56 percent and at an annual foreign currency average interest rate of 4.16 percent (as of December 31, 2021, maturities where between January 2022 and December 2029, and the annual soles average interest rate was 6.03 percent and the annual foreign currency average interest rate was 3.36). Also, as of September 30, 2022 and December 31, 2021, the Group maintains an allowance for loan losses for related parties amounting to S/5.7 million and S/19.7 million, respectively.

d) As of September 30, 2022 and December 31, 2021, directors & shareholders, 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 September 30, 2022 and December 31, 2021, direct loans to employees, directors, key management and family members amounted to S/1,153.8 million and S/1,054.7 million, respectively; they are repaid monthly and earn interest at market rates.

e) The Group's key executives' compensation (including the related income taxes assumed by the Group) as of as of September 30, 2022 and September 30, 2021 was as follows:

	For the three-month period ended September 30,		**For the nine-month period ended September 30,**	
	2022	**2021**	**2022**	**2021**
	S/(000)	**S/(000)**	**S/(000)**	**S/(000)**
Director's compensation	1,903	1,869	5,922	5,318
Senior Management				
Remuneration	6,010	4,739	33,855	19,550
Stock awards vested	7,113	(2,588)	21,338	7,763
Total	15,026	4,020	61,115	32,631

f) As of September 30, 2022, and December 31, 2021 the Group holds interests in various funds managed by certain of the Group's subsidiaries. The details of the funds are presented below:

	As of September 30, 2022	**As of December 31, 2021**
	S/(000)	**S/(000)**
At fair value through profit or loss:		
Mutual funds, investment funds and hedge funds		
U.S. Dollar (*)	531,371	588,330
Boliviano	167,225	157,332
Colombian peso	87,085	78,773
Sol	36,396	45,741
Chilean peso	5,008	2,140
Total	827,085	872,316
Restricted mutual funds, Note 6(a)(iv)	338,209	365,954

(*) The variation corresponds mainly to the redemption of quotes of participation in mutual funds managed by Credicorp Capital Asset Management.

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 September 30, 2022, and December 31, 2021:

	As of September 30, 2022						As of December 31, 2021					
	Financial assets and liabilities at fair value through profit or loss		Financial assets at fair value through other comprehensive income				Financial assets and liabilities at fair value through profit or loss		Financial assets at fair value through other comprehensive income			
	Investments and derivates	Investments designated at inception	Investments	Investments designated at inception	Financial assets and liabilities measured at amortized cost	Total	Investments and derivates	Investments designated at inception	Investments	Investments designated at inception	Financial assets and liabilities measured at amortized cost	Total
	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)
Assets												
Cash and due from banks	–	–	–	–	36,249,294	36,249,294	–	–	–	–	39,320,740	39,320,740
Cash collateral, reverse repurchase agreements and securities borrowings	–	–	–	–	1,586,967	1,586,967	–	–	–	–	1,766,948	1,766,948
At fair value through profit or loss	4,550,783	–	–	–	–	4,550,783	5,928,497	–	–	–	–	5,928,497
Investments at fair value through other comprehensive income, Note 6(b)	–	–	33,921,239	342,691	–	34,263,930	–	–	34,380,552	377,891	–	34,758,443
Amortized cost investments	–	–	–	–	8,028,557	8,028,557	–	–	–	–	8,265,559	8,265,559
Loans, net	–	–	–	–	143,362,098	143,362,098	–	–	–	–	139,120,104	139,120,104
Financial assets designated at fair value through profit or loss	–	767,425	–	–	–	767,425	–	974,664	–	–	–	974,664
Premiums and other policies receivable	–	–	–	–	803,886	803,886	–	–	–	–	921,103	921,103
Accounts receivable from reinsurers and coinsurers	–	–	–	–	1,063,972	1,063,972	–	–	–	–	1,198,379	1,198,379
Due from customers on banker's acceptances	–	–	–	–	697,119	697,119	–	–	–	–	532,404	532,404
Other assets, Note 13(a)	1,813,284	–	–	–	2,362,674	4,175,958	1,661,628	–	–	–	1,797,134	3,458,762
	6,364,067	767,425	33,921,239	342,691	194,154,567	235,549,989	7,590,125	974,664	34,380,552	377,891	192,922,371	236,245,603
Liabilities												
Deposits and obligations	–	–	–	–	152,792,014	152,792,014	–	–	–	–	150,340,862	150,340,862
Payables from repurchase agreements and securities lending	–	–	–	–	16,575,580	16,575,580	–	–	–	–	22,013,866	22,013,866
Due to banks and correspondents	–	–	–	–	9,002,035	9,002,035	–	–	–	–	7,212,946	7,212,946
Due from customers on banker's acceptances	–	–	–	–	697,119	697,119	–	–	–	–	532,404	532,404
Accounts payable to reinsurers and coinsurers	–	–	–	–	328,031	328,031	–	–	–	–	463,825	463,825
Lease liabilities	–	–	–	–	595,915	595,915	–	–	–	–	655,294	655,294
Financial liabilities at fair value through profit or loss	333,453	–	–	–	–	333,453	325,571	–	–	–	–	325,571
Bonds and notes issued	–	–	–	–	17,019,694	17,019,694	–	–	–	–	17,078,829	17,078,829
Other liabilities, Note 13(a)	1,575,693	–	–	–	4,059,180	5,634,873	1,524,761	–	–	–	3,833,434	5,358,195
	1,909,146	–	–	–	201,069,568	202,978,714	1,850,332	–	–	–	202,131,460	203,981,792

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 -

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

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

Grupo Crédito's Board of Directors -

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

Group Company Boards -

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

(ii) Credicorp Risk Committee -

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

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

(iii) Grupo Crédito Risk Committee -

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

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

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

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

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

Corporate Market, Structural, Trading and Liquidity Risk Committee -

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

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

Corporate Model Risk Committee –

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

Corporate Operational Risk Methodology Committee -

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

(iv) Central Risk Management of Credicorp -

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

(v) Central Risk Management of Grupo Crédito -

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

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

Credit Division -

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

Risk Management Division -

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

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

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

Non-financial Risks Division -

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

(vi) Internal Audit Division and Compliance Division -

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

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

b) Risk measurement and reporting systems -

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

c) Risk mitigation -

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

The Group actively uses guarantees to reduce its credit risks.

d) Risk appetite -

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

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

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

Risk appetite is instrumented through the following elements:

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

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

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

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

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

e) Risk concentration -

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

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

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

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

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

(i) Collateral -

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

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

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

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.

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

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

(ii) Derivatives -

The amount subject to credit risk is limited to the current and potential fair value of instruments that are favorable to the Group (fair value is positive). In the case of derivatives this is only a small fraction of the contract, or notional values used to express the volume of instruments outstanding. This credit risk exposure is managed as a portion of the total credit limits with customers, together with potential exposures from market movements. 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 September 30, 2022 and as of December 31, 2021, before the effect of mitigation through any collateral, is the carrying amount of each class of financial assets indicated in Notes 34.10(a), 34.10(b) and the contingent credits detailed in Note 21(a).

c) Credit risk management for loans -

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

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

– BCP, MiBanco and Solución Empresa Administradora Hipotecaria internally classify a loan as past due:

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

– MiBanco Colombia internally classifies a loan as past due:

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

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

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

Estimate of the expected credit loss -

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

– Probability of default (PD): this is a measurement of credit rating given internally to a client, designed to estimate their probability of default within a specific time horizon. The process of obtaining the PD is carried out through scoring and rating tools.

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

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

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

  - Commercial products: if the client, at some certain point, is in the Collections portfolio, or has a risk classification of Deficient, Doubtful or Loss, or has operations that are refinanced, in pre-judicial, judicial proceedings or written off. Also, a client can be considered as default if it shows signs of significant qualitative impairment

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

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

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

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

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

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

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

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

The main methodological calibrations made in the internal credit risk models during 2022 were:

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

LGD models: we calibrated this parameter for retail banking refinanced loans using data that included the observed behavior of the months of the pandemic. This calibration replaced the estimation we made in 2020 regarding the impact of the pandemic in this parameter. Additionally, for mortgage-backed retail banking loans at default, we calibrated the estimation of the recovery rate to better reflect the collateral.

Prospective information -

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

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

The expected credit loss for stages 1, 2 and 3 is a weighted estimate that considers three future macroeconomic scenarios (base, optimistic and pessimistic). These scenarios, as well as the probability of occurrence of each one, are projections provided by the internal team of Economic Studies and approved by the Senior Management. The scenario design is revised quarterly. All the scenarios considered apply to the portfolios subject to expected credit loss with the same probabilities.

Changes from one stage to another -

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

- An account is classified in stage 2 if it has more than 30 days in arrears.
- Additionally, significant risk thresholds were established based on absolute and relative thresholds that depend on the risk level in which the instrument was originated. The thresholds differ for each of the portfolios considered.

- Additional qualitative reviews are carried out based on the risk segmentation used in the management of Retail Banking and an individual review is carried out in Wholesale Banking.

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

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

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

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

Expected life -

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

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

(i) Loans neither past due nor impaired, which comprise those direct loans which currently do not have characteristics of delinquency and which are not in default.
(ii) Past due but not impaired loans, which comprise all of the direct loans of clients that are not in default, but have failed to make a payment at the contractual maturity, according to the IFRS 7.
(iii) Impaired loans, those considered to be in stage 3 or default, as detailed in Note 34.1(c).

	As of September 30, 2022				As of December 31, 2021			
Commercial loans	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	S/(000)	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**
Neither past due nor impaired	69,451,907	7,086,669	−	76,538,576	69,831,342	8,987,668	−	78,819,010
Past due but not impaired	607,951	978,738	−	1,586,689	542,210	739,183	−	1,281,393
Impaired	−	−	6,430,543	6,430,543	−	−	6,906,547	6,906,547
Gross	70,059,858	8,065,407	6,430,543	84,555,808	70,373,552	9,726,851	6,906,547	87,006,950
Less: Allowance for loan losses	536,173	607,560	2,202,638	3,346,371	554,018	636,875	2,206,979	3,397,872
Total, net	69,523,685	7,457,847	4,227,905	81,209,437	69,819,534	9,089,976	4,699,568	83,609,078
Residential mortgage loans	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	S/(000)	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**
Neither past due nor impaired	18,427,756	2,229,805	−	20,657,561	18,446,261	1,466,878	−	19,913,139
Past due but not impaired	649,177	423,548	−	1,072,725	255,928	291,247	−	547,175
Impaired	−	−	1,402,051	1,402,051	−	−	1,371,146	1,371,146
Gross	19,076,933	2,653,353	1,402,051	23,132,337	18,702,189	1,758,125	1,371,146	21,831,460
Less: Allowance for loan losses	84,305	121,762	799,162	1,005,229	76,706	97,388	800,639	974,733
Total, net	18,992,628	2,531,591	602,889	22,127,108	18,625,483	1,660,737	570,507	20,856,727
Microbusiness loans	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	S/(000)	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**
Neither past due nor impaired	12,419,500	7,323,730	−	19,743,230	10,616,608	8,349,028	−	18,965,636
Past due but not impaired	270,577	945,892	−	1,216,469	134,473	576,320	−	710,793
Impaired	−	−	1,859,753	1,859,753	−	−	1,906,172	1,906,172
Gross	12,690,077	8,269,622	1,859,753	22,819,452	10,751,081	8,925,348	1,906,172	21,582,601
Less: Allowance for loan losses	329,229	633,248	1,149,510	2,111,987	434,049	625,252	1,148,629	2,207,930
Total, net	12,360,848	7,636,374	710,243	20,707,465	10,317,032	8,300,096	757,543	19,374,671
Consumer loans	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	S/(000)	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**
Neither past due nor impaired	14,483,472	3,164,023	−	17,647,495	11,870,584	2,718,498	−	14,589,082
Past due but not impaired	313,618	441,055	−	754,673	104,821	202,577	−	307,398
Impaired	−	−	1,094,278	1,094,278	−	−	1,099,328	1,099,328
Gross	14,797,090	3,605,078	1,094,278	19,496,446	11,975,405	2,921,075	1,099,328	15,995,808
Less: Allowance for loan losses	245,795	358,560	962,162	1,566,517	317,595	637,762	941,416	1,896,773
Total, net	14,551,295	3,246,518	132,116	17,929,929	11,657,810	2,283,313	157,912	14,099,035
Consolidated of loans	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	S/(000)	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**
Total gross direct credits, Note 7(a)	116,623,958	22,593,460	10,786,625	150,004,043	111,802,227	23,331,399	11,283,193	146,416,819
Total allowance for loan losses, Note 7(a)	1,195,502	1,721,130	5,113,472	8,030,104	1,382,368	1,997,277	5,097,663	8,477,308
Total net direct loans	115,428,456	20,872,330	5,673,153	141,973,939	110,419,859	21,334,122	6,185,530	137,939,511

The general explanation on variations in the allowance for loan losses is presented in Note 7(b).

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

- Refinanced loans: are those loans that have undergone modifications in the initial loan agreement (term and interest rate), according to the accounting definition.
- Renegotiated loans due to the COVID-19 pandemic are those loans for which, due to the pandemic, the SBS and other local regulators have established that certain benefits be granted, and that Credicorp has also voluntarily granted to its clients (grace periods, debt consolidation, etc.), which were not in the initial credit agreements.

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

As of September 30, 2022, and December 31, 2021, renegotiated loans and their expected credit loss are composed as follows:

	As of September 30, 2022		**As of December 31, 2021**	
	Refinanced loans	**Allowance for loan losses**	**Refinanced loans**	**Allowance for loan losses**
	S/(000)	**S/(000)**	**S/(000)**	**S/(000)**
Stage 1	65,984	821	60,420	1,097
Stage 2	31,856	3,331	44,861	10,617
Stage 3	1,697,747	838,104	1,681,057	936,994
Total	1,795,587	842,256	1,786,338	948,708

	As of September 30, 2022		**As of December 31, 2021**	
	Renegotiated loans COVID	**Allowance for loan losses**	**Renegotiated loans COVID**	**Allowance for loan losses**
	S/(000)	**S/(000)**	**S/(000)**	**S/(000)**
Stage 1	5,921,086	75,039	10,747,826	178,357
Stage 2	3,001,241	294,356	5,440,274	666,092
Stage 3	2,497,592	1,423,454	2,752,914	1,567,504
Total	11,419,919	1,792,849	18,941,014	2,411,953

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

	As of September 30, 2022					**As of December 31, 2021**				
	Commercial loans	**Residential mortgage loans**	**Microbusiness loans**	**Consumer loans**	**Total**	**Commercial loans**	**Residential mortgage loans**	**Microbusiness loans**	**Consumer loans**	**Total**
	S/(000)	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**
Impaired loans	6,430,543	1,402,051	1,859,753	1,094,278	10,786,625	6,906,547	1,371,146	1,906,172	1,099,328	11,283,193
Fair value of collateral	5,855,641	1,217,861	454,964	277,259	7,805,725	6,298,966	1,181,979	486,477	279,861	8,247,283
Allowance for loan losses	2,202,638	799,162	1,149,510	962,162	5,113,472	2,206,979	800,639	1,148,628	941,416	5,097,662

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

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

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

	As of September 30, 2022						As of December 31, 2021					
	Current loans	Current but impaired loans	Loans with delays in payments of one day or more but not considered internal overdue loans	Internal overdue loans	Total	Total past due under IFRS 7	Current loans	Current but impaired loans	Loans with delays in payments of one day or more but not considered internal overdue loans	Internal overdue loans	Total	Total past due under IFRS 7
	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)
Neither past due nor impaired	134,585,427	–	–	1,435	134,586,862	1,435	132,273,846	–	–	13,022	132,286,868	13,022
Past due but not impaired	–	–	3,931,791	698,765	4,630,556	4,630,556	–	–	2,400,329	446,429	2,846,758	2,846,758
Impaired debt	–	4,424,507	806,239	5,555,879	10,786,625	6,362,118	–	5,357,744	822,461	5,102,988	11,283,193	5,925,449
Total	134,585,427	4,424,507	4,738,030	6,256,079	150,004,043	10,994,109	132,273,846	5,357,744	3,222,790	5,562,439	146,416,819	8,785,229

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

	As of September 30, 2022					As of December 31, 2021				
	Current loans	Current but impaired loans	Loans with delays in payments of one day or more but not considered internal overdue loans	Internal overdue loans	Total	Current loans	Current but impaired loans	Loans with delays in payments of one day or more but not considered internal overdue loans	Internal overdue loans	Total
	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)
Commercial loans	76,538,367	3,029,348	1,421,295	3,566,798	84,555,808	78,815,254	3,627,246	1,362,487	3,201,963	87,006,950
Residential mortgage loans	20,657,561	520,123	1,287,508	667,145	23,132,337	19,913,139	581,358	731,821	605,142	21,831,460
Microbusiness loans	19,742,004	378,581	1,128,404	1,570,463	22,819,452	18,956,460	524,064	683,183	1,418,894	21,582,601
Consumer loans	17,647,495	496,455	900,823	451,673	19,496,446	14,588,993	625,076	445,299	336,440	15,995,808
Total	134,585,427	4,424,507	4,738,030	6,256,079	150,004,043	132,273,846	5,357,744	3,222,790	5,562,439	146,416,819

The expected credit loss for direct loans, indirect loans and due from customers on banker's acceptances is a weighted estimate of three macroeconomic scenarios: base, optimistic and pessimistic, that are based on macroeconomic projections provided by the internal team of Economic Studies and approved by Senior Management. In each scenario, the Group bases itself on a wide variety of prospective information such as economic inputs, including: the growth of the gross domestic product (GDP), terms of trade, inflation rate, among others.

Macroeconomic scenario -

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

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

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

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

Through this process, we obtain figures for GDP growth, inflation, exchange rate and other variables for the years 2022, 2023 and 2024. For 2022, we expect the Peruvian economy to grow around 2.5 percent. However, the speed of growth in the fourth quarter of the year will be lower than the previous one, due to the following factors:

i) Inflation erodes business margins and impairs consumers' purchasing power.

ii) Accelerating global inflation leads central banks to raise policy rates faster to anchor inflation expectations.

iii) Lower growth for business partners. All international organizations have revised world growth for 2022 downwards. A lower growth of our trading partners will affect a small and open economy like Peru's.

We expect the growth rate of the fourth quarter of 2022 (expected around 1.2 percent) to set the tone for a weaker 2023 and 2024, with a GDP growth of 2.0 percent for both years.

Regarding the probabilities of each scenario, probabilities of 50.0 percent, 25.0 percent and 25.0 percent were considered for the base, optimistic and pessimistic scenarios, respectively, as of September 30, 2022 (60.0 percent, 30.0 percent, and 10.0 percent, respectively, as of December 31, 2021). The probabilities assigned to each scenario and projection year are validated through a fan chart analysis, which uses a probability function to identify and analyze:

i) The central tendency of the projections.
ii) The dispersion that is expected around this value.
iii) The values that are higher or lower than the central value that are more or less probable.

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

	As of September 30, 2022	As of December 31, 2021
	S/(000)	S/(000)
Carrying amount	8,630,650	9,071,011
Scenarios:		
Optimistic	8,507,721	9,014,409
Base Case	8,625,672	9,078,873
Pessimistic	8,763,533	9,173,730

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. On September 1, 2021, one of these rating agencies placed Peru's rating on stable outlook.

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

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

	As of September 30, 2022		As of December 31, 2021	
	S/(000)	%	S/(000)	%
Instruments rated in Peru:				
AAA (i)	1,741,022	3.7	303,831	0.6
AA- a AA+	937,409	2.0	62,287	0.1
A- to A+	2,516	–	5,182	-
BBB- to BBB+ (i)	17,444,997	37.3	21,050,591	43.1
BB- to BB+	665,234	1.4	694,398	1.4
Lower and equal to +B	–	–	82,395	0.2
Unrated:				
BCRP certificates of deposit (ii)	8,055,128	17.2	9,448,574	19.3
Listed and unlisted	351,121	0.7	384,243	0.8
Restricted mutual funds	338,209	0.7	365,954	0.7
Investment funds	392,184	0.8	295,480	0.6
Mutual funds	54,012	0.1	20,672	-
Hedge funds	13,627	–	24,275	-
Other instruments	45,564	0.1	39,035	0.1
Subtotal	30,041,023	64.0	32,776,917	66.9

	As of September 30, 2022		As of December 31, 2021	
	S/(000)	**%**	**S/(000)**	**%**
Instruments rated abroad:				
AAA	3,193,802	6.8	1,723,289	3.5
AA- a AA+	1,376,405	2.9	1,508,978	3.1
A- to A+	2,587,639	5.5	2,172,071	4.4
BBB- to BBB+	3,910,668	8.3	4,642,916	9.5
BB- to BB+	2,406,645	5.1	3,357,991	6.9
Lower and equal to +B	166,873	0.4	119,379	0.2
Unrated:				
Listed and unlisted	43,591	0.1	84,428	0.2
Mutual funds	1,584,533	3.4	1,553,561	3.2
Participations of RAL funds	238,533	0.5	323,139	0.7
Investment funds	298,269	0.6	236,367	0.5
Hedge funds	177,394	0.4	152,541	0.3
Other instruments	817,895	2.0	300,922	0.6
Subtotal	16,802,247	36.0	16,175,582	33.1
Total	46,843,270	100.0	48,952,499	100.0

(i) The increase in the balance is mainly due to the change in the Peruvian government's credit rating from BBB+ to AAA, which impacted our portfolio.

(ii) The decrease in the balance is mainly due to the maturity of these instruments, see Notes 6(a)(iii) and 6(b)(iii).

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

f) Concentration of financial instruments exposed to credit risk -

As of September 30, 2022 and December 31, 2021, financial instruments with exposure to credit risk were distributed considering the following economic sectors:

	As of September 30, 2022					**As of December 31, 2021**				
	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	206,456	−	25,781,979	7,848,673	33,837,108	1,243,890	−	25,687,934	8,337,432	35,269,256
Financial services	4,058,528	274,880	16,869,280	5,168,090	26,370,778	3,722,627	271,701	18,714,111	5,560,441	28,268,880
Commerce	24,389	3,450	26,888,174	1,381,608	28,297,621	51,436	4,610	26,716,462	1,480,290	28,252,798
Manufacturing	195,228	42,785	24,190,333	1,584,598	26,012,944	180,666	193,091	22,713,289	2,235,747	25,322,793
Government and public administration	1,024,633	22,404	7,927,042	11,714,091	20,688,170	1,605,754	9,516	8,142,978	10,613,437	20,371,685
Mortgage loans	−	−	22,271,888	−	22,271,888	−	−	21,128,330	−	21,128,330
Consumer loans	−	−	18,033,030	−	18,033,030	−	−	14,717,230	−	14,717,230
Real estate and leasing	71,410	−	10,516,762	6,038	10,594,210	81,019	−	11,362,371	64,193	11,507,583
Communications, storage and transportation	52,118	220,297	6,835,319	1,042,455	8,150,189	93,649	401,789	7,282,709	1,159,161	8,937,308
Electricity, gas and water	228,200	118,691	4,819,663	3,578,283	8,744,837	299,189	11,947	4,472,766	3,789,250	8,573,152
Community services	−	−	6,528,464	−	6,528,464	−	−	7,584,239	−	7,584,239
Construction	7,922	760	3,617,134	404,133	4,029,949	23,109	850	3,882,922	494,236	4,401,117
Mining	4,159	842	4,222,205	129,446	4,356,652	108,609	846	4,535,519	188,797	4,833,771
Agriculture	3,991	−	5,034,705	24,788	5,063,484	6,113	−	4,613,294	31,633	4,651,040
Hotels and restaurants	−	−	2,772,324	−	2,772,324			2,805,317		2,805,317
Education, health and others	97,674	81,251	1,739,497	660,484	2,578,906	102,655	75,774	1,778,522	542,754	2,499,705
Insurance	10,261	−	1,933,147	642	1,944,050	14,057	−	2,185,490	832	2,200,379
Fishing	1,253	−	562,283	−	563,536	1,532	−	611,616	−	613,148
Others	377,845	2,065	3,611,338	720,601	4,711,849	55,820	4,540	3,987,272	260,240	4,307,872
Total	6,364,067	767,425	194,154,567	34,263,930	235,549,989	7,590,125	974,664	192,922,371	34,758,443	236,245,603

(*) It includes non-trading investments that did not pass SPPI test.
(**) OCI: Other comprehensive income.

As of September 30, 2022 and December 31,2021 financial instruments with exposure to credit risk were distributed by the following geographical areas:

	As of September 30, 2022					As of December 31, 2021				
	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	1,774,941	194	170,263,796	21,275,613	193,314,544	2,796,583	17,224	166,930,313	22,822,157	192,566,277
United States of America	1,009,437	348,548	2,274,358	8,888,139	12,520,482	812,625	398,914	6,353,068	7,169,005	14,733,612
Bolivia	673,168	−	12,402,712	693,168	13,769,048	676,534	−	11,752,887	751,752	13,181,173
Colombia	863,221	−	3,902,336	671,299	5,436,856	1,191,151	−	2,535,639	752,919	4,479,709
Chile	560,470	−	2,433,327	698,247	3,692,044	416,637	13,638	2,270,868	783,983	3,485,126
Brazil	6,568	−	1,136,938	190,830	1,334,336	19,723	4,512	928,768	171,501	1,124,504
Mexico	17,424	38,411	107,890	375,879	539,604	14,680	94,884	133,350	477,342	720,256
Panama	−	−	419,860	81,293	501,153	−	−	597,310	156,752	754,062
Europe:										
Luxembourg	1,037,905	−	7,020	−	1,044,925	1,121,779	−	7,020	2,236	1,131,035
France	151,665	426	8,221	224,982	385,294	256,661	189,157	16,430	237,597	699,845
United Kingdom	79,088	1,326	344,350	160,303	585,067	72,606	14,631	127,018	158,359	372,614
Others in Europe	57,270	10,462	136,823	147,272	351,827	92,442	20,529	270,678	187,004	570,653
Spain	654	−	82,342	27,048	110,044	4,110	−	42,574	41,884	88,568
Switzerland	1,128	−	386	109,353	110,867	956	372	18,936	110,284	130,548
Netherlands	873	902	1,294	39,550	42,619	907	1,036	27,095	63,135	92,173
Multilateral Organizations (***)	−	−	23,886	6,661	30,547	−	−	−	81,435	81,435
Canada	38,950	364	55,118	105,148	199,580	46,833	321	69,789	131,050	247,993
Others	91,305	366,792	553,910	569,145	1,581,152	65,898	219,446	840,628	660,048	1,786,020
Total	6,364,067	767,425	194,154,567	34,263,930	235,549,989	7,590,125	974,664	192,922,371	34,758,443	236,245,603

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

(**) OCI: Other comprehensive income.

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

g) Offsetting financial assets and liabilities -

The Group has financial assets and liabilities that:

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

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

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

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

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

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

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 order of the Group's current activities, commodity price risk has not been approved, so this type of instrument is not agreed.

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

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

a) Trading Book -

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

(i) Value at Risk (VaR) -

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

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

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

The assessment of portfolio movements has been based on annual historical information and 148 market risk factors, which are detailed below: 42 market curves, 82 stock prices, 20 mutual fund values and 4 series of volatility. The Group directly applies these historical changes in rates to each position in its current portfolio (method known as historical simulation).

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

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

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

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

In VaR calculation, the effects of the exchange rate are not included because said effects are measured in the net monetary position, see note 34.2(b)(ii).

The Group's VaR showed an increase as of September 30, 2022, due to interest rate risk due to greater volatility in the curves, and due to volatility risk due to an increase in forex exchange option positions. The VaR remained contained within the risk appetite limits established by the Risk Management of each Subsidiary.

As of September 30, 2022, and December 31, 2021, the Group's VaR by risk type is as follows:

	As of September 30, 2022	As of December 31, 2021
	S/(000)	S/(000)
Interest rate risk	39,010	35,721
Price risk	5,445	4,637
Volatility risk	8,792	2,662
Diversification effect	(12,692)	(4,916)
Consolidated VaR by type of risk	40,555	38,104

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

b) Banking Book -

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

(i) Interest rate risk -

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

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

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

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

Analysis of repricing gap -

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

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

	As of September 30, 2022						
	Up to 1 month S/(000)	1 to 3 months S/(000)	3 to 12 months S/(000)	1 to 5 years S/(000)	More than 5 years S/(000)	Non-interest bearing S/(000)	Total S/(000)
Assets							
Cash and cash collateral, reverse repurchase agreements and securities borrowing	21,426,909	689,671	1,609,551	5,261,141	119,097	8,729,892	37,836,261
Investments	6,996,579	2,243,166	4,837,306	10,451,706	17,420,302	343,428	42,292,487
Loans, net	17,940,104	21,248,712	40,773,240	47,813,438	15,479,624	106,980	143,362,098
Financial assets designated at fair value through profit or loss	–	–	–	–	–	767,425	767,425
Premiums and other policies receivable	770,020	21,473	7,920	4,473	–	–	803,886
Accounts receivable from reinsurers and coinsurers	1,012	277,489	780,743	3,503	1,225	–	1,063,972
Other assets (*)	150,315	35,424	119,575	10,960	–	2,956,312	3,272,586
Total assets	47,284,939	24,515,935	48,128,335	63,545,221	33,020,248	12,904,037	229,398,715
Liabilities							
Deposits and obligations	38,657,627	16,147,144	23,378,743	63,121,088	8,515,910	2,971,502	152,792,014
Payables from repurchase agreements and securities lending	2,423,995	2,911,694	9,091,465	7,020,666	3,213,506	916,289	25,577,615
Accounts payable to reinsurers and coinsurers	69,842	202,602	39,107	16,480	–	–	328,031
Technical reserves for claims and insurance premiums	298,244	812,445	1,357,565	3,138,914	5,773,897	328,819	11,709,884
Financial liabilities at fair value through profit or loss	–	–	–	–	–	333,453	333,453
Bonds and Notes issued	200,891	227,238	3,088,594	13,119,736	351,449	31,786	17,019,694
Other liabilities (*)	145,895	52,003	12,622	–	–	4,579,274	4,789,794
Equity	–	–	–	–	–	27,677,943	27,677,943
Total liabilities and equity	41,796,494	20,353,126	36,968,096	86,416,884	17,854,762	36,839,066	240,228,428
Off-balance-sheet accounts							
Derivative financial assets	266,205	178,912	926,030	1,106,337	–	–	2,477,484
Derivative financial liabilities	6,912	–	207,462	1,915,290	238,860	–	2,368,524
	259,293	178,912	718,568	(808,953)	(238,860)	–	108,960
Marginal gap	5,747,738	4,341,721	11,878,807	(23,680,616)	14,926,626	(23,935,029)	(10,720,753)
Accumulated gap	5,747,738	10,089,459	21,968,266	(1,712,350)	13,214,276	(10,720,753)	–

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

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

	As of December 31, 2021						
	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Non-interest bearing	Total
	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/000
Assets							
Cash and cash collateral, reverse repurchase agreements and securities borrowing	21,200,113	835,072	2,164,640	8,430,195	180,678	8,276,990	41,087,688
Investment	7,712,405	1,134,280	3,825,114	11,313,394	18,660,101	378,708	43,024,002
Loans, net	16,062,211	18,690,355	38,761,519	48,659,533	17,619,885	(673,399)	139,120,104
Financial assets designated at fair value through profit or loss	–	–	–	–	–	974,664	974,664
Premiums and other policies receivable	882,182	24,565	9,162	5,194	–	–	921,103
Accounts receivable from reinsurers and coinsurers	1,138	315,184	876,680	3,985	1,392	–	1,198,379
Other assets (*)	299,648	49,697	171,495	–	62,519	1,832,448	2,415,807
Total assets	46,157,697	21,049,153	45,808,610	68,412,301	36,524,575	10,789,411	228,741,747
Liabilities							
Deposits and obligations	38,932,350	13,763,617	21,336,061	65,231,646	8,349,313	2,727,875	150,340,862
Payables from repurchase agreements and securities lending	2,414,504	2,423,081	9,915,571	11,713,052	2,724,155	36,449	29,226,812
Accounts payable to reinsurers and coinsurers	98,755	286,473	55,296	23,301	–	–	463,825
Technical reserves for claims and insurance premiums	312,617	873,375	1,468,165	3,387,967	6,151,093	341,294	12,534,511
Financial liabilities at fair value through profit or loss	–	–	–	–	–	325,571	325,571
Bonds and Notes issued	70	122,746	553,109	15,935,158	399,728	68,018	17,078,829
Other liabilities (*)	135,776	23,896	2,735	57,390	–	4,163,736	4,383,533
Equity	–	–	–	–	–	27,037,439	27,037,439
Total liabilities and equity	41,894,072	17,493,188	33,330,937	96,348,514	17,624,289	34,700,382	241,391,382
Off-balance-sheet accounts							
Derivative financial assets	221,370	700,009	167,250	486,430	–	–	1,575,059
Derivative financial liabilities	43,164	222,228	223,146	1,001,554	–	–	1,490,092
	178,206	477,781	(55,896)	(515,124)	–	–	84,967
Marginal gap	4,441,831	4,033,746	12,421,777	(28,451,337)	18,900,286	(23,910,971)	(12,564,668)
Accumulated gap	4,441,831	8,475,577	20,897,354	(7,553,983)	11,346,303	(12,564,668)	–

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

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

Sensitivity to changes in interest rates -

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

The sensitivity of the financial margin is the effect of the assumed changes in interest rates on the net financial interest income before income tax and non-controlling interest for one year, based on non-trading financial assets and financial liabilities held as of September 30, 2022 and December 31, 2021, including the effect of derivative instruments.

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

The results of the sensitivity analysis regarding changes in interest rates at September 30, 2022 and December 31, 2021 are presented below:

As of September 30, 2022

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

As of December 31, 2021

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

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

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

As of September 30, 2022 and December 31, 2021, investments in equity securities and funds that are non-trading, recorded at fair value through other comprehensive income and at fair value through profit or loss, respectively, are not considered as comprising investment securities for interest rate sensitivity calculation purposes; however, a 10, 25 and 30 percent of changes in market prices is conducted to these price-sensitivity securities.

The market price sensitivity tests as of September 30, 2022 and December 31, 2021 are presented below:

Equity securities **Measured at fair value through other comprehensive income**	**Change in market prices**	**2022**	**2021**
	%	**S/(000)**	**S/(000)**
Equity securities	+/-10	34,269	37,783
Equity securities	+/-25	85,673	94,457
Equity securities	+/-30	102,807	113,348
Funds			
Participation in mutual funds	+/-10	163,700	157,130
Participation in mutual funds	+/-25	409,250	392,825
Participation in mutual funds	+/-30	491,100	471,390
Restricted mutual funds	+/-10	33,821	36,595
Restricted mutual funds	+/-25	84,552	91,489
Restricted mutual funds	+/-30	101,463	109,786
Participation in RAL funds	+/-10	23,853	32,314
Participation in RAL funds	+/-25	59,633	80,785
Participation in RAL funds	+/-30	71,560	96,942
Investment funds	+/-10	63,400	49,837
Investment funds	+/-25	158,501	124,591
Investment funds	+/-30	190,201	149,510
Hedge funds	+/-10	20,828	17,682
Hedge funds	+/-25	52,070	44,204
Hedge funds	+/-30	62,483	53,045
Exchange Trade Funds	+/-10	2,162	10,531
Exchange Trade Funds	+/-25	5,405	26,326
Exchange Trade Funds	+/-30	6,486	31,592

(ii) Foreign currency exchange risk -

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

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

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

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

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

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

As of September 30, 2022, the foreign currency in which the group has the greatest exposure is the U.S. Dollar. The free market exchange rate for purchase and sale transactions of each U.S. dollar as of September 30, 2022 was S/3.981 (S/3.987 as of December 31, 2021).

Foreign currency transactions are made at the free market exchange rates of the countries where Credicorp's Subsidiaries are established. As of September 30, 2022 and December 31, 2021, the Group's assets and liabilities by currencies were as follows:

	As of September 30, 2022			**As of December 31, 2021**		
	U.S. Dollar	**Other currencies**	**Total**	**U.S. Dollar**	**Other currencies**	**Total**
	S/(000)	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**	**S/(000)**
Total monetary assets	81,638,873	276,778	81,915,651	79,005,337	503,809	79,509,146
Total monetary liabilities	(80,800,411)	(72,337)	(80,872,748)	(81,716,408)	(415,951)	(82,132,359)
	838,462	204,441	1,042,903	(2,711,071)	87,858	(2,623,213)
Currency derivatives	(1,388,810)	(136,372)	(1,525,182)	2,142,654	(55,696)	2,086,958
Accounting hedge (investment abroad) (*)	910,964	–	910,964	912,337	–	912,337
Net monetary position with effect on consolidated statement of income	360,616	68,069	428,685	343,920	32,162	376,082
Net monetary position with effect on equity	749,023	1,912,039	2,661,062	1,021,603	1,864,335	2,885,938
Net monetary position	**1,109,639**	**1,980,108**	**3,089,747**	**1,365,523**	**1,896,497**	**3,262,020**

The monetary position with effect on equity in other currencies is mainly made up of the equity of subsidiaries in bolivianos for S/966.6 million, in Colombian pesos for S/600.8 million and, in Chilean pesos for S/344.6 million, among other minors.

(*) An accounting hedge of net investment abroad was carried out where part of our liability position in dollars related to the balance of the caption "bonds and notes issued", see Note 17(iv), was designated as cover our permanent investment in Atlantic Security Holding

The following tables show the sensitivity analysis of the main currencies to which the Group is exposed, and which affect the consolidated income statement and other comprehensive income as of September 30, 2022, and December 31, 2021.

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

Currency rate sensitivity	Change in currency rates	As of September 30, 2022	As of December 31, 2021
	%	S/000	S/000
Depreciation -			
Sol in relation to U.S Dollar	5	17,172	16,377
Sol in relation to U.S Dollar	10	32,783	31,265
Appreciation -			
Sol in relation to U.S Dollar	5	(18,980)	(18,101)
Sol in relation to U.S Dollar	10	(40,068)	(38,213)

The following is the sensitivity analysis of the foreign exchange position with effect in other comprehensive income, being the main currencies of exposure: U.S. Dollar, Boliviano, Colombian Peso and Chilean Peso. This analysis is shown as of September 30, 2022, and December 31, 2021:

Currency rate sensitivity	Change in currency rates	As of September 30, 2022	As of December 31, 2021
	%	S/000	S/000
Depreciation -			
Sol in relation to U.S Dollar	5	35,668	48,648
Sol in relation to U.S Dollar	10	68,093	92,873
Appreciation -			
Sol in relation to U.S Dollar	5	(39,422)	(53,769)
Sol in relation to U.S Dollar	10	(83,225)	(113,511)
Depreciation -			
Sol in relation to Boliviano	5	46,031	44,220
Sol in relation to Boliviano	10	87,877	84,421
Appreciation -			
Sol in relation to Boliviano	5	(50,876)	(48,875)
Sol in relation to Boliviano	10	(107,405)	(103,181)
Depreciation -			
Sol in relation to Colombian peso	5	28,608	29,933
Sol in relation to Colombian peso	10	54,616	57,145

Appreciation -			
Sol in relation to Colombian peso	5	(31,620)	(33,084)
Sol in relation to Colombian peso	10	(66,752)	(69,844)
Depreciation -			
Sol in relation to Chilean peso	5	16,411	14,494
Sol in relation to Chilean peso	10	31,329	27,671
Appreciation			
Sol in relation to Chilean peso	5	(18,138)	(16,020)
Sol in relation to Chilean peso	10	(38,291)	(33,820)

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

Insurances and Pensions:

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

For long-term businesses such as Pacífico Seguros, given the nature of the products offered and the contractual relationship with customers (the liquidity risk is not material); the emphasis is on maintaining sufficient flow of assets and matching their maturities with maturities of obligations (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 Credicorp Capital Ltd and Subsidiaries principally affects the security brokerage. In managing this risk, limits of use of liquidity have been established as well as mismatching by dealing desk; follow-up on liquidity is performed on a daily basis for a short-term horizon covering the coming settlements. If short-term unmatched maturities are identified, repos are used. On the other hand, structural liquidity risk of Credicorp Capital is not significant given the low levels of debt, which is monitored regularly using financial planning tools.

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

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

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

	As of September 30, 2022						As of December 31, 2021					
	Up to a month	From 1 to 3 months	From 3 to 12 months	From 1 to 5 years	Over 5 Year	Total	Up to a month	From 1 to 3 months	From 3 to 12 months	From 1 to 5 years	Over 5 Year	Total
	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/000	S/000
Financial assets	57,425,605	29,867,473	61,758,829	79,654,707	44,591,465	273,298,079	53,974,020	29,392,887	57,407,776	87,518,411	52,533,115	280,826,209
Financial liabilities by type -												
Deposits and obligations	41,588,300	16,911,234	26,569,930	62,442,401	9,467,283	156,979,148	39,925,283	14,114,645	21,880,217	66,895,318	8,562,256	151,377,719
Payables from reverse purchase agreements and security lendings and due to banks and correspondents	3,303,719	3,958,103	12,370,790	9,536,771	4,364,586	33,533,969	2,905,794	2,425,239	10,284,733	12,265,794	9,383,273	37,264,833
Accounts payable to reinsurers	69,842	202,602	39,107	16,480	–	328,031	98,755	286,473	55,296	23,301	–	463,825
Financial liabilities designated at fair value through profit or loss	333,453	–	–	–	–	333,453	325,571	–	–	–	–	325,571
Bonds and notes issued	325,412	235,388	3,614,385	13,911,954	388,758	18,475,897	216,167	219,177	1,024,759	17,124,890	424,338	19,009,331
Lease liabilities	28,098	35,268	100,106	324,800	130,787	619,059	30,048	37,284	106,712	386,878	170,976	731,898
Other liabilities	3,768,011	298,900	193,681	7,111	1,367,170	5,634,873	3,458,357	264,424	206,805	44,905	1,383,704	5,358,195
Total liabilities	49,416,835	21,641,495	42,887,999	86,239,517	15,718,584	215,904,430	46,959,975	17,347,242	33,558,522	96,741,086	19,924,547	214,531,372
Derivative financial liabilities -												
Contractual amounts receivable (Inflows)	774,818	2,545,863	2,351,378	998,646	466,278	7,136,983	216,642	400,857	2,633,067	758,817	771,008	4,780,391
Contractual amounts payable (outflows)	788,417	2,574,472	2,349,623	973,622	390,031	7,076,165	209,197	401,809	2,574,730	717,419	646,397	4,549,552
Total liabilities	(13,599)	(28,609)	1,755	25,024	76,247	60,818	7,445	(952)	58,337	41,398	124,611	230,839

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 (except for the companies under Colombian regulations, where reputational risk is included in operational risk).

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

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

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

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

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

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

34.5 Cybersecurity -

Credicorp focuses on the most efficient strategies to reduce exposure to cybersecurity risk and, thereby, meet the Group's risk appetite. Credicorp applies different levels of controls to the different exposed areas and companies. To this end, it maintains an investment program, which allows it to have the technologies and processes necessary to keep the Group's operations and assets safe.

As part of cybersecurity management, the Group has lines of action to mitigate risks, as well as implementation priorities and improvements that take into account the different realities of the companies. These lines of action include:

- The maturity of cybersecurity according to FFIEC, allow for adjustments to cybersecurity controls for each of the Group's companies.

- Strategies, policies, and guidelines standardizing the levels of compliance with cybersecurity controls in each of the Group's companies.

- An awareness program, including constant training that generates a culture of cybersecurity consciousness in all the Group’s companies.

- Cybersecurity indicators that show the effectiveness of the processes through periodic evaluations carried out in each of the Group’s companies.

- Governance of suppliers, which ensures the deployment of the Group’s policies to third parties.

- The implementation of security technologies, which seeks to cover risks according to the threat trend and the risk profile of each company in the Group.

- Tabletop tests and breach simulations that help to identify and fix gaps in the incident response protocols, as well as train the incident response Group’s teams.

- Data Privacy Strategy, including several layers of data protection, according to the stages of the data lifecycle, deployment of a data loss prevention program and improvement of data recovery capabilities.

- Software life cycle assurance strategy and deployment of security practices and controls to improve and monitor compliance of cybersecurity policies, as well as a threat modeling process through the acquisition and deployment of a specialized platform for this purpose.

- Identity and Access Assurance, to manage and protect digital identities and ensure the management of authentication and authorization access of users and devices to the organization’s resources.

- Assurance of our remote connections with third parties and optimization of security controls for network access for employees in home office

- Part of the continuous improvement in risk management is to identify opportunities for improvement. For this purpose, the cybersecurity risk taxonomy was deployed, so that technical language can be expressed in business terms and be understandable at all levels. In addition, BCP implemented the Factor Analysis of Information Risk (FAIR) methodology to quantify and prioritize cybersecurity risks, which will also be implemented in other companies of the Group during 2022.

34.6 Corporate Security and Cybercrime -

The Group implements policies, procedures and actions that safeguard employees, customers and assets of the organization. In addition, it protects the institution against incidents of fraud, security and reputational risk. It also fosters a culture of prevention, allowing it to minimize the risks of fraud and security. Finally, it has established a solid relationship with stakeholders and Financial Institutions in the region.

Management has in place an integral security with the roles of government and prevention in charge of the Tribe and COE of Non-Financial Risks, while the functions related to detection and response are deployed from the Corporate Security & Cybercrime Operations Center.

Likewise, we developed a second line management, so we have tools in real time and artificial intelligence, advanced analysis models for risk profiling, specialized software for Computer Forensics, Video Surveillance, Disaster Risk Management and a new platform for latest generation for automated management of non-financial risks in the organization.

34.7 Model Risk -

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

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

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

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

34.8 Risk of the insurance activity -

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

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

Life insurance contracts -

The main risks to which the Group is exposed, with respect to these contracts, are: mortality, morbidity, longevity, return and flow of investments, losses derived from the policies due to the fact that the expense incurred is greater than expected and the decision of the insured; which, in normal situations, do not vary significantly in relation to the location of the risk insured by the Group, type of risk or the industry.

The Group's strategy is to ensure that risks are well diversified in terms of the type of risk and level of benefits of the policyholders. This is achieved through the diversification of insurable risks, an adequate underwriting process, the periodic analysis of the experiences and real demands of the products, as well as a detailed follow-up of the claims and pricing procedures. Commitment limits have been established to enforce appropriate risk selection criteria. For example, the Group has the right not to renew temporary policies and has the right to refuse payment of fraudulent claims.

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

For retirement, disability and survivor pension contracts, the most important factor is continuous improvement in medical science and in social conditions that increase longevity.

Management has carried out a sensitivity analysis of the estimates of technical reserves.

Since the start of the COVID-19 pandemic in March 2020 the mortality of the portfolio of policyholders of life businesses increased significantly. The main businesses affected have been the Pension Insurance (SISCO contracts) and the Credit Life or Credit Life Insurance, due to the number of insured in each business (more than 2.5 million people in each case). Other lines of businesses impacted are Individual Life, voluntary Group Life and mandatory Group Life, but with reduced impact.

In these businesses, the reserve for pending claims was increased as well as the reserve for incurred and unreported claims (IBNR) due to the increase in deaths and the delay in reporting claims. Since March 2020, the month of the start of the national emergency, the size of the portfolios, the claims reported and the reserves necessary to cover the expected excess mortality (expected deaths above the average pre-pandemic deaths) have been continuously monitored. Additionally, conservative criteria have been applied in estimating claims reserves taking into account the uncertainty involved.

On the other hand, pension businesses also registered more deceased rentiers since the beginning of the pandemic, which has led to a greater release of mathematical reserves for this concept compared to previous years.

Finally, although the risk of higher mortality remains in the face of the declaration of the fourth wave of COVID-19 by the Ministry of Health, the risk is greatly mitigated because the fully vaccinated population exceeds 84 percent at the end of September 2022.

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

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

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

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

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

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

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

In the Medical Assistance branch, the pandemic had two simultaneous effects on the accident rate: an increase in outpatient care and hospitalizations (normal and in intensive care unit) due to COVID-19 cases and a decrease in care and hospitalizations for other ailments. For this business, the reserves for pending claims, as well as the reserves for incurred and unreported claims (IBNR) are being continuously monitored and have been estimated with prudent criteria due to the variability and uncertainty of the frequency and cost of cases and the greater delay in the claim report by health centers, whose care during the pandemic is focused on patient care.

34.9 Capital management -

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

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

As of September 30, 2022, and December 31, 2021, the regulatory capital for the Subsidiaries engaged in financial and insurance activities amounted to approximately S/ 32,013.9 million and S/29,741.6 million, respectively. The regulatory capital has been determined in accordance with SBS regulations in force as of said dates. Under the SBS regulations, the Group's regulatory capital exceeds by approximately S/9,947.0 million the minimum regulatory capital required as of September 30, 2022 (approximately S/10,294.3 million as of December 31, 2021).

34.10 Fair values -

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

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

	Note	As of September 30, 2022				As of December 31, 2021			
		Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
		S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)
Financial assets									
Derivative financial instruments:									
Currency swaps		–	771,746	–	771,746	–	860,170	–	860,170
Interest rate swaps		–	496,765	–	496,765	–	367,906	–	367,906
Foreign currency forwards		–	375,138	–	375,138	–	344,780	–	344,780
Cross currency swaps		–	157,495	–	157,495	–	86,269	–	86,269
Foreign exchange options		–	11,046	–	11,046	–	2,485	–	2,485
Futures		–	1,094	–	1,094	–	18	–	18
	13(c)	–	1,813,284	–	1,813,284	–	1,661,628	–	1,661,628
Investments at fair value through profit of loss	6(a)	2,965,742	576,545	1,008,496	4,550,783	3,158,478	1,813,915	956,104	5,928,497
Financial assets at fair value through profit of loss		765,825	1,600	–	767,425	959,505	10,647	4,512	974,664
Investments at fair value through other comprehensive income:									
Debt Instruments									
Corporate bonds		5,698,661	8,178,123	–	13,876,784	5,765,402	9,134,002	–	14,899,404
Government treasury bonds		9,791,841	692,575	–	10,484,416	8,631,470	784,703	–	9,416,173
Certificates of deposit BCRP		–	7,848,672	–	7,848,672	–	8,337,432	–	8,337,432
Negotiable certificates of deposit		60	556,714	–	556,774	–	642,218	–	642,218
Securitization instruments		–	658,914	–	658,914	–	730,115	–	730,115
Subordinated bonds		170,497	199,078	–	369,575	72,738	148,825	–	221,563
Other instruments		8,559	117,545	–	126,104	–	133,711	–	133,711
Equity instruments		141,666	197,750	3,275	342,691	175,676	184,712	17,439	377,827
	6(b)	15,811,284	18,449,371	3,275	34,263,930	14,645,286	20,095,718	17,439	34,758,443
Total financial assets		19,542,851	20,840,800	1,011,771	41,395,422	18,763,269	23,581,908	978,055	43,323,232
Financial liabilities									
Derivatives financial instruments:									
Currency swaps		–	705,883	–	705,883	–	795,845	–	795,845
Foreign currency forwards		–	519,547	–	519,547	–	387,371	–	387,371
Interest rate swaps		–	296,822	–	296,822	–	333,540	–	333,540
Cross currency swaps		–	33,496	–	33,496	–	4,342	–	4,342
Foreign exchange options		–	18,176	–	18,176	–	3,258	–	3,258
Futures		–	1,769	–	1,769	–	405	–	405
	13(c)	–	1,575,693	–	1,575,693	–	1,524,761	–	1,524,761
Financial liabilities at fair value through profit or loss		–	333,453	–	333,453	–	325,571	–	325,571
Total financial liabilities		–	1,909,146	–	1,909,146	–	1,850,332	–	1,850,332

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 September 30, 2022, the balance of receivables and payables corresponding to derivatives amounted to S/1,813.3 million and S/1,575.7 million respectively, See Note 13(c), generating DVA and CVA immaterial adjustments that have not changed significantly compared to the period 2021. As of December 31, 2021, the balance of receivables and payables corresponding to derivatives amounted to S/1,661.6 million and S/1,524.8 million, respectively, See Note 13(c), generating DVA and CVA adjustments for approximately S/7.8 million and S/17.3 million, respectively. Also, the net impact of both items in the consolidated statement of income amounted to S/0.3 million.

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

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

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

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

- Valuation of financial instruments included in level 3 -

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

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

As of September 30, 2022 and December 31, 2021, the net unrealized loss of Level 3 financial instruments amounted to S/0.4 million and S/0.7 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 -

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

	As of September 30, 2022					As of December 31, 2021				
	Level 1	Level 2	Level 3	Fair value	Book value	Level 1	Level 2	Level 3	Fair value	Book value
	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)
Assets										
Cash and due from banks	–	36,249,294	–	36,249,294	36,249,294	–	39,320,740	–	39,320,740	39,320,740
Cash collateral, reverse repurchase agreements and securities borrowing	–	1,586,967	–	1,586,966	1,586,966	–	1,766,948	–	1,766,948	1,766,948
Investments at amortized cost	6,380,084	363,772	–	6,743,856	8,028,557	7,618,178	321,495	–	7,939,673	8,265,559
Loans, net	–	143,362,098	–	143,362,098	143,362,098	–	139,120,104	–	139,120,104	139,120,104
Premiums and other policies receivable	–	803,886	–	803,886	803,886	–	921,103	–	921,103	921,103
Accounts receivable from reinsurers and coinsurers	–	1,063,972	–	1,063,972	1,063,972	–	1,198,379	–	1,198,379	1,198,379
Due from customers on banker's acceptances	–	697,119	–	697,119	697,119	–	532,404	–	532,404	532,404
Other assets	–	2,362,674	–	2,362,674	2,362,674	–	1,797,134	–	1,797,134	1,797,134
Total	6,380,084	186,489,782	–	192,869,865	194,154,566	7,618,178	184,978,307	–	192,596,485	192,922,371
Liabilities										
Deposits and obligations	–	152,792,014	–	152,792,014	152,792,014	–	150,340,862	–	150,340,862	150,340,862
Payables on repurchase agreements and securities lending	–	16,575,580	–	16,575,580	16,575,580	–	22,013,866	–	22,013,866	22,013,866
Due to Banks and correspondents and other entities	–	9,105,880	–	9,105,880	9,002,035	–	8,910,930	–	8,910,930	7,212,946
Due from customers on banker's acceptances	–	697,119	–	697,119	697,119	–	532,404	–	532,404	532,404
Payable to reinsurers and coinsurers	–	328,031	–	328,031	328,031	–	463,825	–	463,825	463,825
Lease liabilities	–	595,915	–	595,915	595,915	–	655,294	–	655,294	655,294
Bond and notes issued	–	16,507,522	–	16,507,522	17,019,694	–	17,344,990	–	17,344,990	17,078,829
Other liabilities	–	4,059,180	–	4,059,180	4,059,180	–	3,833,434	–	3,833,434	3,833,434
Total	–	200,661,241	–	200,661,241	201,069,568	–	204,095,605	–	204,095,605	202,131,460

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

(i) Long-term fixed-rate and variable-rate loans are evaluated by the Group based on parameters such as interest rates, specific country risk factors, and individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the incurred losses of these loans. As of September 30, 2022, and December 31, 2021, the carrying amounts of loans, net of allowances, were not materially different from their calculated fair values.

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

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

34.11 Fiduciary activities, management of funds and pension funds -

The Group provides custody, trustee, investment management and advisory services to third parties; therefore, the Group makes allocations and purchase and sale decisions in relation to a wide range of financial instruments. Assets that are held in a fiduciary capacity are not included in these interim condensed consolidated financial statements. These services give rise to the risk that the Group will be accused of mismanagement or under-performance.
As of September 30, 2022 and December 31, 2021, the value of the net assets under administration off the balance sheet (in millions of soles) is as follows:

	As of September 30, 2022	**As of December 31, 2021**
Investment funds and mutual funds	69,264	53,365
Equity managed	35,062	28,768
Pension funds (*)	30,596	40,024
Bank trusts	4,269	5,395
Total	139,191	127,552

(*) This variation is mainly due to a reduction in the withdrawal of pensions from affiliates of the company PRIMA AFP.

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 (now ASB Bank Corp.) in the U.S. Bankruptcy Court for the Southern District of New York (the Bankruptcy Court). The Madoff Complaint seeks recovery of approximately US$120.0 million in principal amount, 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), together with fees, costs, interest and expenses. The Madoff Complaint seeks the recovery of these redemptions from ASB Bank Corp. as "subsequent transfers" or "avoided transfers" from BLMIS to Fairfield Sentry, which Fairfield Sentry in turn subsequently transferred to ASB Bank Corp. The Madoff Trustee has filed similar "claw back" 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 dismissed the claims brought by the Madoff Trustee against a number of parties, including ASB Bank Corp. 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 Bank Corp., 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. On or about June 1,2020, the United States Supreme Court denied the petition for a writ of certiorari. Following the denial of the petition for writ of certiorari, the judgment for dismissal by the Bankruptcy Court was vacated and the matter was remanded back to the Bankruptcy Court. The case now remains pending in the Bankruptcy Court. On March 25,2022, ASB Bank Corp. filed a Motion to Dismiss the Complaint. On May 24, 2022, the Madoff Trustee filed its opposition to the Motion to Dismiss. On July 14, 2022, ASB Bank Corp. filed its reply memorandum of law in further support of its Motion to Dismiss. While management believes that ASB has defenses against the Madoff Trustee's claims and intends to defend against any action by the Madoff Trustee, in view of recent judicial decisions in cases not involving ASB, certain defenses are no longer available. In this context, Credicorp has constituted a provision that management considers reasonable with the information available today.

ii) Fairfield Litigation -

In April 2012, Fairfield Sentry (In Liquidation) and its representative, Kenneth Krys (the Fairfield Liquidator), filed a complaint (the Fairfield Complaint) against ASB (now ASB Bank Corp.) in the Bankruptcy Court (the Fairfield v. ASB Adversary Proceeding). The Fairfield Complaint seeks to recover US$115.2 million in principal amount from ASB Bank Corp., representing the amount of ASB's Bank Corp. redemptions of certain investments in Fairfield Sentry, together with fees, costs, interest and expenses. These are essentially the same funds that the Madoff Trustee seeks to recover in the Madoff Trustee litigation as 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 Bank Corp., 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 Bank Corp. (the Dismissal Order), as directed by the Bankruptcy Court, but filed notices of appeal, including of the dismissal of the claims asserted against ASB Bank Corp. and other defendants, in May 2019. The appeal remains pending.

Management believes that ASB Bank Corp. has defenses against the Fairfield Liquidator's claims alleged in the Amended Complaint and the Fairfield Liquidator's appeal.

iii) Government Investigations -

The former Chairman and the current Vice Chairman of the Board of Directors of Credicorp, in their respective capacities as Chairman of the Board and as a Director of BCP Stand-alone, were summoned as witnesses by Peruvian prosecutors, along with 26 other Peruvian business leaders, to testify in connection with a judicial investigation that is being carried out regarding contributions made to the electoral campaign of a political party in the 2011 Peruvian presidential elections. Our former Chairman testified on November 18, 2019, and our Vice Chairman testified on December 9, 2019. The former Chairman informed prosecutors that in 2010 and 2011 Credicorp made donations totaling US$3.65 million to Fuerza Popular 2011 campaign (in total amounts of US$1.7 million in 2010 and US$1.95 million in 2011). These contributions were made in coordination with the General Manager of Credicorp at that time. While the amount of these contributions exceeded the limits then permitted under Peruvian electoral law, the law in place at that time provided no sanction for contributors, and instead only for the recipient of the campaign contribution.

The former Chairman also informed prosecutors that in 2016, three subsidiaries of Credicorp (BCP Stand-alone, Mibanco and Grupo Pacifico) made donations totaling S/711,000 (approximately US$200,000) to the Peruanos Por el Kambio campaign. These contributions were made in compliance both with Peruvian electoral law and with Credicorp's own political contributions guidelines, adopted in 2015. These guidelines provided details on the procedures for obtaining approval for contributions and outlined the specific required conditions for transparent contributions.

The Peruvian Superintendencia del Mercado de Valores ('SMV' for its Spanish acronym) has initiated a sanctioning process against Credicorp, for failing to disclose to the market, in due course, the political campaign contributions in the years 2011 and 2016. The SMV also has initiated a sanctioning process against three subsidiaries of Credicorp (BCP Stand-alone, Mibanco and Grupo Pacifico), for failing to disclose to the market, in due course, the political campaign contributions made in connection with the 2016 presidential elections. The SMV notified Credicorp, BCP, Mibanco and Grupo Pacifico with first instance Resolutions on these proceedings. The mentioned Resolutions imposed pecuniary sanctions (fines) on Credicorp and the three subsidiaries as a consequence of these sanctioning processes. Credicorp, BCP, Mibanco and Grupo Pacifico have appealed the Resolutions.

On December 8, 2021, Credicorp informed that the Peruvian SMV was notified of the resolution issued by the Provisional Superior Chamber Specialized in Administrative Litigation of the Superior Court of Justice of Lima (the "Court"), pursuant to which the Court has admitted for consideration Credicorp's contentious-administrative claim challenging the SMV's resolution (by negative administrative silence), with reference to the appeal filed by Credicorp mentioned in the prior paragraph.

Under the Resolution, the SMV resolved to sanction Credicorp (i) with a fine of 300 Tax Units (Unidades Impositivas Tributarias or UITs by its acronym in Spanish) approximately US$270,000 for, allegedly, having infringed (categorized as “very serious”, “muy grave” in Spanish) subsection 1.6, numeral 1 of Annex 1 of the Sanctions Regulation, approved by CONASEV Resolution N°055-2001-EF / 94.10, effective as from 2011; and (ii) with a fine of 210 UITs approximately US$207,375 for, allegedly, having violated (categorized as “very serious”, “muy grave” in Spanish) subsection 1.5, numeral 1 of Annex 1 of the Sanctions Regulation, approved by CONASEV Resolution N°055-2001-EF / 94.10 and modified by Resolution N° 006-2012-SMV / 01, effective as from 2016. The charges made by the SMV against Credicorp were that the company had affected the transparency of the stock market by not having disclosed relevant information to the market regarding Credicorp’s cash contributions to the political party Fuerza Popular during the 2011 Peruvian presidential campaign (first charge) and that the company had affected the transparency of the stock market by not having disclosed relevant information to the market regarding Credicorp’s agreement to make contributions to the political party Peruanos por el Kambio during the 2016 Peruvian presidential campaign (second charge).

Because Credicorp was neither in agreement with the categorization of the facts nor with the sanctions imposed, Credicorp filed an appeal challenging the Resolution. Subsequently, after the expiration of the term to resolve in the appeal (second administrative instance), Credicorp asserted its right to negative administrative silence and to resort to the Judiciary. Notwithstanding, Credicorp proceeded to pay the fines imposed by the SMV, in compliance with Peruvian law.

Thus, since Credicorp’s contentious-administrative claim filed was admitted for consideration by the Court, the administrative procedure has terminated with respect to Credicorp and the matter is now subject to the decision of the Judiciary.

On March 4, 2022, Grupo Pacifico informed that the Peruvian SMV was notified of the resolution issued by the Superior Chamber Specialized in Administrative Litigation of the Superior Court of Justice of Lima (the “Court”), pursuant to which the Court has admitted for consideration Grupo Pacifico´s contentious-administrative claim challenging the SMV´s resolution (by negative administrative silence), with reference to the appeal filed by Grupo Pacifico mentioned above. Thus, since Grupo Pacifico´s mentioned claim was admitted for consideration by the Court, the administrative procedure has terminated with respect to Grupo Pacifico, and the matter is now subject to the decision of the Judiciary.

On July 4, 2022, BCP informed that the Peruvian SMV was notified of the resolution issued by the Superior Chamber Specialized in Administrative Litigation of the Superior Court of Justice of Lima (the “Court”), pursuant to which the Court has admitted for consideration BCP´s contentious-administrative claim challenging the SMV´s resolution (by negative administrative silence), with reference to the appeal filed by BCP mentioned above. Thus, since BCP´s mentioned claim was admitted for consideration by the Court, the administrative procedure has terminated with respect to BCP, and the matter is now subject to the decision of the Judiciary.

On July 5, 2022, Mibanco informed that the Peruvian SMV was notified of the resolution issued by the Superior Chamber Specialized in Administrative Litigation of the Superior Court of Justice of Lima (the “Court”), pursuant to which the Court has admitted for consideration Mibanco´s contentious-administrative claim challenging the SMV´s resolution (by negative administrative silence), with reference to the appeal filed by Mibanco mentioned above. Thus, since Mibanco´s mentioned claim was admitted for consideration by the Court, the administrative procedure has terminated with respect to Mibanco, and the matter is now subject to the decision of the Judiciary.

Credicorp believes that neither the contributions disclosed by our former Chairman and the current Vice Chairman in 2019 nor the related SMV sanctioning processes pose a significant risk of material liability to the Company. Furthermore, Credicorp does not believe that either of the contributions will have material effect on the Company’s business, financial position or profitability.

On November 11, 2021, Credicorp disclosed that its incoming CEO, Mr. Gianfranco Ferrari de las Casas, informed the company that he was notified of a Prosecutor's Decision issued by the Corporate Supraprovincial Prosecutor's Office Specialized in Officer Corruption Offenses Special Team - Fourth Court Division ("Fiscalía Supraprovincial Corporativa Especializada en Delitos de Corrupción de Funcionarios Equipo Especial - Cuarto Despacho", for its name in Spanish). Through such notice, Mr. Ferrari was informed that he has been included in the preparatory investigation carried out against Mr. Yehude Simon M. and an additional sixty-five (65) individuals on the grounds of, in his particular case, alleged primary complicity in the alleged crime against the public administration, aggravated collusion, incompatible negotiation or improper use of position and criminal organization detrimental to the Peruvian State, in connection with the financial advisory services provided by BCP Stand - alone to the Olmos Project.

Credicorp has reviewed the performance of the officers of Banco de Crédito del Perú in relation to the financial advisory services provided by the Bank in connection with the Olmos Project and has concluded that the facts under investigation do not give rise to any liability of Banco de Crédito del Perú or its officers. Credicorp bases this view on the qualified opinion of external consultants specializing in the matter. Therefore, Credicorp considers that the opening of the aforementioned preparatory investigation will not have any impact on the normal operation of the company, nor will it affect the dedication and performance of its officers in undertaking their regular duties.

36 EVENTS OCURRED AFTER THE REPORT PERIOD

From October 1, 2022 until the date of this report, no significant event of a financial-accounting nature has occurred which affects the interpretation of the interim condensed consolidated financial statements, except for the following:

In October 2022, Banco de Crédito del Perú incorporated a change in its investment business model at fair value with changes in other comprehensive income. As a result of this change, the Bank has reclassified an investment bonds portfolio at fair value with changes in other comprehensive income to investments at amortized cost for S/2,232.7 million and has reversed the unrealized net loss of this bond portfolio recorded in other comprehensive income of the net worth for S/549.3 million.

The change in the business model and the reclassification are in accordance with the provisions of IFRS 9 "Financial Instruments" and have been approved by the management.