CREDICORP LTD.

SEPARATE FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2023 AND 2022

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working world

CREDICORP LTD.

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AS OF DECEMBER 31, 2023 AND 2022

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US$, U.S. dollars = United States Dollar
S/ = Sol

Tanaka, Valdivia & Asociados
Sociedad Civil de R.L

Report of the Independent Auditors

To the Shareholders and Directors of Credicorp Ltd.

Opinion

We have audited the separate financial statements of Credicorp Ltd. (hereinafter "the Company"), which comprise the separate statement of financial position as of December 31, 2023, and the separate statements of income, comprehensive income, changes in equity and cash flows for the year then ended; as well as the explanatory notes to the separate financial statements, which include a summary of material accounting policies.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the separate financial position of the Company as of December 31, 2023, as well as its separate financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board.

Basis for opinion

We conduct our audit in accordance with the International Standards on Auditing (ISAs) approved for application in Peru by the Board of Deans of Associations of Public Accountants of Peru. Our responsibilities under these standards are described in more detail in the *Auditor's responsibilities for the audit of the separate financial statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Accounting Professionals of the International Ethical Standards Council for Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Peru, and we have complied with our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained provides a sufficient and adequate basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

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Other Matter

The separate financial statements as of and for the year ended December 31, 2022, were audited by other independent auditors, who expressed an unchanged opinion.

The separate financial statements of Credicorp Ltd. have been prepared in compliance with the current legal requirements in Peru for the presentation of financial information, as indicated in note 2. These separate financial statements should be read together with the consolidated financial statements of Credicorp Ltd. and Subsidiaries as of December 31, 2023, which are prepared and presented separately.

Other information included in the Company's 2023 Annual Report

Other information consists of the information included in the Annual Report, other than the separate financial statements and our audit report thereon. Management is responsible for the other information.

Our opinion on the separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate financial statements or our knowledge gained in the audit or whether it otherwise appears to be materially misstated. If, based on the work we have done, we conclude that there is a material error in this other information, we are obliged to report that fact. We have nothing to report in this regard.

Responsibilities of the Company's management and those charged with corporate governance for the separate financial statements

Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with IFRSs, and for such internal control as Management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing as appropriate matters relating to the going concern and using the going concern's accounting basis, unless Management intends to liquidate the Company or cease operations, or have no realistic alternative to doing so.

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Report of the Independent Auditors (continued)

Those responsible for the Company's corporate governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the separate financial statements

Our objectives are to obtain reasonable assurance as to whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report that includes our opinion. Reasonable assurance is a high level of assurance, but it does not guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error and are considered material if, individually or cumulatively, you could reasonably expect them to influence the economic decisions that users make based on the separate financial statements.

As part of an audit in accordance with the International Standards on Auditing (ISAs) approved for application in Peru by the Board of Deans of Associations of Public Accountants of Peru, we exercise professional judgment and maintain professional skepticism throughout the audit. Also:

- We identify and evaluate the risks of material misstatement in the separate financial statements, whether due to fraud or error, design and execute audit procedures that respond to those risks, and obtain audit evidence that is sufficient and appropriate to provide us with a basis for our opinion. The risk of not detecting a material misstatement due to fraud is greater than that resulting from an error, as fraud may involve collusion, falsification, intentional omissions, misrepresentations, or overstepping the internal control system.
- We obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- We evaluate the adequacy of the accounting policies used, the reasonableness of the accounting estimates and the respective disclosures made by management.
- We conclude on the adequacy of Management's use of the going concern accounting basis and, based on the audit evidence obtained, whether there is material uncertainty related to events or conditions that may raise significant doubts about the Company's ability to continue as a going concern. If we conclude that there is a material uncertainty, we are required to draw attention in our audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. The findings are based on the audit evidence obtained to date from our audit report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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Report of the Independent Auditors (continued)

- We evaluate the overall presentation, structure, content of the separate financial statements, including disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves a fair presentation.

We communicate to those charged for the Company's corporate governance, among other matters, the planned scope and timing of the audit, the significant findings of the audit, as well as any significant internal control deficiencies identified in the course of the audit.

We also provide those charged for the Company's corporate governance with a statement that we have complied with relevant ethical requirements in relation to independence and have communicated to them about all relationships and other matters that could reasonably affect our independence and, as appropriate, including the respective safeguards.

Among the matters that have been the subject of communication with those responsible for the Company's corporate governance, we have identified those that have been of the greatest significance in the audit of the separate financial statements for the current period and, therefore, are the key audit matters. We have described such matters in our audit report unless legal or regulatory provisions prohibit public disclosure of the matter or, in extremely rare circumstances, we determine that a matter should not be disclosed in our report because it would reasonably be expected that the adverse consequences of doing so would outweigh the public interest benefits of the report.

Lima, Peru
February 29, 2024

Endorsed by:

Tanaka, Valdivia & Asoc.

V. Tanaka

Victor Tanaka
Partner-in-Charge
C.P.C.C. Registration No. 25613

CREDICORP LTD.

SEPARATE STATEMENT OF FINANCIAL POSITION

	Note	At December 31, 2023 S/000	At December 31, 2022 S/000		Note	At December 31, 2023 S/000	At December 31, 2022 S/000
Assets				**Liabilities**			
Cash and cash equivalents	4	529,773	136,399	Due to banks, correspondents and other entities		30,866	-
Investment:				Bonds and notes issued	6	1,798,858	1,898,066
At fair value through profit or loss	5 (a)	501,026	958,939	Other liabilities	7	255,707	220,642
At fair value through other comprehensive income	5 (b)	1,418,293	306,343	Total liabilities		2,085,431	2,118,708
In subsidiaries	5 (c)	36,150,565	33,878,318				
At amortized cost	5 (d)	166,977	-	**Equity**	8		
				Capital stock		1,318,993	1,318,993
Other assets		99	135	Capital surplus		384,542	384,542
				Reserve		25,905,526	23,300,350
				Unrealized results		68,056	(835,079)
				Retained earnings		9,004,185	8,992,620
				Total equity		36,681,302	33,161,426
TOTAL ASSETS		38,766,733	35,280,134	**TOTAL LIABILITIES AND EQUITY**		38,766,733	35,280,134

The accompanying notes are an integral part of these separated financial statements.

CREDICORP LTD.

SEPARATE STATEMENT OF INCOME

	Note	For the year ended December 31, 2023 S/000	2022 S/000
Income			
Net share of the income from investments in subsidiaries and associates	5(c)	5,439,451	5,156,494
Interest and similar income		10,895	8,701
Net gain on financial assets at fair value through profit or loss	5(a)	67,652	(43,099)
Expenses			
Administrative and general expenses		(25,362)	(23,205)
Operating income		5,492,636	5,098,891
Interest and similar expenses		(56,276)	(68,134)
Exchange differences, net		(1,549)	(3,513)
Other, net		2,977	556
		(54,848)	(71,091)
Profit before income tax		5,437,788	5,027,800
Income tax on dividends received	9	(209,238)	(168,290)
Net income		5,228,550	4,859,510

The accompanying notes are an integral part of these separated financial statements.

CREDICORP LTD.

SEPARATE STATEMENT OF COMPREHENSIVE INCOME

	Note	For the year ended December 31, 2023 S/000	2022 S/000
Net profit for the year		5,228,550	4,859,510
Other comprehensive income:			
Net gain (loss) on investments at fair value through other comprehensive income		1,051	(39,901)
Income tax		3	1,993
		1,054	(37,908)
Unrealized gain (loss) of subsidiaries	5(c)	930,137	(805,815)
		930,137	(805,815)
Exchange differences on translation of foreign operations	5(c)	(47,007)	(93,103)
Net movement in hedges of net investments in foreign businesses	6	18,951	39,584
		(28,056)	(53,519)
Other comprehensive income for the year, net of income tax		903,135	(897,242)
Net income from comprehensive income		6,131,685	3,962,268

The accompanying notes are an integral part of these separated financial statements.

CREDICORP LTD.

SEPARATE STATEMENT OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	Number of shares	Capital stock	Treasury stock	Capital surplus	Reserves	Unrealized results	Retained earnings	Total
		S/000	S/000	S/000	S/000	S/000	S/000	S/000
Balances at January 1, 2022	94,382,317	1,318,993	-	384,542	20,945,491	62,163	7,894,397	30,605,586
Net income	-	-	-	-	-	-	4,859,510	4,859,510
Other comprehensive income	-	-	-	-	-	(897,242)	-	(897,242)
Total comprehensive income	-	-	-	-	-	(897,242)	4,859,510	3,962,268
Dividend distribution, Note 8(c)	-	-	-	-	-	-	(1,415,734)	(1,415,734)
Transfer to legal reserve, Note 8(b)	-	-	-	-	2,354,859	-	(2,354,859)	-
Others	-	-	-	-	-	-	9,306	9,306
Balances at December 31, 2022	94,382,317	1,318,993	-	384,542	23,300,350	(835,079)	8,992,620	33,161,426
Net income	-	-	-	-	-	-	5,228,550	5,228,550
Other comprehensive income	-	-	-	-	-	903,135	-	903,135
Total comprehensive income	-	-	-	-	-	903,135	5,228,550	6,131,685
Dividend distribution, Note 8(c)	-	-	-	-	-	-	(2,359,558)	(2,359,558)
Transfer to legal reserve, Note 8(b)	-	-	-	-	2,593,598	-	(2,593,598)	-
Others	-	-	-	-	11,578	-	(263,829)	(252,251)
Balances at December 31,2023	94,382,317	1,318,993	-	384,542	25,905,526	68,056	9,004,185	36,681,302

The accompanying notes are an integral part of these separated financial statements.

CREDICORP LTD.

SEPARATE STATEMENT OF CASH FLOWS

	Note	For the year ended December 31, 2023	2022
		S/000	S/000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income		5,228,550	4,859,510
Net income from investments in subsidiaries and associates	5(c)	(5,439,451)	(5,156,494)
Deferred income tax		208,821	72,800
Variation of investments fair value		(67,652)	45,831
Amortization of bond issuance expenses		4,541	3,848
Other assets (Other Liabilities)		31,696	96,093
Net cash flow from operating activities		(33,495)	(78,412)
CASH FLOWS FROM INVESTING ACTIVITIES			
Sale of investments at fair value through profit or loss		477,922	-
Puchase of Investments at fair value through other comprehensive income		(1,109,851)	-
Purchase of investments at amortized cost		(166,455)	-
Capital contribution in subsidiaries	5(c)	(225,891)	(60,000)
Capital reduction in subsidiaries	5(c)	843,687	
Dividends received		3,002,977	1,527,710
Net cash flows from investing activities		2,822,389	1,467,710
CASH FLOWS FROM FINANCING ACTIVITIES			
Cupon payments		(50,267)	(52,045)
Working capital demand note		30,000	-
Dividend distribution	8(c)	(2,359,558)	(1,415,734)
Net cash flows from financing activities		(2,379,825)	(1,467,779)
Net (decrease) increase of cash and cash equivalents before effect of changes in exchange rate		409,069	(78,481)
Effect of changes in exchange rate of cash and cash equivalents		(15,695)	35,776
Cash and cash equivalents at the beginning of the year		136,399	179,104
Cash and cash equivalents at the end of the period		529,773	136,399

The accompanying notes are an integral part of these separated financial statements.

CREDICORP LTD.

SEPARATE STATEMENT OF CASH FLOWS
Reconciliation of liabilities arising from financing activities:

		Changes that generate cash flows		Changes that do not generate cash flows			
2023	**As of January 1, 2023**	**New issues**	**Amortization of principal**	**Exchange difference**	**Changes in fair value**	**Amortization of bond issuance expenses**	**As of December 31, 2023**
	S/000	**S/000**	**S/000**	**S/000**	**S/000**	**S/000**	**S/000**
Amortized cost	1,898,066	-	(50,582)	(53,176)	-	4,550	1,798,858
Total	1,898,066	-	(50,582)	(53,176)	-	4,550	1,798,858

		Changes that generate cash flows		Changes that do not generate cash flows			
2022	**As of January 1, 2022**	**New issues**	**Amortization of principal**	**Exchange difference**	**Changes in fair value**	**Amortization of bond issuance expenses**	**As of December 31, 2022**
	S/000	**S/000**	**S/000**	**S/000**	**S/000**	**S/000**	**S/000**
Amortized cost	1,980,311	-	-	(78,397)	-	(3,848)	1,898,066
Total	1,980,311	-	-	(78,397)	-	(3,848)	1,898,066

The accompanying notes are an integral part of these separated financial statements.

1 OPERATIONS

Credicorp Ltd. (hereinafter “Credicorp”) is a limited liability company incorporated in Bermuda in 1995. Its objective is 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 Credicorp Ltd. activities, and the granting of credit facilities in favor of its affiliates, it has been transferred to Grupo Crédito SA, a subsidiary of Credicorp.

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

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, Perú.

The separate financial statements as of and for the year ended December 31, 2022 were approved by the Board of Directors on February 23, 2023 and presented at the Annual General Shareholders' Meeting on April 14, 2023. The separate financial statements as of and for the year ended December 31, 2023 were approved and authorized for issue by the Board of Directors and Management on February 29, 2024, and will be presented for final approval at the General Shareholders' Meeting, which will be held within the deadlines established by law; in Management's opinion, they 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

In March 2023, the Credicorp Group, through its subsidiary Yape Market S.A., acquired one hundred percent of the participation in the company Joinnus S.A.C. It is a Peruvian company dedicated to the promotion and sale of tickets for entertainment events, including concerts, festivals, plays, etc. at the national level.

In 2023, Credicorp Ltd. has not carried out significant transactions of acquisitions, incorporation or mergers of companies.

b) The accompanying separate financial statements reflect the individual activity of Credicorp Ltd., and do not include the effects of the consolidation of these separate financial statements with those of its subsidiaries, see note 5(c).

These separate financial statements should be read together with Credicorp's consolidated financial statements as of December 31, 2023 and issued on February 29, 2024, such financial statements can be found at www.credicorp.gcs-web.com.

The following is the principal information of the consolidated financial statements of Credicorp and subsidiaries as of December 31, 2023 and 2022. IFRS 17 replaces IFRS 4 Insurance Contracts for annual periods beginning on or after January 1, 2023. The Group has restated the 2022 information by applying the transitional provisions of IFRS 17:

	2023	2022
	S/000	S/000
Consolidated statements of financial position		
Assets -		
Cash and due from banks	33,930,948	34,183,840
Cash collateral, reverse repurchase agreements and securities borrowing	1,410,647	1,101,856
Investments	52,215,528	45,431,224
Loans, net	136,698,135	140,753,972
Property, furniture and equipment, net	1,357,525	1,281,098
Intangible assets and goodwill, net	3,225,499	2,899,429
Right-of-use assets, net	499,715	543,833
Other assets	9,502,191	9,218,905
Total assets	238,840,188	235,414,157
Liabilities -		
Deposits and obligations	147,704,994	147,020,787
Payables from repurchase agreements and securities lending	10,168,427	12,966,725
Due to banks and correspondents	12,278,681	8,937,411
Technical reserves for insurance claims and premiums	12,318,133	11,154,008
Bonds and notes issued	14,594,785	17,007,194
Other liabilities	8,668,103	8,732,819
Total liabilities	205,733,123	205,818,944
Equity	33,107,065	29,595,213
Total liabilities and equity	238,840,188	235,414,157

	2023 S/000	2022 S/000
Consolidated statements of income		
Net interest, similar income and expenses	12,937,972	11,091,618
Provision for credit losses on loan portfolio, net of recoveries	(3,622,345)	(1,811,538)
Total other income	5,655,825	5,066,096
Total insurance underwriting result	1,211,100	841,448
Total other expenses	(9,334,223)	(8,317,013)
Income tax	(1,888,451)	(2,110,501)
Net profit	4,959,878	4,760,110
Attributable to:		
Shareholders of Credicorp Ltd.	4,865,540	4,647,818
Non-controlling interest	94,338	112,292
	4,959,878	4,760,110

3 SIGNIFICANT ACCOUNTING POLICIES

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

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

The accompanying separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The separate financial statements as of December 31, 2023 and 2022, 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, which have been measured at fair value, and investments in subsidiaries that are measured based on the equity method.

The separated financial statements are presented in soles (S/), which is the functional currency of Credicorp Ltd, see paragraph (b) below, and values are rounded to thousands of soles, unless otherwise stated.

The preparation of the separate financial statements in accordance with IFRS requires Management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of significant events in notes to the separate 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 separate financial statements.

The most significant estimates included in the accompanying separate financial statements are related to the calculation of the valuation of investments, the expected credit loss for investments at fair value through other comprehensive income and investments at amortized cost.

Furthermore, there are other estimates, such as the deferred income tax assets and liabilities for investments at fair value through other comprehensive income. The accounting criteria used for said estimate is described below.

The Company adopted the following standards and amendments for the first time for its annual period beginning on or after January 1, 2023, as described below:

(i) Definition of Accounting Estimates – Modifications to IAS 8-

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They will also clarify how entities use measurement techniques and inputs to develop accounting estimates.

The modifications in the standard had no impact on the separate financial statements.

(ii) Disclosure of accounting policies – Amendments to IAS 1 and Statement of Practice IFRS 2 –

They provide guidance and examples to help entities apply materiality judgments to accounting policy disclosures. The amendments are intended to help entities provide more useful disclosures of accounting policies by replacing the requirement that entities disclose their "material" accounting policies with a requirement to disclose their "material" accounting policies and adding guidance on how entities apply the concept of materiality. in making decisions on accounting policy disclosures.

The modifications in the standard had no impact on the separate financial statements.

(iii) Deferred Taxes related to Assets and Liabilities – Modifications to IAS 12

These modifications establish that deferred taxes arising from a single transaction that, upon initial recognition, give rise to taxable and deductible temporary differences of the same value must be recognized. This will generally apply to transactions such as leases (for lessees) and decommissioning or remediation obligations, where recognition of deferred tax assets and liabilities will be required. These modifications must apply to transactions that occur on or after the beginning of the first comparative period presented. Additionally, deferred tax assets (to the extent it is probable that they can be utilized) and deferred tax liabilities should be recognized at the beginning of the first comparative period for all deductible or taxable temporary differences associated with:

- Right-of-use assets and lease liabilities, and
- Liabilities for dismantling, restoration and similar, and the corresponding amounts recognized as part of the cost of the related assets.

The cumulative effect of these adjustments is recognized in retained earnings or another component of equity, as appropriate.

Previously, IAS 12 did not establish any particular accounting treatment for the tax effects of leases that are recognized on the balance sheet and for similar transactions, so different approaches were considered acceptable. Entities that are already recognizing deferred taxes from these transactions will have no impact on their financial statements.
The modifications will be effective for the annual reporting periods beginning on or after January 1, 2023 with early adoption permitted.

The amendments will be effective for annual reporting periods beginning on or after January 1, 2023 with early adoption permitted.

The modifications in the standard had no impact on the separate financial statements.

In 2022, the company adopted the following modifications:

(i) Modifications 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 Reporting and add an exception to recognize liabilities and contingent liabilities within the scope of IAS 37 Provisions, Contingent Liabilities and IFRIC Interpretation 21 Liens.

The amendments also confirm that contingent assets should not be recognized on the acquisition date. The modification became effective for annual reporting periods beginning on January 1, 2022.

The modifications in the standard had no impact on the separate financial statements.

(ii) Onerous Contracts - Cost of fulfilling a contract - Modifications to IAS 37 –

In May 2020, the International Accounting Standards Board issued amendments to IAS 37 to specify what cost an entity should include when assessing whether a contract is onerous or loss-making. The amendment to IAS 37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and the allocation of other costs directly required to fulfill the contracts. Before recognizing a separate provision for the onerous contract, the entity shall recognize any impairment loss that has occurred in relation to the assets used to fulfill the contract.

The Amendment is effective for annual reporting periods beginning on or after January 1, 2022.

The modifications in the standard had no impact on the separate financial statements.

(iii) Annual improvements to IFRS Cycle 2018 - 2020 –

As part of its 2018-2020 annual improvements to the IFRS standard process, in May 2020, the International Accounting Standards Board issued the following amendments:

- IFRS 9 Financial Instruments – clarification that commissions must be included in the 10.0 percent test for the derecognition of financial liabilities.

- IFRS 1 First-time adoption of international financial reporting standards – allows entities that have measured their assets and liabilities at the book value recorded in the books of their parent company to also measure any accumulated translation differences using the amounts reported by the headquarters.

This modification will also apply to associates and joint ventures that have assumed the same expectation with IFRS 1.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022.

The modifications in the standard had no impact on the separate financial statements.

b) Functional, presentation and foreign currency transactions -

(i) Functional and presentation currency -

The Company considers the sol as their functional and presentation currency since it reflects the nature of the economic events and relevant circumstances given the fact their major transactions and/operations, such as: financing obtained, interests and similar income, administrative and general expenses, as well as a significant percentage of their purchases; they are agreed and settled in soles.

(ii) Transactions and balances in foreign currency -

Foreign currency transactions are those carried out in currencies other than the functional currency. These transactions are initially recorded at the exchange rates of its functional currency at the transaction dates. Monetary assets and liabilities denominated in foreign currency are adjusted at the exchange rate of the functional currency prevailing at the date of the separate statement of financial position.

The differences arising from the exchange rate prevailing at the date of each statement of financial position presented and the exchange rate initially used in recording transactions are recognized in the statement of income in the period in which it occurs, in “Exchange differences, net”. Non-monetary assets and liabilities acquired in foreign currency are recorded at the exchange rate prevailing at the initial transaction date and are not subsequently adjusted.

c) Recognition of income and expenses from banking activities -

Effective interest rate method:

Interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortized cost and at fair value through other comprehensive income. Interest expenses corresponding to liabilities measured at amortized cost are also recorded using the EIR.

The EIR is the rate that exactly discounts future cash flows that are estimated to be paid or received during the life of the instrument or a shorter period, if appropriate, to the gross carrying amount of the financial asset or financial liability. The EIR (and, therefore, the amortized cost of the financial asset or liability) is calculated considering any discount, premium and transaction costs that are an integral part of the effective interest rate of the financial instrument, but the expected credit loss are not included.

Interest income and expenses:

The Company calculates interest income by applying the EIR to the gross carrying amount of those financial assets that are not impaired.

When a financial asset becomes impaired and, therefore, is considered in Stage 3, the Company calculates interest income by applying the interest rate effective at the carrying amount of the asset, net of its provision for credit loss. If the evidence that the criteria for the recognition of the financial asset in Stage 3 are no longer met, the Company recalculates interest income in gross terms.

Interest income and expenses accrued from all financial instruments that generate interest, including those related to financial instruments carried at fair value through profit or loss, are recorded under “Interest and similar income” and “Administrative and general expenses” in the separate statement of comprehensive income.

Dividends:

Dividends are recorded as income when they are declared.

Commissions and fees:

Commission income (which is not an integral part of the EIR) and fees are recorded as they accrue. Commissions and fees include, among others, the commission charged for the banking service in general such as account maintenance, shipping, transfers, loan syndication fees and contingent credit fees.

Other income and expenses:

All other income and expenses are recorded in the year in which the performance obligation is satisfied.

d) Financial instruments: Initial recognition and subsequent measurement -

A financial instrument is any agreement that originates a financial asset of one entity and a financial liability or equity instrument of another entity.

The Company determined the classification of its financial instruments at the date of initial recognition.

All the financial instruments are initially recognized at fair value plus the incremental costs related to the transaction that are directly attributable to the purchase or issue of the instrument, except in the case of financial assets or liabilities carried at fair value through profit or loss.

The purchases or sales of financial assets that require the delivery of the assets within a term established according to market regulations or conventions (regular market terms) are recognized on the negotiation date, in other words, the date in which the Company commits to purchase or sell the asset.

As of December 31, 2023 and 2022, the Company classified the financial assets in one of the categories defined by IFRS 9: financial assets at fair value through profit or loss, at fair value though other comprehensive income and at amortized cost, based on:

- The business model for managing the financial assets and
- The characteristics of the contractual cash flows of the financial asset.

Business model -

Represents how the financial assets are managed to generate cash flows and it does not depend on the Management's intention with regard to an individual instrument. Financial assets can be managed for the purpose of: i) obtaining contractual cash flows; ii) obtaining contractual cash flows and sale; or iii) others. To evaluate the business models, the Company considers:

- The risks that affect the performance of the business model, and in particular, the way in which these risks are managed.
- How the performance of the business model and the financial assets, held within this business model, are evaluated and informed to the key personnel of the Administration of the Company.

If the cash flows after initial recognition are carried out in a manner other than what is expected by the Company, the classification of the remaining financial assets maintained in this business model is not modified.

When the financial asset is maintained in the business models i) and ii), it requires the application of the “Solely Payments of Principal and Interest” test - “SPPI”.

SPPI Test (Solely Payments of Principal and Interest) -

This test consists in the evaluation of the cash flows generated by a financial instrument in order to verify if the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest. To adapt to this concept, the cash flows must solely include the consideration of the time value of money and the credit risk. If the contractual terms introduce risk exposure or cash flow volatility, such as the exposure to changes in the prices of capital instruments or the prices of raw materials, the financial asset is classified at fair value through profit or loss. Hybrid contracts must be evaluated as a whole, including all the integrated characteristics. The accounting of a hybrid contract that contains an embedded derivative is carried out jointly, in other words, the entire instrument is measured at fair value through profit or loss.

(i) Financial assets at amortized cost -

A financial asset is classified at amortized cost if the following conditions are met:

- It is held within a business model whose objective is to maintain the financial asset to obtain the contractual cash flows, and
- The contractual conditions give rise, on specified dates, to cash flows that are solely payments of the principal and interest.

After their initial recognition, the financial assets of this category are valued at amortized cost, using the effective interest rate method, minus any credit loss provision. The amortized cost is calculated considering any discount or premium incurred in the acquisition and professional fees that constitute an integral part of the effective interest rate. Interest income is included in the item “Interest and similar income” in the separate income statement.

Financial assets at amortized cost include direct loans that are recorded when the disbursement of the funds in favor of the customers is carried out, and indirect (contingent) loans that are recorded when the documents that support said loans facilities are issued. Furthermore, Credicorp Ltd. considers as refinanced or restructured those credits that, due to difficulties in payment on the part of the debtor, change their payment schedule.

The impairment loss is calculated using the expected loss approach and recognized in the separate statement of comprehensive income.

The balance of the financial assets, measured at amortized cost, is presented net of the provision for credit losses in the separate statement of financial position.

(ii) Financial assets at fair value through other comprehensive income -

The financial assets that the Company maintains in this category are a) investments in debt instruments, and b) investments in equity instruments, not for trading, irrevocably designated at initial recognition.

Investments in debt instruments -

A financial asset is classified and measured at fair value through other comprehensive income when the following conditions are followed:

- The financial asset is maintained within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and

- The contractual conditions give rise, on specified dates, to cash flows that are solely payments of principal and interest.

After their initial recognition, investments in debt instruments are measured at fair value, recording the unrealized gains and losses in the statement of comprehensive income, net of their corresponding income tax and non-controlling interest, until the investment is sold; upon which the accumulated profit or loss is recognized in the item "Net gain on securities" in the separate statement of income.

Interest is recognized in the statement of income in the item "Interest and similar income" and it is reported as interest income using the effective interest rate method.

When a debt instrument is designated in a fair value hedging relationship, any change in the fair value due to changes in the hedged risk is recognized in the item "Interest and similar income" in the separate statement of income.

Gains or losses from exchange differences related to the amortized cost of the debt instrument are recognized in the statement of income, and those related to the difference between the amortized cost and the fair value are recognized as part of the unrealized gain or loss in the statement of comprehensive income.

The estimated fair value of the investments in debt instruments is mainly determined based on quotations or, in their absence, based on the discounted cash flows using market rates in accordance with the credit quality and the maturity term of the investment.

The impairment loss of investments in debt instruments is calculated using the expected loss approach and is recognized in the statement of comprehensive income, charged to the item "Net gain on securities" in the statement of income. In this sense, it does not reduce the carrying amount of the financial asset in the statement of financial position, which is maintained at fair value. The impairment loss recognized in the separate statement of comprehensive income is reclassified to the separate statement of income when the debt instrument is derecognized.

Investments in equity instruments, not for trading, designated upon initial recognition (equity instruments designated at the initial recognition) -

At initial recognition, the Company can make an irrevocable choice to present the equity instruments, which are not for trading, but for strategic purposes, in the item "At fair value through other comprehensive income".

After their initial recognition, the equity investments are measured at fair value, recording the unrealized gains and losses in the separate statement of comprehensive income, net of their corresponding income tax and non-controlling interest, until the investment is sold, whereupon the accumulated gain or loss is transferred to the item "Retained earnings" in the separate statement of changes in equity; in other words, they are not subsequently reclassified to the separate statement of income.

As a result, the equity instruments classified in this category do not require a loss impairment evaluation.

Dividends are recognized when the collection right has been established and they are recorded in the item "Interest and similar income" in the separate statement of income.

(iii) Financial assets at fair value through profit or loss -

Financial assets must be classified and measured at fair value through profit or loss, unless they are classified and measured at “Amortized cost” or “At fair value through other comprehensive income”.

The financial assets that Credicorp Ltd. maintains in this category are: a) Investments in debt instruments, b) investments in equity instruments for trading purposes, c) financial assets designated at fair value through profit or loss from their initial recognition, and d) derivative financial instruments for trading purposes.

Debt instruments -

Said instruments are classified in this category since: a) they are maintained for trading purposes, or b) their cash flows are not solely payments of principal and interest.

After initial recognition they are measured at fair value, recording the changes in the item “Net gain on securities” in the separate statement of income. Interests accrued are calculated using the contractual interest rate and recorded in the “Interest and similar income” in the separate statement of income, see note 5.

Equity instruments -

Equity instruments are classified and measured at fair value through profit or loss, unless an irrevocable choice is made, at the time of initial recognition, to designate them at fair value through other comprehensive income.

After their initial recognition, they are measured at fair value, recording the changes in “Net gains on securities” in the separate statement of income. The profit from dividends is recorded in the item “Interest and similar income” in the separate statement of income when the right to payment has been recognized.

Financial assets designated at fair value through profit or loss from initial recognition -

Upon initial recognition, Management can irrevocably designate financial assets as measured at fair value through profit or loss, if doing so eliminates or significantly reduces an incongruence of measurement or recognition that would otherwise arise from the measurement of the assets or liabilities or from the recognition of the profit and losses thereof on different bases.

After initial recognition they are measured at fair value, recording the changes in the separate statement of income.

(iv) Reclassification of financial assets and liabilities -

The reclassification of financial assets will always take place as long as the business model that manages the financial assets is changed. We expect this change will be less than frequently. These changes are determined by the Company Management as a result of external or internal changes, which must be necessary for the Company's operations and demonstrable against third parties. Therefore, a change in the Company's business model will take place only when it starts or stop carrying out an activity that is significant for its operations. The financial liabilities are never reclassified.

e) De-recognition of financial assets and liabilities -

Financial assets:

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognized when: (i) the rights to receive cash flows from the asset have expired; or (ii) the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through” arrangement; and either the Company has transferred substantially all the risks and rewards of the asset, or the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company’s continuing involvement.

In that case, the Company also recognizes the associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of (i) the original carrying amount of the asset, and (ii) the maximum amount of consideration that the Company could be required to repay.

Financial liabilities:

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such exchange or modification is treated as a withdrawal of the original liability and the recognition of a new liability; the difference between the carrying amount of the original financial liability and the consideration paid is recognized in the separate statement of income.

f) Offsetting financial instruments -

Financial assets and liabilities are offset and the net amount is reported in the separate statement of financial position when there is a legally enforceable right to offset the recognized amounts and Management has the intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

g) Impairment of financial assets -

As of December 31, 2023 and 2022, the Company applies a three-stage approach to measure the provision for credit loss, using an impairment model based on the expected credit losses as established in IFRS 9, for the following categories:

- Financial assets at amortized cost.
- Debt instruments classified as investments at fair value through other comprehensive income.

The financial assets classified or designated at fair value through profit of loss and the equity instruments, not for trading, designated at fair value through other comprehensive income, are not subject to impairment evaluation.

Financial assets migrate through three stages according to the change in the credit risk from the initial recognition.

h) Investments in subsidiaries -

A subsidiary is an entity over which another Company has control (considered as parent company of Credicorp Ltd. or controlling interest). Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if and only if the Controlling interest has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee).
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

There is a presumption that a majority of voting rights results in control. To support this presumption and when the Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Company's voting rights and potential voting rights.

The Company assesses whether or not it controls an investee if facts and circumstances indicate that there are changes in one or more of the three elements of control.

According to the equity method, investments in subsidiaries are recorded initially at cost, and subsequently the book value increases or decreases to recognize a profit or loss participation of subsidiaries in the "Net share of the income from investments in subsidiaries" caption of the statement of comprehensive income; furthermore, when variations in the equity of subsidiaries is due to variations in their equity, the part corresponding the Company will also be directly recognized in equity.

Dividends received from subsidiaries are recognized as a reduction in the value of the investment.

As of December 31, 2023 and 2022, Credicorp maintains direct participation in the following entities (the figures of its individual financial statements are presented in accordance with IFRS and before eliminations):

Entity	Activity and country of incorporation	Percentage of interest		Assets		Liabilities		Equity		Net income (loss)	
		2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
		%	%	S/000	S/000	S/000	S/000	S/000	S/000	S/000	S/000
Grupo Crédito S.A. (i)	Holding Perú	100.00	100.00	31,775,497	29,464,597	86,108	106,443	31,689,389	29,358,154	4,565,252	4,603,312
Pacífico Compañía De Seguros y Reaseguros S.A. (ii)	Insurance, Perú	65.20	65.20	16,498,110	15,851,977	13,410,807	13,470,237	3,087,303	2,381,740	803,384	445,603
Atlantic Security Holding Corporation (iii)	Capital Markets, Cayman Island	100.00	100.00	1,294,253	2,030,050	154,202	138,702	1,140,051	1,891,348	474,780	228,474
Credicorp Capital Ltd (iv)	Capital Markets and Asset management Bermuda	100.00	100.00	1,159,734	942,387	647	3,830	1,159,087	938,557	(127,243)	32,025
CCR Inc. (v)	Special purpose Entity Bahamas	100.00	100.00	348	388	70	4	278	384	(106)	(646)
Banco de Crédito de Bolivia (vi)	Banking Bolivia	4.01	4.01	13,500,877	12,697,793	12,612,304	11,837,965	888,573	859,828	83,051	68,013
Inversiones Crédicorp Bolivia S.A. (vi)	Banking Bolivia	0.08	0.08	913,458	878,357	131,680	357	781,778	878,000	81,494	77,581
Krealo Ltd.(vii)	Fintech, Bermudas	100.00	-	11,177	-	388	-	10,789	-	(430)	-

(i) Grupo Crédito is a company whose main activities are to carry out management and administration activities of the subsidiaries of Credicorp Ltd. and invest in shares listed on the Peruvian Stock Exchange and unlisted shares of Peruvian companies. Below, we present the individual or separate financial statements of the main subsidiaries of Grupo Crédito through which Credicorp Ltd. controls, in accordance with IFRS:

Entity	Activity and country of incorporation	Percentage of direct and indirect participation		Assets		Liabilities		Equity		Net income (loss)	
		2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
		%	%	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)
Banco de Crédito del Perú and Subsidiaries (a)	Banking, Perú	97.74	97.74	193,804,856	193,278,232	168,645,448	170,005,995	25,159,408	23,272,237	4,583,662	4,683,775
Inversiones Credicorp Bolivia S.A. and Subsidiaries (b)	Banking, Bolivia	99.92	99.92	13,558,260	12,740,036	12,740,067	11,826,789	818,193	913,247	84,898	80,377
Prima AFP (c)	Pension fund administration, Perú	100.00	100.00	740,728	734,966	240,656	238,177	500,072	496,789	149,549	109,511
Tenpo SpA and Subsidiaries (d)	Holding, Chile	100.00	100.00	387,355	242,754	185,502	90,186	201,853	152,568	(111,692)	(124,748)

a) BCP was established in 1889 and its activities are regulated by the Peruvian Banking Regulator (Superintendencia de Banca, Seguros y AFP – SBS (the authority that regulates banking, insurance and pension funds activities in Perú, hereinafter “the SBS").

   Its main Subsidiary is Mibanco, Banco de la Microempresa S.A. (hereinafter “MiBanco”), a banking entity in Perú oriented towards the micro and small business sector. As of December 31, 2023, the assets, liabilities, equity and net result of Mibanco amount to approximately S/16,897.8 million, S/13,902.2 million, S/2,995.6 million and S/203.8 million, respectively (S/17,225.4 million, S/14,444.8 million, S/2,780.6 million, and S/424.9 million, respectively December 31, 2022).

b) Inversiones Credicorp Bolivia S.A. (hereinafter “ICBSA”) was incorporated 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 main Subsidiary is Banco de Crédito de Bolivia (hereinafter “BCB”), a commercial bank which operates in Bolivia. As of December 31, 2023, the assets, liabilities, equity and net result of BCB were approximately S/13,500.9 million, S/12,612.3 million, S/888.6 million and S/83.1 million, respectively (S/12,697.8 million, S/11,838.0 million, S/859.8 million and S/68.0 million, respectively as of December 31, 2022).

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

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

(ii) Pacífico Compañía Seguros y Reaseguros S.A. (hereinafter "Pacífico") 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 Pacífico Asiste and it has Pacífico EPS as an associate, which are dynamic participants in the business of multiple and health insurance, respectively.

(iii) Atlantic Security Holding Corporation (hereinafter "ASHC") is an entity established in the Cayman Islands, its most important subsidiary being ASB Bank Corp. merged with Atlantic Security Bank in August 2021, it was incorporated on September 9, 2020 in the Republic of Panama; Its main activities are private and institutional banking services and fiduciary administration, mainly for BCP's Peruvian clients.

(iv) Credicorp Capital Ltd. (hereinafter "CCL") was formed in 2012, and its main subsidiaries are Credicorp Capital Holding Perú (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 Perú, Colombia and Chile, respectively.

(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.

(vi) 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 main Subsidiary is Banco de Crédito de Bolivia (hereinafter "BCB"), a commercial bank which operates in Bolivia. Grupo Crédito has a direct and indirect 99.92 percent stake and Credicorp 0.08 percent.

(vii) Krealo Ltd. was acquired by Credicorp Ltd. in November 2022.

i) Income tax -

Deferred income tax reflects the effects of temporary differences between the carrying amounts of assets and liabilities for accounting purposes and the amounts determined for tax purposes. Deferred assets and liabilities are measured using the tax rates expected to be applied to taxable income in the years in which temporary differences are expected to be recovered or eliminated. The measurement of deferred assets and deferred liabilities reflects the tax consequences that arise from the manner in which the Company expect, to recover or settle the carrying amount of its assets and liabilities at the date of the separate statement of financial position.

The carrying amount of deferred tax assets and liabilities may change, even though there is no change in the amount of the related temporary differences, due to a change in the income tax rate. In this case, the resulting change in deferred tax, corresponding to the change in rate, will be recognized in profit or loss, except to the extent that it relates to items previously recognized outside of the separate statement of income (either in other comprehensive income or directly in equity).

Deferred tax assets and liabilities are recognized regardless of when the timing differences are likely to reverse. Deferred tax assets are recognized when it is likely to exist sufficient tax benefits for the application of temporary difference. At the date of the separate statement of financial position, the Company assess unrecognized deferred assets and the carrying amount of recognized deferred assets.

j) Derivative financial instruments and hedge accounting -

Trading -

Credicorp Ltd. negotiates derivative financial instruments in order to meet its costumers needs. Credicorp Ltd. may also take positions with the expectation of profiting from favorable movements in prices, rates or indexes.

Derivative financial instruments are initially recognized at fair value in the separate statement of financial position and subsequently are remeasured at fair value. Fair values are estimated based on the market exchange and interest rates. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative. Gain and losses for changes in their fair value are recorded in the separate statement of income.

Hedging -

Credicorp Ltd. uses derivative instruments to manage exposures to interest rate and foreign currency. To manage particular risks, Credicorp Ltd. applies hedge accounting for transactions which meet the specified criteria.

In accordance with IFRS 9, to qualify as hedging operations, all the following conditions must be met:

- At the inception of the hedging relationship, there is a designation and formal documentation of the hedging relationship and the entity's risk management objective and strategy for undertaking the hedging. That documentation will include identification of the hedging instrument, the hedged item, the nature of the risk being hedged, and how the entity will assess whether the hedging relationship meets hedge effectiveness requirements.

- The hedge relationship meets all of the following hedge effectiveness requirements:

    - There is an economic relationship between the hedged item and the hedging instrument.
    - The effect of credit risk does not predominate over the changes in value that come from the economic relationship.
    - The coverage ratio of the hedging relationship is the same as that derived from the amount of the hedged item that the entity actually hedges and the amount of the hedging instrument that the entity actually uses to hedge that amount of the hedged item.

The accounting treatment is established based on the nature of the hedged item and compliance with hedging criteria.

i) Cash flow hedges -

The effective portion of the accumulated gain or loss on the hedging instrument is recognized directly as part of other comprehensive income in “Cash flow hedge reserve” in the separate statement of changes in equity, and it is reclassified to the separate statement of income in the same period or periods in which the covered operation affects results; that is, when income or financial expenses related with coverage are registered, or when a forecasted transaction occurs.

The part of the gain or loss in derivatives that represents the ineffective portion is recognized immediately in the separate statement of income.

Amounts originally recognized in other comprehensive income and subsequently reclassified to the separate statement of income are registered as expenses or income in the cases in which the hedged item is reported.

If the forecasted transaction or firm commitment is no longer expected to occur, the accumulated gain or loss previously recognized in the cash flow hedge reserve is transferred to the separate statement of income. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, any unrealized accumulated gain or loss previously in the cash flow hedge reserve remains in said reserve until the planned transaction or firm commitment affects profit or loss. At the same time, the derivative is recorded as a trading derivative.

ii) Fair value hedges -

The change in the fair value of a fair value hedge and the change in the fair value of the hedged item attributable to the risk hedged are recorded as a part of the carrying value of the hedged item and recognized in the separate statement of income.

For fair value hedges relating to items carried at amortized cost, any adjustment to the carrying amount of these items, as a result of discontinuation of the hedge, will be amortized through the separate statement of income over the remaining life of the hedge. Amortization may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognized, the unamortized fair value is recognized immediately in the separate statement of income.

The hedge relationship is terminated when the hedging instrument expires or is sold, terminated or exercised, or when the hedge no longer meets the criteria for hedge accounting, the hedge relationship is terminated. For fair value hedges related to items recorded at amortized cost, the difference between the carrying value of the hedged item on termination and the face value is amortized over the remaining term of the original hedge using the effective interest rate. If the hedged item is derecognized, the unamortized fair value adjustment is recognized immediately in the separate statement of income. At the same time, the derivative is recorded as a trading derivative.

iii) Hedges of net investments in foreign businesses -

Hedges of net investments in foreign operations are recognized for in a similar manner to cash flow hedges.

Any gain or loss on the hedging instrument related to the effective portion of the hedge is recognized in other comprehensive income and accumulated in the caption “Exchange differences on translation of foreign operations” of the separate statement of changes in equity. The gain or loss related to the ineffective portion is recognized immediately in the separate statement of income under “Other income” or “Other expenses”.

Accumulated gains and losses in the separate statement of changes in equity are reclassified to the separate statement of income when the net investment abroad is disposed or sold partially.

k) Fair value measurement -

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. Also, the fair value of a liability reflects its non-performance risk.

When available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

All assets and liabilities for which fair value is measured or disclosed in the separate financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level of input used that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized at fair value in the separate financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

As of December 31, 2023 and 2022, the financial instruments held by the company have a Level 1 fair value hierarchy.

l) Cash and cash equivalents -

For the purpose of the separate statement of cash flows, cash and cash equivalents comprise balances of cash, checking accounts and term deposits with maturities of three months or less from the date of acquisition.

m) International Financial Reporting Standards issued but not yet effective –

The company decided not to early adopt the following standards and interpretations that were issued but are not yet effective as of December 31, 2023.

Modifications to IAS 1: Classification of Liabilities as Current or Non-Current

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current.
The amendments clarify the following points:

- The meaning of the right to defer settlement of a liability.
- That the right to defer settlement of the liability must exist at the end of the period.
- That classification is not affected by the probability that the entity will exercise its right to defer settlement of the liability.
- That only if any implicit derivative in a convertible liability represents an equity instrument in itself, the terms of the liability would not affect its classification.

In addition, a disclosure requirement was introduced when a liability derived from a loan agreement is classified as non-current and the entity's right to defer settlement is subject to the fulfillment of future commitments within a period included in a twelve-month period.

The amendments will be effective for periods beginning on or after January 1, 2024, and must be applied retrospectively. Credicorp Ltd. is assessing the impact these amendments will have on its current practices and whether any of its existing loan contracts may require renegotiation.

Supplier Financing Agreements - Modifications to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier financing arrangements and require additional information about such arrangements to be disclosed. The objective of the disclosure requirements imposed by the amendments is to help users of financial statements have a better understanding of the effects of supplier financing arrangements on liabilities, cash flows and exposure to liquidity risk. of an entity.

The amendments will be effective for annual periods beginning on or after January 1, 2024. Early application is permitted as long as this fact is disclosed.

The amendments are not expected to have a material impact on the company financial statements.

There are no other standards and amendments to standards that have not yet come into force and that are expected to have a significant impact on the company, either in the current or future period, as well as in foreseeable future transactions.

4 CASH AND CASH EQUIVALENTS

Credicorp Ltd. has current accounts with Banco de Crédito del Perú and ASB Bank Corp, which are denominated in soles and U.S. dollars; they are cash in hand and accrue interest at market rates.

As of December 31, 2023 and 2022, the entity has no time deposits outstanding, however, during 2023 the interest income generated by maturing time deposits was S/2.4 million (interest for S/1.7 million, as of December 31, 2022).

5 INVESTMENTS

The table below presents the components of this item:

a) At fair value through profit or loss:

	2023 S/000	2022 S/000
Mutual Funds:		
Credicorp Capital Latin American Corporate Debt Fund	166,179	200,867
Allianz US Short Duration High WT	127,175	229,841
Credicorp Capital Latin American Investment Grade	117,214	141,053
CC Latin American Short Duration I	90,458	115,384
BNP Paribas Insticash I ACC FO	-	271,794
Total	501,026	958,939

As of December 31, 2023, the gain (loss) of these funds from valuation are recorded in the separate income statement in "Net gain (loss) on investments at fair value through profit or loss" for S/67.7 million (as of December 31, 2022, a loss of S/43.1 million was recorded for the year ended December 31, 2022).

b) At fair value through other comprehensive income:

	2023				2022			
		Unrealized gross amount				Unrealized gross amount		
	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
Equity instruments designated at the initial recognition								
Shares issued by:								
Alicorp S.A.A.	60,170	86,213	-	146,383	60,170	96,669	-	156,839
Inversiones Centenario	220,283	-	(84,422)	135,861	220,283	-	(93,479)	126,804
Compañía Universal Textil S.A.	288	-	(80)	208	475	-	(260)	215
	280,741	86,213	(84,502)	282,452	280,928	96,669	(93,739)	283,858
Debt instruments								
Bonds issued by:								
Pacífico Compañía de Seguros y Reaseguros S.A. (i)	16,564	-	(1,579)	14,985	17,033	-	(1,802)	15,231
Mibanco S.A. (ii)	8,598	-	(608)	7,990	8,598	-	(1,500)	7,098
	25,162	-	(2,187)	22,975	25,631	-	(3,302)	22,329
U.S. goverment bonds (iii)	1,107,804	904	-	1,108,708	-	-	-	-
Sub total	1,132,966	904	(2,187)	1,131,683	25,631	-	(3,302)	22,329
Accrued interest				4,158				156
				1,135,841				22,485
Total				1,418,293				306,343

(i) In December 2020, Credicorp Ltd. purchased subordinated bonds issued by Pacífico with an annual interest rate of 4.41 percent and maturity date in December 2030 amounting to US$4.5 million, equivalent to S/16.6 million, as of December 31, 2023 (S/17.0 million, as of December 31, 2022).

(ii) In March 2021, Credicorp Ltd. purchased subordinated bonds issued by Mibanco with an annual interest rate of 5.84 percent and maturity date in March 2031 amounting to S/8.6 million.

(iii) In December 2023, Credicorp Ltd. purchased U.S. treasury bonds with an interest rate of 4.25 percent per annum and maturity in May 2025 for a purchase value of US$298.7 million, equivalent to S/1,107.8 million, as of December 31, 2023.

c) In subsidiaries:

Entity	Country	Operations	Direct participation percentage 2023 %	Direct participation percentage 2022 %	Equity Value 2023 S/000	Equity Value 2022 S/000
Grupo Crédito S.A.	Perú	Holding	100.00	100.00	31,689,389	29,358,155
Pacífico Compañía de Seguros y Reaseguros S.A.	Perú	Insurance	65.20	65.20	2,049,276	1,589,265
Atlantic Security Holding Corporation and Subsidiaries	Cayman Islands	Capital Markets	100.00	100.00	1,205,521	1,956,817
Credicorp Capital Ltd.	Bermuda	Capital Markets and asset management	100.00	100.00	1,159,088	938,557
Banco de Crédito de Bolivia (*)	Bolivia	Banking	4.01	4.01	35,629	34,473
Krealo Ltd.	Bermuda	Fintech	100.00	0.00	10,789	-
Inversiones Credicorp Bolivia S.A. (*)	Bolivia	Banking	0.08	0.08	595	667
CCR Inc.	Bahamas	Special purpose Entity	100.00	100.00	278	384
					36,150,565	33,878,318

(*) Credicorp has indirect control through Grupo Crédito S.A.

As of December 31, 2023 and 2022 the movement of the investments in subsidiaries is as follows:

	2023 S/000	2022 S/000
Balance at January 1	33,878,318	31,168,827
Net share of the income from investments in subsidiaries	5,439,451	5,156,494
Dividends received from subsidiaries (i)	(3,158,600)	(1,617,391)
Net unrealized (less) gain of subsidiaries' equity (ii)	920,029	(805,815)
Transfer of foreign operations	(47,007)	(93,103)
Capital contribution (iii)	225,891	60,000
Capital reduction (iv)	(843,687)	-
Others (v)	(263,830)	9,306
Ending balance	36,150,565	33,878,318

(i) As of December 31, 2023, the company has received dividends from Grupo Crédito, ASHC, Pacífico, Inversiones Credicorp Bolivia and BCB of S/2,650.0 million, S/438.7 million, S/69.2 million, S/0.6 million and S/0.1 million, respectively (as of December 31, 2022, it has received dividends from Grupo Crédito and ASHC of S/1,400.0 million and S/217.4 million, respectively). Amounts do not include withholding taxes in the country of origin.

(ii) As of December 31, 2023, the movement mainly corresponds to the unrealized gain of Grupo Crédito, Pacífico, ASHC and CCL for S/519.8 million, S/240.8 million, S/102.1 million and S/57.7million respectively and to the unrealized loss of BCB for S/0.4 million respectively (as of December 31, 2022, the movement corresponds to the unrealized loss of Grupo Crédito, ASHC, Pacífico, CCL and BCB for S/234.4 million, S/219.1 million, S/224.0 million, S/127.9 million and S/0.4 million, respectively). Additionally, the unrealized gain (loss) includes the effect of the cancellation of the hedge of net investment abroad for S/10.1 million.

(iii) As of December 31, 2023, capital contributions to Credicorp Capital Ltd. and Krealo Ltd. were recorded for S/214.7 million and S/11.2 million, respectively (As of December 31, 2022, capital contributions to Credicorp Capital Ltd. were recorded for S/.60.0 million).

(iv) As of December 31, 2023, the company received funds from its subsidiary ASHC for S/843.7 million.

(v) As of December 31, 2023, the movement corresponds mainly to the decrease in the accumulated result of Pacífico for S/235.4 million as a result of the initial application of IFRS 17, among other minor items.

d) Investments at amortized cost

As of December 31, 2023, Credicorp Ltd. maintains a time deposit with Banco de Crédito del Perú, at an interest rate of 5.30 percent per annum and maturing in June 2025 for an amount of US$45.0 million, equivalent to S/166.9 million, the gain is recorded in the interest and similar expenses account in the statement of profit and loss in the amount of S/0.1 million.

6 BONDS AND NOTES ISSUED

As of December 31, 2023, Credicorp Ltd. holds Senior Notes for a nominal value amount of US$486.0 million, equivalent to S/1,802.6 million (US$500.0 million, equivalent to S/1,907.0 million as of December 31, 2022) at an annual fixed rate of 2.75 percent and maturing on June 17, 2025. All or part of the notes may be redeemed mainly in the following ways: (i) on any date prior to May 17, 2025, by making a full or partial repurchase, bearing as a penalty an interest rate equal to the U.S. treasury rate plus 40 basis points, and (ii) on any date on or after May 17, 2025, at par value. Principal will be paid on the maturity date or upon redemption of the notes. As of December 31, 2023, the effect on the liability for the accrual of issuance costs plus premium or discount and interest amounts to S/6.0 million and S/1.9 million, respectively (S/10.8 million and S/1.9 million, as of December 31, 2022). Interest expense is recorded in the separate statement of income using the effective interest rate method for S/55.4 million as of December 31, 2023 (S/68.1 million as of December 31, 2022).

On December 26, 2023, the company decided to unwind the foreign net investment accounting hedge it held for a portion of these bonds issued for approximately US$228.8 million, equivalent to S/843.7 million (US$228.8 million, equivalent to S/872.7 million as of December 31, 2022), which hedged for the same amount the exposure of the net investment in the subsidiary Atlantic Security Holding Corporation (ASHC), incorporated in the Cayman Islands and whose functional currency is the U.S. dollar. This hedge hedged the exchange rate fluctuation risk associated with the translation of the net investment held in ASHC to the functional currency of Credicorp Ltd. As of December 31, 2023, the gain on the movement of the hedge of net investment in foreign business is S/18.9 million (as of December 31, 2022, the gain on the movement corresponds to S/39.6 million).

7 OTHER LIABILITIES

This item comprises:

	2023 S/000	2022 S/000
Provision for income tax on dividends	218,826	172,839
Dividends pending from previous years (i)	36,590	47,298
Others	291	505
	255,707	220,642

(i) On April 27, 2023, the Board of Directors unanimously approved the reclassification to other reserves in shareholders' equity, once a year, of dividends payable to shareholders with more than 6 years of seniority for S/11.6 million, see note 8(b). As of December 31, 2023 and 2022, the balance corresponds to dividends returned by the Central Registry of Securities and Settlements of the Peruvian Market (Cavali S.A. I.C.L.V), for those minority shareholders whose bank accounts could not be credited.

8 EQUITY

a) Capital stock -

As of December 31, 2023 and 2022 a total of 94,382,317 shares have been issued at US$5.0 per share.

b) Reserves -

Certain Company's subsidiaries are required to keep a reserve that equals a percentage of paid-in capital (20.00, 30.00 or 50.00 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 10.00 percent of net profits. As of December 31, 2023 and 2022, the balance of this reserves amounts approximately to S/25,906.0 million and S/23,300.0 million, respectively.

At the Board meetings held on April 27, 2023 and April 28, 2022, the decision was made to transfer from "Retained earnings" to "Reserves" S/2,593.6 million and S/2,354.9 million, respectively. The Board of Directors also unanimously approved to transfer to other reserves the amount of S/11.6 million, for dividends payable to shareholders with more than 6 years of seniority, see note 7(i).

c) Dividend distribution -

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

	2023 S/000	2022 S/000
Date of Meeting - Board of Directors	27.04.2023	28.04.2022
Dividends distribution	2,359,558	1,415,734
Payment of dividends per share (in Soles)	25.0	15.0
Date of dividends payout	09.06.2023	10.06.2022
Exchange fixing rate published by the SBS	3.6901	3.7560
Dividends payout (equivalent in thousands of US$)	639,429	376,926

9 TAX SITUATION

Credicorp is not subject to income tax or any taxes on capital gains, equity or property in Bermuda.

In accordance with current Peruvian legislation, there is no restriction for overseas remittance of dividends or the repatriation of foreign investment. As of December 31, 2023 and 2022, dividends paid by the Peruvian subsidiaries to Credicorp are subject to a 5.00 percent withholding tax. As of December 31, 2023, the expense for provision income tax for withholding dividends of the company amounts to S/209.2 million (S/168.3 million as of December 31, 2022).

10 TRANSACTIONS WITH RELATED PARTIES

a) The following table shows the main transactions with related parties as of December 31, 2023 and 2022:

	Note	2023	2022
		S/000	S/000
Statement of financial position -			
Cash and cash equivalents (i)			
Banco de Crédito del Perú		511,606	136,108
ASB Bank Corp.		18,167	291
Total		529,773	136,399
Investments at fair value through other comprehensive income -			
Debt instruments			
Pacífico Compañía de Seguros y Reaseguros		15,010	15,262
Mibanco S.A.		8,119	7,224
Equity instruments			
Alicorp S.A. (*)	5(b)	146,383	156,839
Inversiones Centenario S.A.A. (*)		135,861	126,804
Compañía Universal Textil S.A. (*)		208	215
Total		305,581	306,344
Investments in subsidiaries -		36,150,565	33,878,318
Bonds and notes issued -			
Banco de Crédito del Perú		66,425	68,522
ASB Bank Corp.		23,949	-
Total		90,374	68,522
Payables to related parties -			
Banco de Crédito del Perú		-	48
Credicorp Capital Servicios Financieros		20	20
Credicorp Capital Sociedad Agente de Bolsa		3	3
Total		23	71

(*) Related companies

(i) As of December 31, 2023 and 2022, the Company maintains current accounts in soles and U.S. dollars, which are cash in hand and accrue interest. See Note 4.

	2023	2022
	S/000	S/000
Statement of comprehensive income		
Net share of the income from investments in subsidiaries	5,439,451	5,156,494
Other comprehensive income	884,292	(898,920)
Administrative and general expenses	(1,847)	(1,871)
Similar income and expenses	3,569	(8,853)

b) Management considers that the transactions between the Company and its related parties have been carried out in the normal course of business and on terms not less favorable than if they had been carried out with unrelated third parties. The taxes resulting from these transactions, as well as the basis for their calculation, are settled according to current tax regulations.

c) Credicorp Ltd., following IAS 24 "Related Party Disclosures" it has not reported expenses for Management payroll. In addition, as of December 31, 2023 and 2022 the Company's policy is not to pay any remuneration to the members of the Board of Directors.

11 FINANCIAL RISK MANAGEMENT

Due to the nature of its activities, the Company is exposed to the following risks: credit, market (interest rate, exchange rate and prices) and liquidity, which are managed through the process of identification, measurement and continued monitoring, subject to risk limits and other controls. This risk management process is critical to the continued profitability of the Company; therefore, the analysis and management of its financial risks is supported by BCP.

a) Risk management structure –

The risk management structure is supported by the Board of Directors and Management of BCP, which are responsible for identifying and controlling risks together with other supporting areas, as explained below:

i) Board of Directors -

The Board of Directors is responsible for the overall approach to risk management, providing the principles for management as well as policies covering specific areas, such as the foreign exchange risk, interest rate risk, credit risk and liquidity risk.

ii) Risk Committee of Credicorp -

It represents the Board of Directors of Credicorp and proposes the levels of risk appetite for Credicorp Ltd. In addition, it is aware of the level of compliance of the risk appetite and the level of exposure assumed by the Company and the relevant improvements in integral management of risks.

iii) 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 the company. In addition, it proposes to the Credicorp Risk Committee the risk appetite levels for Credicorp Ltd.

iv) Internal audit -

BCP's Internal Audit area is responsible for supervising the operation of the internal control systems and the Company's financial information.

The risk management processes of the Company are monitored by BCP's Internal Audit area, which analyzes both the adequacy of procedures and their compliance.

Internal Audit discusses the results of its assessments with management and reports its findings and recommendations to the Company's Board.

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.

Credit risk -

The assets of the Company that are potentially exposed to significant concentrations of credit risk include cash and cash equivalents, receivables from related parties and investments at fair value through profit or loss. The magnitude of the maximum exposure to credit risk of the Company is represented by the balance of the aforementioned items at the date of the statement of financial position.

As of December 31, 2023 and 2022, 100.00 percent of cash was in entities which are part of Credicorp and subsidiaries.

Accordingly, in the opinion of management, the Company does not have any concentration that represents a significant credit risk on the above dates.

Market risk –

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: (i) exchange rate risk, (ii) interest rate risk, and (iii) prices. All financial instruments of the Company are affected by these risks.

i) Exchange rate risk -

Exchange rate risk is produced by changes in fair value of future cash flows arising from a financial instrument due to fluctuations in the exchange rate. The Administration and Finance Management has the responsibility to identify, measure, control and communicate the Company’s exposure to global exchange rate risk.

As of December 31, 2023, the free market exchange rate for buying and selling transactions for each U.S. dollars, the main foreign currency held by the Company, was S/3.709 (S/3.814 as of December 31, 2022).

As of December 31, 2023 and 2022 the Company had the following assets and liabilities denominated in U.S. dollars:

	2023 US$000	2022 US$000
Assets		
Cash and cash equivalents	16,217	25,727
At fair value through profit or loss	135,084	251,426
At fair value through other comprehensive income	204,050	4,003
Other assets	45,019	8
	500,370	281,164
Liabilities		
Bonds and notes issued	(484,998)	(497,658)
Other liabilities	(9,944)	(12,499)
	(494,942)	(510,157)
Hedges of net investments in foreign businesses (*)	-	228,828
Net monetary position	5,428	(165)

(*) In December 2023, Credicorp Ltd. decided to unwind the accounting hedge of the net investment abroad held for a portion of these bonds issued for approximately US$228.8 million (US$228.8 million, equivalent to S/872.8 million as of December 31, 2022), which hedges for the same amount the exposure of the net investment in the subsidiary Atlantic Security Holding Corporation (ASHC), incorporated in Cayman Islands and whose functional currency is the US Dollar. This hedge hedges the exchange rate fluctuation risk associated with the translation of the net investment held in ASHC to the Group's functional currency (in Soles).

ii) Interest rate risk -

The Company does not have financial instruments which generate or pay significant interest rates; therefore, Management considers that fluctuations in the interest rate will not affect significantly the Company's operations. Furthermore, as part of Credicorp, the Company has access to financial instruments at market rates, when necessary.

iii) Price risk -

During 2020, within a context of high uncertainty due to COVID-19 crisis, Credicorp Ltd. issued Senior Notes for approximately US$500.0 million in order to maintain high capitalization capacity of its subsidiaries and to take advantage of opportunities in the market. In order to reduce financial impact as a result of the expenses generated by the bond issued, the company has been investing said funds in high quality assets and with volatility parameters, credit risk and duration consistent with the objective of profitability with limited risk of losses that affect its repayment capacity. Portfolio results are reviewed monthly and annual reviews of its composition are carried out. The assets which the company currently invests in are mainly mutual funds and mandates, in charge of managers with a proven track record in the selected classes. In terms of vehicles, mutual funds investments and direct investments are made on Credicorp Ltd.'s books, while investments through mandates are made in Atlantic Security Financial Servicies.

Liquidity risk -

Liquidity risk is the risk that the Company is unable to meet its short-term payment obligations associated with its financial liabilities when they fall due. In this regard, the Company that is facing a liquidity crisis would be failing to comply with the obligations to pay to bond holders.

Corporate policies have been implemented for liquidity risk management by the Company. Risk Management heads set up limits and autonomy models to determine the adequate liquidity indicators to be managed.

12 COMMITMENTS AND CONTINGENCIES

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 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 Pacífico) made donations totaling S/711,000 (approximately US$200,000) to the “Peruanos Por el Kambio” campaign. These contributions were made within the framework of 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 Pacífico), 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 Pacífico 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 Pacífico appealed the Resolutions. Since the appeals were not resolved within the term provided by law, Credicorp and each of the three subsidiaries proceeded to file a contentious-administrative lawsuit against the SMV's Resolution (due to negative administrative silence). However, both Credicorp and its three subsidiaries proceeded to pay the fines imposed by the SMV, in compliance with Peruvian law. To date, the contentious-administrative actions are pending before the Judicial Branch.

Credicorp believes that neither the contributions made nor the sanctioning processes related to the SMV represent a significant risk of material liability for the Company or could have a negative effect on the Company's business or financial situation, since the fines imposed by the SMV have already been paid.

On November 11, 2021, Credicorp disclosed that its incoming CEO, Mr. Gianfranco Ferrari de las Casas, 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. To date, Mr. Gianfranco Ferrari de las Casas is still included in the aforementioned preparatory investigation in relation to the Olmos Project. Mr. Ferrari de las Casas has presented, as a procedural defense, the respective exceptions of statute of limitations and inadmissibility of the action, in order to be excluded from the criminal proceeding.

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 specialized 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.

13 SUBSEQUENT EVENTS

The Company have evaluated the period after the closing of the financial statements and have determined that there are no subsequent events or transactions that require recognition or disclosure in the financial statements as of December 31, 2023.

E002-0035

COLEGIO DE CONTADORES PÚBLICOS DE LIMA

Constancia de Habilitación

El Decano y el Director Secretario del Colegio de Contadores Públicos de Lima, que suscriben, declaran que, en base a los registros de la institución, se ha verificado que:

TANAKA VALDIVIA & ASOCIADOS SOCIEDAD CIVIL DE RESPONSABILIDAD LIMITADA

N.º MATRICULA: S0761

Se encuentra **HABIL**, para el ejercicio de las funciones profesionales que le faculta la Ley N.º 13253 y su modificación Ley N.º 28951 y conforme al Estatuto y Reglamento Interno de este Colegio; en fe de lo cual y a solicitud de parte, se le extiende la presente constancia para los efectos y usos que estime conveniente.

Esta constancia tiene vigencia hasta el 31 DICIEMBRE 2024.

Lima, 20 DE JULIO 2023.

Velasquez Soriano

CPC. RAFAEL ENRIQUE VELASQUEZ SORIANO
DECANO

CPC. DAVID EDUARDO BAUTISTA IZQUIERDO
DIRECTOR SECRETARIO

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