Translation of independent auditor's report and consolidated financial statements originally issued in Spanish - Note 33

Intercorp Financial Services Inc. and Subsidiaries

Consolidated financial statements as of December 31, 2024 and 2023, together with Independent Auditor's Report

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Translation of independent auditor's report and consolidated financial statements originally issued in Spanish – Note 33

Intercorp Financial Services Inc. and Subsidiaries

Consolidated financial statements as of December 31, 2024 and 2023, together with Independent Auditor's Report

Content

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Independent Auditor's Report

To the Shareholders and Board of Directors of Intercorp Financial Services Inc. and Subsidiaries

Opinion

We have audited the consolidated financial statements of Intercorp Financial Services Inc. and Subsidiaries (the Group), comprising the consolidated statement of financial position as of December 31, 2024, and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended; as well as the explanatory notes to the financial statements, which include a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all significant respects, the Group's consolidated financial position as of December 31, 2024, as well as its financial performance and consolidated statement of cash flows for the year then ended, in accordance with IFRS accounting standards.

Basis of the opinion

We perform our audit in accordance with the International Standards on Auditing (ISA) approved for application in Peru by the Board of Peruvian Associations of Certified Public Accountants. Our responsibilities under these standards are described in more detail in the *Auditor's Responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the International Accounting Standards Board Code of Ethics for Accountants (IESBA Code) along with ethical requirements that are relevant to our audit of financial statements in Peru, and we have fulfilled 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 more important in our audit of the financial statements for the current period. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming our opinion thereon; so we do not provide a separate opinion on these matters. Based on the above, below is how each key matter was addressed during our audit.

Independent Auditor's Report (continued)

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included conducting procedures designed to respond to the risks of material misstatement assessed in the consolidated financial statements. The results of the audit procedures, including the procedures performed to address the matters mentioned below, form the basis for the audit opinion on the accompanying consolidated financial statements.

Key Audit Matter	Audit response
Information Technology (IT) Environment The Group's activities depend to a large extent on the efficient and continuous operation of information technology systems and technology infrastructures, which encompass a large number of IT applications and systems for the processing of all its operations, accounting records and preparation of its consolidated financial statements. The Group's IT system consists of a set of complex computer applications, essential in the Group's various business operations. IT environment controls include: IT governance, overall IT controls over program development and changes, access to programs and data, and IT operations, therefore, such controls must be designed and operated effectively with the aim of ensuring the integrity of accounting records and accurate financial reports, in this way mitigate the potential risk of fraud or error. As same of importance are executed calculations of systems, other IT application controls, and interfaces between IT systems. Therefore, we consider the information technology environment as a key matter, given that the reliability and security of IT key systems plays a fundamental role in ensuring the correct treatment	Assisted by our Information Technology specialists, our audit efforts focused on the Group's key systems, carrying out, among others, the following procedures: - We evaluated and tested overall IT controls by performing: an understanding of IT governance, reviewing key (including compensatory) controls over application and data access management, application changes and developments, and IT operations. - We tested application controls, considering the design and operational effectiveness of critical automated controls to data processing, accounting records and the preparation of the consolidated financial statement. With respect to identified control deficiencies, we tested the design and operational effectiveness of compensation controls.

Independent Auditor's Report (continued)

Key Audit Matter	Audit response
of data processing, accounting records and preparation of consolidated financial statements, that is, they depend to a large extent on automated controls over information systems, so, there is a risk that breaches in the IT control environment could result in financial accounting and information records being materially incorrect.	
Expected loss estimate for loan portfolio	
As described in notes 3.4(i)(ii), 6 and 29.1(d) of the consolidated financial statements, the expected loss estimate for the loan portfolio is calculated using an expected credit loss (ECL) model, which determines the losses expected to arise for loans as a result of an increase in risk, from the initial date of the loan or when there is objective evidence of impairment. The estimate ECL is measured: to 12 months; or during the expected life of the credit. ECL considers key elements, such as: probability of default (PD), exposure to default (EAD) and loss from default (LGD); these are based on predictable information about past events, current conditions and forward-looking information. When estimating the expected loss the Group considers three scenarios (optimistic, base and pessimistic), each of these scenarios is associated with different probabilities of default. When relevant, the assessment of these scenarios also incorporates the expectation of recovery of nonperforming loans, including the probability that the loans will be cured, and the value of the warranty or the amount received when selling the asset.	We gained an understanding, evaluated the design and tested the operational effectiveness of the controls of the provision for loan portfolio ECL estimation process, which included: - Evaluation Methodology and criteria established for the calculation according to IFRS accounting standards. - Evaluation of the model, premises and significant assumptions established by the Group in the calculation. - Identification of deterioration indicators and determination of significant changes in credit risk. - Integrity and accuracy of the database in the Group's systems. - Calculation of the expected credit loss estimation for loan portfolio. - Disclosure in the notes to the consolidated financial statements. In addition, assisted by our specialists, we carried out detailed substantive procedures, which included:

Independent Auditor's Report (continued)

Key Audit Matter	Audit response
Significant assumptions and judgments with respect to the estimate include (i) determining when a loan has experienced a significant increase in credit risk; (ii) forecasting forward-looking information for multiple economic scenarios and weighting the probability of those scenarios; (iii) the calculation of credit losses of 12 months and over the expected life of the credit agreement; and (iv) the application of the credit expert judgment, specifically for the potential impairment that could be caused by the withdrawals of Compensation for Service Time (CTS) and funds managed by the Administrators of Private Pension Funds (AFP), which generate an "artificial" improvement of the credit score. Therefore, we consider that the ECL for the loan portfolio is a key audit matter; since changes in assumptions could have a material impact on the calculation of provision; in addition, the determination of accounting figures requires the participation of specialists due to the inherent complexity of models, assumptions, judgments, the prospective nature of key assumptions and the interrelationship of critical variables in measurement.	- We assessed whether the methodology, premises and assumptions used in models estimating ECL are consistent with the requirements of IFRS accounting standards and industry standards. - We assessed significant changes in trigger the factors of the credit risk, methodology forecasts and compare the Group's forward-looking information with publicly available information from independent sources. - We tested the completeness and accuracy of the data used in the calculation of the provision against the source systems and related documentation. - We independently tested the calculation of ECL and their respective risk parameters. - We evaluated the adequacy of disclosures in the notes to the consolidated financial statements.
Construction of the discount rate of the liability for insurance contracts corresponding to the pension business of Liability for Remaining Coverage (LRC) under General Model	
As described in notes 3.4(d) and 14 of the consolidated financial statements, the insurance contract liability is a material figure in the consolidated financial statements and amounts to S/12,524,320,000, and its estimate is based	We obtained an understanding, evaluated the design and tested the operational effectiveness of the controls of the valuation process in the pensions business of the liability for remaining

Independent Auditor's Report (continued)

Key Audit Matter	Audit response
mainly on: (i) the determination of the measurement models by business (general model or building-block approach- BBA, variable fee approach - VFA and the simplified model - PPA) and (ii) the definition of the discount rate. With respect to the portfolio of insurance contract liabilities that includes pensions, life and massive, the key matter is in the determination of the discount rate applied to pension insurance contract business of the remaining coverage (LRC) due to: - - The valuation of said business is carried out using assumptions and actuarial data, which comprise mortality tables and discount rates. - The Group uses the Matching Adjustment (MA) methodology to construct the discount rate for the subsequent measurement of liabilities by the General Model (BBA), which requires data from various internal and external sources for its construction. - Any change in the assumptions and data incorporated by the sources could have material effects on the valuation of said liabilities. - The determination of liabilities under the General Model is complex and requires the participation of actuarial specialists.	coverage (LRC) by General Model, which included: - Evaluation methodology and criteria established for the calculation according to actuarial methods that are accepted by IFRS 17. - Evaluation of the actuarial model, premises and assumptions of general acceptance, established by the Group. - Integrity and accuracy of the database used in the Group's information systems to manage, calculate and sensitize of these liabilities. - Evaluation of the construction of the rate in the pension business of liability remaining coverage (LRC) for the use of internal and external data. - Calculation review of the estimate of valuation of liabilities. - Disclosure review in the notes to the consolidated financial statements. In addition, assisted by our actuarial specialists, we performed detailed substantive procedures, including: - We evaluated the methodology defined by the Group on actuarial models and assumptions, which are consistent with the application of IFRS 17. - We independently evaluated the model and actuarial assumptions used in the calculation. - We evaluated the reasonableness of the assumptions and their adequacy.

Independent Auditor’s Report (continued)

Key Audit Matter	Audit response
	- We tested the completeness and accuracy of the data of the units of account, as well as the variables used in the calculation. - We evaluated the appropriate determination of the discount rate used in the calculations. - We independently tested the calculation made by the Group. - We evaluated the proper movement of liabilities considering changes in actuarial assumptions at the end of the year. - We evaluated the sensitivity of changes in certain variables in the determination of these liabilities. - We evaluated the adequacy of disclosures in the notes to the consolidated financial statements.

Other information included in the Group's 2024 Annual Report

Other information consists of the information included in the Group's Annual Report other than the consolidated financial statements or our audit report thereon. Management is responsible for other information.

Our opinion on the consolidated financial statements does not cover other information and we do not express any form of conclusion that provides a degree of assurance thereon.

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

Independent Auditor's Report (continued)

Responsibilities of the Group's Management and responsible of the Group's corporate governance in relation to the consolidated financial statements

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

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

Those responsible for the Group's corporate governance are responsible for supervising the Group's financial reporting process.

Auditor's responsibilities in relation to the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance as to whether the consolidated 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 carried out in accordance with ISAs approved for application in Peru will always detect a material misstatement where it exists. Inaccuracies may arise due to fraud or error and are considered material if, individually or cumulatively, they could reasonably be expected to influence the economic decisions users make based on the consolidated 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 Peruvian Associations of Certified Public Accountants, we exercise professional judgment and maintain professional skepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement in the consolidated 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 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.

Independent Auditor's Report (continued)

- We gained an understanding of the 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 Group'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 suitability of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether there is material uncertainty related to events or conditions that may raise significant doubts about the Group's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our audit report to disclosures relating to the consolidated financial statements or, if such disclosures are inadequate to modify our opinion. Conclusions are based on audit evidence obtained to date from our audit report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- We evaluate the general presentation, structure, content of the consolidated financial statements, including disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves a reasonable presentation.

We communicate to the responsible of the Group'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 responsible of the Group's corporate governance with a statement that we have complied with the applicable ethics requirements in relation to independence and that we have disclosed all relationships and other matters that could reasonably be expected to affect our independence and, where applicable, including the respective safeguards.

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Independent Auditor's Report (continued)

Among the matters that have been the subject of communication with those responsible of the Group's corporate governance, we determine those that have been of the greatest significance in the audit of the consolidated 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 prohibits public disclosure of the matter or, in extremely rare circumstances, we determine that a matter should not be communicated 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,
March 18, 2025

Countersigned by:

Tanaka, Valdivia
& Asociados

Mónica Padilla
Partner in charge
C.P.C.C. Register No. 43105

Intercorp Financial Services Inc. and Subsidiaries

Consolidated statement of financial position

As of December 31, 2024 and 2023

	Note	2024 S/(000)	2023 S/(000)
Assets			
Cash and due from banks	4(a)		
Non-interest bearing		4,021,880	3,059,226
Interest bearing		7,973,580	6,038,794
Restricted funds		619,766	720,691
		12,615,226	9,818,711
Inter-bank funds	4(e)	220,060	524,915
Financial investments	5	26,857,925	26,721,991
Loans, net:	6		
Loans, net of unearned interest		50,959,615	48,869,807
Impairment allowance for loans		(1,730,167)	(2,349,425)
		49,229,448	46,520,382
Investment property	7	1,381,788	1,298,892
Property, furniture and equipment, net	8	814,432	804,832
Due from customers on acceptances		9,163	40,565
Intangibles and goodwill, net	9	1,667,753	1,687,120
Other accounts receivable and other assets, net	10	2,670,178	2,125,148
Reinsurance contract assets	14	18,602	26,287
Deferred Income Tax asset, net	15	19,206	55,936
Total assets		95,503,781	89,624,779

	Note	2024 S/(000)	2023 S/(000)
Liabilities and equity			
Deposits and obligations	11		
Non-interest bearing		7,614,593	7,960,318
Interest bearing		46,153,435	41,227,916
		53,768,028	49,188,234
Inter-bank funds	4(e)	-	119,712
Due to banks and correspondents	12	7,562,057	9,025,930
Bonds, notes and other obligations	13	6,075,433	5,551,629
Due from customers on acceptances		9,163	40,565
Insurance and reinsurance contract liabilities	14	12,524,320	12,207,536
Other accounts payable, provisions and other liabilities	10	4,445,532	3,407,360
Deferred Income Tax liability, net	15	140,653	75,712
Total liabilities		84,525,186	79,616,678
Equity, net	16		
Equity attributable to IFS's shareholders:			
Capital stock		1,038,017	1,038,017
Treasury stock		(206,997)	(84,309)
Capital surplus		532,771	532,771
Reserves		8,300,000	6,000,000
Unrealized results, net		(187,830)	(457,793)
Retained earnings		1,439,274	2,921,531
		10,915,235	9,950,217
Non-controlling interest		63,360	57,884
Total equity, net		10,978,595	10,008,101
Total liabilities and equity, net		95,503,781	89,624,779

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

Translation of consolidated financial statements originally issued in Spanish – Note 33

Intercorp Financial Services Inc. and Subsidiaries

Consolidated statement of income

For the years ended December 31, 2024, 2023 and 2022

	Note	2024 S/(000)	2023 S/(000)	2022 S/(000)
Interest and similar income	19	7,029,391	7,120,411	5,871,302
Interest and similar expenses	19	(2,480,270)	(2,592,366)	(1,661,689)
Net interest and similar income		4,549,121	4,528,045	4,209,613
Impairment loss on loans, net of recoveries	6(d.1) and (d.2)	(1,720,179)	(1,981,818)	(830,551)
Loss due to impairment of financial investments	5(c) and 5(d)	(47,521)	(7,500)	(12,752)
Net interest and similar income after impairment loss		2,781,421	2,538,727	3,366,310
Fee income from financial services, net	20	1,142,943	1,178,462	1,137,386
Net gain on foreign exchange transactions		433,691	306,431	380,154
Net gain (loss) on sale of financial investments		26,544	6,431	(14,285)
Net gain (loss) on financial assets at fair value through profit or loss	5(e) and 10(b)	81,990	15,181	(308,256)
Net gain on investment property	7(b)	128,164	73,072	84,631
Other income	21	121,222	156,700	400,181
		1,934,554	1,736,277	1,679,811
Result from insurance activities	22	(169,789)	(178,392)	(252,854)
Other expenses				
Salaries and employee benefits	23	(955,246)	(897,275)	(870,480)
Administrative expenses	24	(1,336,954)	(1,288,862)	(1,179,788)
Depreciation and amortization	8(a) and 9(a)	(413,057)	(379,038)	(336,226)
Other expenses	21	(194,959)	(184,992)	(240,644)
		(2,900,216)	(2,750,167)	(2,627,138)
Income before translation result and Income Tax		1,645,970	1,346,445	2,166,129
Exchange difference		(24,144)	8,427	(25,478)
Income Tax	15(c)	(314,365)	(275,596)	(462,537)
Net profit for the year		1,307,461	1,079,276	1,678,114
Attributable to:				
IFS's shareholders		1,300,078	1,072,728	1,668,026
Non-controlling interest		7,383	6,548	10,088
		1,307,461	1,079,276	1,678,114
Earnings per share attributable to IFS's shareholders, basic and diluted (stated in Soles)	25	11.376	9.327	14.452
Weighted average number of outstanding shares (in thousands)	25	114,287	115,012	115,418

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

Intercorp Financial Services Inc. and Subsidiaries

Consolidated statement of other comprehensive income

For the years ended December 31, 2024, 2023 and 2022

	Note	2024 S/(000)	2023 S/(000)	2022 S/(000)
Net profit for the year		1,307,461	1,079,276	1,678,114
Other comprehensive income that will not be reclassified to the consolidated statement of income in subsequent periods:				
Gains (losses) on valuation of equity instruments at fair value through other comprehensive income	16(e)	3,048	16,220	(21,924)
Income Tax	16(e)	(1,595)	(157)	218
Total unrealized gain (loss) that will not be reclassified to the consolidated statement of income		1,453	16,063	(21,706)
Other comprehensive income to be reclassified to the consolidated statement of income in subsequent periods:				
Net movement of debt instruments at fair value through other comprehensive income	16(e)	286,738	1,134,509	(1,833,856)
Income Tax	16(e)	(3,595)	(3,645)	8,250
		283,143	1,130,864	(1,825,606)
Insurance reserves at fair value	16(e)	(61,389)	(970,191)	1,714,334
Net movement of cash flow hedges	16(e)	(18,605)	(29,112)	(62,954)
Income Tax	16(e)	1,402	6,336	8,670
		(17,203)	(22,776)	(54,284)
Translation of foreign operations	16(e)	11,747	(21,970)	(50,165)
Total unrealized gain (loss) to be reclassified to the consolidated statement of income in subsequent periods		216,298	115,927	(215,721)
Other comprehensive income for the year		217,751	131,990	(237,427)
Total comprehensive income for the year, net of Income Tax		1,525,212	1,211,266	1,440,687
Attributable to:				
IFS's shareholders		1,516,304	1,202,789	1,432,395
Non-controlling interest		8,908	8,477	8,292
		1,525,212	1,211,266	1,440,687

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

Intercorp Financial Services Inc. and Subsidiaries

Consolidated statement of changes in equity

For the years ended December 31, 2024, 2023 and 2022

	Number of shares		Attributable to IFS's shareholders												
							Unrealized results, net								
							Instruments that will not be reclassified to the consolidated statement of income	Instruments that will be reclassified to the consolidated statement of income							
	Issued (in thousands)	In treasury (in thousands)	Capital stock S/(000)	Treasury stock S/(000)	Capital surplus S/(000)	Reserves S/(000)	Equity instruments at fair value S/(000)	Debt instruments at fair value S/(000)	Insurance contracts reserves S/(000)	Cash flow hedges reserve S/(000)	Translation of foreign operations S/(000)	Retained earnings S/(000)	Total S/(000)	Non-controlling interest S/(000)	Total equity, net S/(000)
Balances as of January 1, 2022	115,447	(29)	1,038,017	(3,363)	532,771	5,200,000	(8,787)	(599,626)	(27)	44,878	261,085	2,219,902	8,684,850	49,978	8,734,828
Net profit for the year	-	-	-	-	-	-	-	-	-	-	-	1,668,026	1,668,026	10,088	1,678,114
Other comprehensive income	-	-	-	-	-	-	(21,663)	(1,821,183)	1,711,520	(54,140)	(50,165)	-	(235,631)	(1,796)	(237,427)
Total comprehensive income	-	-	-	-	-	-	(21,663)	(1,821,183)	1,711,520	(54,140)	(50,165)	1,668,026	1,432,395	8,292	1,440,687
Declared and paid dividends, Note 16(a)	-	-	-	-	-	-	-	-	-	-	-	(751,532)	(751,532)	-	(751,532)
Transfer of retained earnings to reserves, Note 16(g)	-	-	-	-	-	800,000	-	-	-	-	-	(800,000)	-	-	-
Dividends paid to non-controlling interest of Subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	(4,511)	(4,511)
Sale of equity instruments at fair value through other comprehensive income, Note 5(g)	-	-	-	-	-	-	(16,313)	-	-	-	-	16,313	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	6,755	6,755	-	6,755
Balance as of December 31, 2022	115,447	(29)	1,038,017	(3,363)	532,771	6,000,000	(46,763)	(2,420,809)	1,711,493	(9,262)	210,920	2,359,464	9,372,468	53,759	9,426,227
Net profit for the year	-	-	-	-	-	-	-	-	-	-	-	1,072,728	1,072,728	6,548	1,079,276
Other comprehensive income	-	-	-	-	-	-	16,055	1,127,246	(968,599)	(22,671)	(21,970)	-	130,061	1,929	131,990
Total comprehensive income	-	-	-	-	-	-	16,055	1,127,246	(968,599)	(22,671)	(21,970)	1,072,728	1,202,789	8,477	1,211,266
Declared and paid dividends, Note 16(a)	-	-	-	-	-	-	-	-	-	-	-	(511,788)	(511,788)	-	(511,788)
Purchase of treasury stock, Note 16(b)	-	(938)	-	(80,946)	-	-	-	-	-	-	-	-	(80,946)	-	(80,946)
Dividends paid to non-controlling interest of Subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	(4,242)	(4,242)
Sale of equity instruments at fair value through other comprehensive income, Note 5(g)	-	-	-	-	-	-	(33,433)	-	-	-	-	33,433	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	(32,306)	(32,306)	(110)	(32,416)
Balances as of December 31, 2023	115,447	(967)	1,038,017	(84,309)	532,771	6,000,000	(64,141)	(1,293,563)	742,894	(31,933)	188,950	2,921,531	9,950,217	57,884	10,008,101
Net profit for the year	-	-	-	-	-	-	-	-	-	-	-	1,300,078	1,300,078	7,383	1,307,461
Other comprehensive income	-	-	-	-	-	-	1,263	281,695	(61,299)	(17,180)	11,747	-	216,226	1,525	217,751
Total comprehensive income	-	-	-	-	-	-	1,263	281,695	(61,299)	(17,180)	11,747	1,300,078	1,516,304	8,908	1,525,212
Declared and paid dividends, Note 16(a)	-	-	-	-	-	-	-	-	-	-	-	(427,369)	(427,369)	-	(427,369)
Transfer of retained earnings to reserves, Note 16(g)	-	-	-	-	-	2,300,000	-	-	-	-	-	(2,300,000)	-	-	-
Purchase of treasury stock, Note 16(b)	-	(1,192)	-	(122,688)	-	-	-	-	-	-	-	-	(122,688)	-	(122,688)
Dividends paid to non-controlling interest of Subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,056)	(3,056)
Sale of equity instruments at fair value through other comprehensive income, Note 5(g)	-	-	-	-	-	-	53,737	-	-	-	-	(53,737)	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	(1,229)	(1,229)	(376)	(1,605)
Balance as of December 31, 2024	115,447	(2,159)	1,038,017	(206,997)	532,771	8,300,000	(9,141)	(1,011,868)	681,595	(49,113)	200,697	1,439,274	10,915,235	63,360	10,978,595

Intercorp Financial Services Inc. and Subsidiaries

Consolidated statement of cash flows

For the years ended December 31, 2024, 2023 and 2022

	2024 S/(000)	2023 S/(000)	2022 S/(000)
Cash flows from operating activities			
Net profit for the year	1,307,461	1,079,276	1,678,114
Plus (minus) adjustments to net profit			
Impairment loss on loans, net of recoveries	1,720,179	1,981,818	830,551
Loss due to impairment of financial investments	47,521	7,500	12,752
Depreciation and amortization	413,057	379,038	336,226
Provision for sundry risks	29,290	4,138	12,661
Deferred Income Tax	100,053	102,244	(442)
Net (gain) loss on sale of financial investments	(26,544)	(6,431)	14,285
Net (gain) loss of financial assets at fair value through profit or loss	(81,990)	(15,181)	308,256
Net gain for valuation of investment property	(60,260)	(7,111)	(19,146)
Net loss on sale of investment properties	3,176	-	-
Profit from sale of fixed assets	(12,879)	(15,300)	(11,780)
Fair value adjustment on the participation held by Interbank in Izipay, Note 1(b)	-	-	(222,513)
Exchange difference	24,144	(8,427)	25,478
Decrease (increase) in accrued interest receivable	58,688	(167,468)	(168,454)
(Decrease) increase in accrued interest payable	(120,753)	194,285	121,324
Net changes in assets and liabilities			
Net increase in loan portfolio	(4,523,015)	(2,883,998)	(3,204,130)
Net (increase) decrease in other accounts receivable and other assets	(245,377)	(295,748)	331,287
Net decrease (increase) in restricted funds	100,925	(246,775)	225,659
Increase (decrease) in deposits and obligations	4,687,587	503,544	(467,213)
(Decrease) increase in due to banks and correspondents	(1,445,205)	1,837,830	(1,460,227)
Increase in other accounts payable, provisions and other liabilities	1,422,823	558,971	498,321
(Increase) decrease of investments at fair value through profit or loss	(125,386)	323,112	481,087
Income Tax paid	(363,463)	(450,125)	(334,173)
Net cash provided by (used in) operating activities	2,910,032	2,875,192	(1,012,077)

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

Translation of consolidated financial statements originally issued in Spanish – Note 33

Consolidated statement of cash flows (continued)

	2024 S/(000)	2023 S/(000)	2022 S/(000)
Cash flows from investing activities			
Sale (purchase) of investments at fair value through other comprehensive income and at amortized cost	320,182	(3,120,456)	(857,589)
Purchase of property, furniture and equipment	(104,719)	(147,645)	(135,036)
Purchase of intangible assets	(245,334)	(280,388)	(227,270)
Purchase of investment property	(61,812)	(16,903)	(34,760)
Sale of investment property	39,176	-	-
Sale of property, furniture and equipment	45,462	32,667	54,313
Purchase of subsidiaries, net of cash received	-	-	(193,215)
Net cash used in investing activities	(7,045)	(3,532,725)	(1,393,557)
Cash flows from financing activities			
Dividends paid	(427,369)	(511,788)	(751,532)
Issuance of securities, bonds and obligations in circulation	1,706,371	-	-
Payments of bonds, notes and other obligations	(1,266,504)	(2,189,040)	(137,900)
Net decrease (increase) in receivable inter-bank funds	304,855	(228,796)	(266,117)
Net (decrease) increase in payable inter-bank funds	(121,438)	91,245	30,482
Purchase of treasury stock, net	(122,688)	(80,946)	-
Dividend payments to non-controlling interest	(2,911)	(4,776)	(4,174)
Lease payments	(82,644)	(89,334)	(146,982)
Net cash used in financing activities	(12,328)	(3,013,435)	(1,276,223)
Net increase (decrease) in cash and cash equivalents	2,890,659	(3,670,968)	(3,681,857)
Translation gain (loss) on cash and cash equivalents	12,496	37,403	(26,678)
Cash and cash equivalents at the beginning of the year	9,074,211	12,707,776	16,416,311
Cash and cash equivalents at the end of the year, Note 3.4(ad)	11,977,366	9,074,211	12,707,776
Supplementary cash flow information:			
Cash paid by -			
Interest	2,426,411	2,253,881	1,395,673
Dividends	430,280	516,564	755,706
Income Tax	363,463	450,125	334,173
Cash received from -			
Interest	7,025,584	6,905,711	5,620,231
Dividends received	50,862	52,215	88,236
Operations that do not generate cash flow -			
Recognition of right-of-use assets	105,860	35,901	33, 178
Effect on the participation in Izipay prior to its acquisition, Note 1(b)		-	(222,513)

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

1. **Business activity**

(a) Business activity -

Intercorp Financial Services Inc. and Subsidiaries (henceforth "IFS", "the Company" or "the Group"), is a limited liability holding company incorporated in the Republic of Panama on September 19, 2006, and is a Subsidiary of Intercorp Peru Ltd. (henceforth "Intercorp Peru"), holding of Intercorp Group, incorporated in 1997 in the Commonwealth of the Bahamas. As of December 31, 2024, Intercorp Peru holds directly and indirectly 72.47 percent of the issued capital stock of IFS, equivalent to 71.95 percent of the outstanding capital stock of IFS (71.44 percent of the issued capital stock, equivalent to 71.20 percent of the outstanding capital stock as of December 31, 2023).

IFS's legal domicile is located at Av. Carlos Villarán 140 Urb. Santa Catalina, La Victoria, Lima, Peru.

As of December 31, 2024 and 2023, IFS holds 99.31 percent and 99.30 percent of the capital stock of Banco Internacional del Peru S.A.A. – Interbank (henceforth "Interbank"), respectively, 99.85 percent and 99.84 percent of the capital stock of Interseguro Compañía de Seguros S.A. (henceforth "Interseguro"), respectively, 100 percent of the capital stock of Inteligo Group Corp. (henceforth "Inteligo") and 100 percent of Procesos de Medios de Pago and its subsidiary Izipay S.A.C (henceforth and together "Izipay"), acquired in April 2022, see (d).

The operations of Interbank, Interseguro and Izipay are concentrated in Peru, while the operations of Inteligo and its Subsidiaries (Interfondos S.A. Sociedad Administradora de Fondos, Inteligo Sociedad Agente de Bolsa S.A. and Inteligo Bank Ltd.) are mainly concentrated in Peru and Panama.

The main activities of IFS's Subsidiaries and their assets, liabilities, equity, operating income, net income, balances and other relevant information are presented in Note 2.

The consolidated financial statements of IFS and Subsidiaries as of December 31, 2023, and for the year then ended, were approved by the General Shareholders' Meeting held on April 1, 2024. The consolidated financial statements as of December 31, 2024, and for the year then ended, have been approved and authorized for issuance by Management and the Board of Directors on March 18, 2025, and will be submitted for approval by the General Shareholders' Meeting that will be held within the deadline established by law.

(b) Acquisition of Procesos de Medios de Pago S.A. and Subsidiary Izipay S.A.C. ("Izipay")

Until March 2022, the Group (through its subsidiary Interbank) held 50 percent of Izipay. In April 2022, IFS acquired the remaining 50 percent of Izipay's capital stock, thus completing the 100 percent of its capital stock. The amount paid by IFS amounted to US$83,775,000 (equivalent to approximately S/312,647,000). The economic activity of the acquired companies is explained in greater detail in Note 2(g).

The acquisition made by IFS was recorded using the "Step acquisition" accounting method, pursuant to IFRS 3 "Business Combinations". According to this method, the acquirer company must readjust to fair value the previously held equity interest in the acquiree entities. Additionally, assets and liabilities must be recorded at their fair values estimated at the acquisition date, including the identified intangible assets and the resulting goodwill that were not recorded in the statements of financial position of each acquired entity. As of December 31, 2024, goodwill amounts to S/238,429,000.

As a result of the acquisition and pursuant to the accounting regulation in force, the previous participation was adjusted to its fair value with an effect of S/222,513,000, recorded in September 2022 and presented in the caption "Other income" of the consolidated statement of income, see Note 21. The expenses associated with the acquisition of approximately S/381,000 were presented in the caption "Administrative expenses" of the consolidated statement of income.

2. Subsidiaries

IFS's Subsidiaries are the following:

(a) Banco Internacional del Peru S.A.A. - Interbank and Subsidiaries -

Interbank is incorporated in Peru and is authorized by the Superintendencia de Banca, Seguros y AFP (henceforth "SBS") to operate as a universal bank in accordance with Peruvian law. The Interbank's operations are governed by the General Act of the Banking and Insurance System and Organic Act of the SBS – Act No. 26702 and its amendments (henceforth "the Banking and Insurance Act"), that establishes the requirements, rights, obligations, restrictions and other operating conditions that financial and insurance entities must comply with in Peru.

As of December 31, 2024, Interbank has 149 offices (153 offices as of December 31, 2023). Additionally, it holds approximately 100 percent of the shares of the following Subsidiaries:

Entity	Activity
Internacional de Títulos Sociedad Titulizadora S.A. - Intertítulos S.T.	Manages securitization funds.
Compañía de Servicios Conexos Expressnet S.A.C.	Services related to credit card transactions or products related to the brand "American Express".

(b) Interseguro Compañía de Seguros S.A. and Subsidiary -

Interseguro is incorporated in Peru and its operations are governed by the Banking and Insurance Act. It is authorized by the SBS to issue life and general risk insurance contracts.

Interseguro holds participations in Patrimonio Fideicometido D.S.093-2002-EF, Interproperties Peru (henceforth "Patrimonio Fideicometido – Interproperties Peru"), that is a structured entity, incorporated in April 2008, and in which several investors (related parties to the Group) contributed investment properties. Each investor or investors have ownership of and specific control over the contributed investment property. The fair values of the properties contributed by Interseguro that were included in this structured entity as of December 31, 2024 and 2023, amounted to S/89,124,000 and S/85,272,000, respectively; see Note 7. For accounting purposes and under IFRS 10 "Consolidated Financial Statements" the assets included in said structure are considered "silos", because they are ring-fenced parts of the wider structured entity (the Patrimonio Fideicometido - Interproperties Peru). IFS has ownership and decision-making power over these properties and the Group has the exposure or rights to their returns; therefore, IFS consolidates the silos containing the investment properties that it controls.

(c) Inteligo Group Corp. and Subsidiaries -

Inteligo is incorporated in the Republic of Panama. As of December 31, 2024 and 2023, it holds 100 percent of the shares of the following Subsidiaries:

Entity	Activity
Inteligo Bank Ltd.	It is incorporated in The Commonwealth of the Bahamas and has a branch established in the Republic of Panama that operates under an international license issued by the Superintendence of Banks of the Republic of Panama. Its main activity is to provide private and institutional banking services, mainly to Peruvian citizens.
Inteligo Sociedad Agente de Bolsa S.A.	Brokerage firm incorporated in Peru.
Inteligo Peru Holding S.A.C.	Financial holding company incorporated in Peru in December 2018. As of December 31, 2024 and 2023, it holds 99.99 percent interest in Interfondos S.A. Sociedad Administradora de Fondos, company that manages mutual funds and investment funds.
Inteligo USA, Inc.	Incorporated in the United States of America in January 2019, provides investment consultancy and related services.

(d) Negocios e Inmuebles S.A. -

Negocios e Inmuebles is incorporated in Peru, was acquired by IFS as part of the purchase of Seguros Sura and Hipotecaria Sura in year 2017; Note 9(b). As of December 31, 2024 and 2023, Negocios e Inmuebles S.A., holds 8.50 percent of Interseguro's capital stock .

(e) San Borja Global Opportunities S.A.C. -
San Borja Global Opportunities is incorporated in Peru. Its corporate purpose is the marketing of products and services through Internet, telephony or related and it operates under the commercial name of Shopstar (online Marketplace) dedicated to the sale of products from different stores locally.

(f) IFS Management S.A.C. (before IFS Digital S.A.C.) –
IFS Management is incorporated in Peru. Its corporate purpose is to perform any type of investments and related services.

(g) Procesos de Medios de Pago S.A. and subsidiary Izipay S.A.C. (Izipay) –
Both companies were acquired in April 2022, as detailed in Note 1(b). Procesos de Medios de Pago is dedicated to the development, management and operation of the shared service of transaction processing of credit and debit cards, through the acquirer role for the brands MasterCard, Visa and other private brands; also, it renders the processing service, through the issuer role, to entities of the financial system. Izipay is dedicated to the facilitation of payments and services, offering its services of technological, operating and safety infrastructure through the affiliation of commercial stores, as well as installation and maintenance of infrastructure for transactions through the electronic commerce modality, interconnected with the networks of payment methods processors.

As indicated in Note 1(b), in April 2022, IFS acquired control of Izipay, becoming it its subsidiary. Since then, Izipay consolidates its financial information together with IFS.

The table below presents a summary of the consolidated financial statements of the main Subsidiaries, before adjustments and eliminations for consolidation, as of December 31, 2024 and 2023, in accordance with the IFRS. Additionally, for information on business segments, see Note 27:

	Interbank and Subsidiaries		Interseguro		Inteligo and Subsidiaries	
	2024 S/(000)	2023 S/(000)	2024 S/(000)	2023 S/(000)	2024 S/(000)	2023 S/(000)
Consolidated statement of financial position -						
Cash and due from banks	11,666,498	8,598,513	203,945	266,311	533,575	844,965
Financial Investments	11,187,487	11,964,232	13,669,514	12,776,783	1,986,408	1,855,074
Loans, net	47,607,947	45,004,811	-	-	1,622,503	1,519,659
Investment property	-	-	1,381,788	1,298,892	-	-
Total assets	73,626,419	68,437,614	15,706,165	14,741,746	4,316,010	4,374,266
Deposits and obligations	51,144,356	46,053,607	-	-	2,929,343	3,311,719
Due to banks and correspondents	6,963,726	8,669,331	301,139	215,560	265,772	84,004
Bonds, notes and other obligations	4,669,116	4,253,188	335,007	244,599	-	-
Insurance contract liabilities	-	-	12,385,525	12,068,741	-	-
Total liabilities	64,753,475	60,380,895	14,526,553	13,709,303	3,271,899	3,453,408
Equity attributable to IFS's shareholders	8,872,944	8,056,719	1,179,612	1,032,443	1,044,111	920,858
Consolidated statement of income -						
Net interest and similar income	3,752,432	3,712,220	771,400	778,649	69,694	85,556
(Loss) recovery due to impairment on loans, net of recoveries	(1,719,913)	(1,981,988)	-	-	(266)	170
(Loss) recovery due to impairment of financial investments	(982)	15	(45,910)	(7,858)	(585)	347
Net gain of investment property	-	-	60,260	7,111	-	-
Fee income from financial services, net	791,815	813,279	(10,628)	(13,431)	170,955	146,223
Result from insurance activities	-	-	(169,750)	(178,379)	-	-
Net profit for the year attributable to IFS's shareholders	1,007,353	856,149	269,568	359,550	137,336	36,180

3. Significant accounting policies

3.1 Basis of presentation -

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards and are presented in Soles, which is the functional currency of the Group. All values are rounded to the nearest thousand (S/(000)), except when otherwise indicated.

The preparation of the consolidated financial statements in conformity with the IFRS Accounting Standards, requires Management to make estimations and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, as well as the disclosure of significant events in the notes to the consolidated financial statements; see Note 3.6.

3.2 Adoption of new standards and disclosures -

In these consolidated financial statements, the Group has not early adopted any standard, interpretation or amendment that was issued but is not yet effective.

On the other hand, since January 1, 2023, the Group is applying IFRS 17 "Insurance Contracts" (henceforth "IFRS 17"), as allowed by the standard, it was implemented by the Group by reformulating the comparative information of the period 2022 for insurance contract within the scope of IFRS 17. Differences arising due to the adoption of IFRS 17 were recognized directly in retained earnings as of January 1, 2022. Therefore, information of the year 2022 is presented according to IFRS 17, whose accounting policy is described in Note 3.4(d) and is comparable to information of the years 2023 and 2024.

The following standards, interpretations or modifications are applied for the first time in 2024 but, have not had a significant impact on the Group's consolidated financial statements.

- Amendments to IFRS 16 "Leases": Lease Liability in a Sale and Leaseback

  The amendments specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains. These amendments had no impact on the Group's consolidated financial statements.

- Amendments to IAS 1 "Presentation of Financial Statements": Classification of Liabilities as Current or Non-current

  The amendments specify the requirements for classifying liabilities as current or non-current. The amendments clarify:
  - What is meant by a right to defer settlement
  - That a right to defer must exist at the end of the reporting period
  - That classification is unaffected by the likelihood that an entity will exercise its deferral right
  - That only if an embedded derivative in a convertible liability is itself an equity instrument, would the terms of a liability not impact its classification

In addition, an entity is required to disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.
These amendments had no impact on the Group's consolidated financial statements.

- Amendments to IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments: Disclosures": Supplier finance arrangements
  The amendments clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. These amendments had no impact on the Group's consolidated financial statements.

3.3 Basis of consolidation -
The consolidated financial statements comprise the financial statement of IFS and its Subsidiaries (see Note 2).

For consolidation accounting purposes, control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns. Specifically, the Group controls an investee if and only if the Group 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.

Generally, it is presumed that a majority of voting rights entitles to control. To support this presumption and when the Group has less than the majority of votes or similar rights in the investee, the Group 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; and
- The Group's voting rights and potential voting rights.

The Group assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation with a Subsidiary begins when the Group obtains control over the Subsidiary and ceases when the Group loses control of the Subsidiary. Assets, liabilities, income and expenses of a acquired or disposed subsidiary during the year are included in the consolidated financial statements from the date the Group acquired control until the date the Group ceases the control of the subsidiary.

Profit and loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the Group's parent Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statement of Subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are totally eliminated on consolidation.

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

Assets in custody or managed by the Group, such as investment funds and others, are not part of the Group's consolidated financial statements; see Note 3.4(ac).

3.4 Summary of material accounting policies -

(a) Foreign currency translation -

Functional and presentation currency:

The Group has determined that its functional and presentation currency is the Sol, because it reflects the economic substance of the underlying events and circumstances relevant to most of the Group's entities, insofar as its main operations and/or transactions, such as loans granted, financing obtained, sale of insurance premiums, interest and similar income, interest and similar expenses and an important percentage of purchases are established and settled in Soles; in addition, it corresponds to the functional currency to most of the Subsidiaries; except for Inteligo Bank, whose functional currency is the US Dollar.

Because Inteligo Bank has a functional currency different from the Sol, its balances were translated for consolidation purposes using the methodology established by IAS 21 "The Effects of Changes in Foreign Exchange Rates", as follows:

- Assets and liabilities at the closing rate at the date of each consolidated statement of financial position.
- Income and expenses, at the average exchange rate for each month.

As a result of the translation, the Group has recorded the difference in the caption "Exchange differences on translation of foreign operations" in the consolidated statement of other comprehensive income.

Foreign currency balances and transactions:

Foreign currency transactions and balances are those performed in currencies different from the functional currency. Transactions in foreign currencies are initially recorded in the functional currency using the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the exchange rate in effect on the reporting date. The differences between the closing rate at the date of each consolidated statement of financial position presented and the exchange rate initially used to record the transactions in foreign currency are recognized in the consolidated statement of income in the period in which they arise, in the caption "Translation result". Non-monetary assets and liabilities acquired in a foreign currency are recorded at the exchange rate at the date of the initial transaction.

(b) Interest income -

(b.1) Effective interest rate method -

Under IFRS 9 "Financial Instruments", interest income is recorded using the effective interest rate ("EIR") method for all financial assets measured at amortized cost, interest rate derivatives for which hedge accounting is applied and the related amortization/recycling effect of hedge accounting. The interest income of financial assets that accrue interest measured at fair value through other comprehensive income according to IFRS 9 is also recorded using the EIR method. Interest expenses are also calculated using the EIR method for all financial liabilities held at amortized cost. EIR is the rate that exactly discounts estimated future cash flows through the expected life of the financial instrument or, when appropriate, a shorter period at the net carrying amount of the financial asset.

The EIR (and therefore, the amortized cost of the financial asset) is calculated by taking into account transaction costs and any discount or premium on the acquisition of the financial asset, as well as fees and costs that are an integral part of the EIR. The Group recognizes interest income using the best estimate of a constant rate of return over the expected life of the financial asset. Therefore, the EIR calculation also considers the effect of potentially different interest rates that may be charged at various stages of the financial asset's expected life, and other characteristics of the product's life cycle (including prepayments, penalty interest and charges).

If expectations of fixed rate financial assets' or liabilities' cash flows are revised for reasons other than credit risk, then changes to future contractual cash flows are discounted at the original EIR, and the adjustment is recorded as a positive or negative adjustment of the carrying amount of the financial asset in the consolidated statement of financial position with an increase or decrease in Interest revenue.

For floating-rate financial instruments, periodic re-estimation of cash flows to reflect the movements in the market rates of interest also alters the effective interest rate, but when instruments were initially recognized at an amount equal to the principal, re-estimating the future interest payments does not significantly affect the carrying amount of the asset or the liability.

(b.2) Interest income and similar -

The Group calculates the interest income by applying the EIR to the gross carrying amount of non-impaired financial assets.

When a financial asset becomes impaired, and, therefore, it is classified as Stage 3 (as established in Note 3.4(h)), the Group calculates the interest income by applying the EIR at the amortized cost of the asset. If the financial assets "recover", as detailed in Note 29.1(d), and is no longer impaired, the Group recalculates the interest income in gross figures.

For purchased or originated credit-impaired (POCI) assets, as established in Note 29.1(d), the Group calculates the interest income by determining the credit-adjusted EIR at the amortized cost of the asset. The credit-adjusted EIR is the interest rate that, in the initial recognition, discounts the estimated future cash flows (including credit losses) at the amortized cost of POCI assets.

The interest income for all trading assets, that is, for those that are measured at fair value through profit or loss, are presented under the caption "Net gain of financial assets at fair value through profit or loss" of the consolidated statement of income.

(c) Banking services commissions -

The Group earns fee and commission income from a diverse range of financial services it provides to its customers. Fee and commission income are recognized at an amount that reflects the consideration to which the Group expects to be entitled in exchange for providing the services.

The performance obligations, as well as the timing of their satisfaction, are identified and determined at the inception of the contract. The Group's income from contracts do not typically include multiple performance obligations.

When the Group provides a service to its clients, the consideration is invoiced and generally due immediately upon satisfaction of a service provided at a point in time or at the end of the contract period for a service provided over time.

The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the services before transferring them to the customer.

The fees included in the caption "Fees for banking services, net" that make up part of the consolidated statement of income include fee income where performance obligations are satisfied at a specific time or over a period of time.

Fee income where performance obligations are satisfied over a period of time include, among others, collection services, funds management, memberships, fees for contingent loans and credit card insurance. Likewise, fee income where performance obligations are satisfied at a specific time include, among others, banking service fees, brokerage and custody services, and credit card fees.

Below is the main income from contracts with customers that are recognized in the consolidated statement of financial position:

- Fees receivable for credit cards and certain fees receivable for letters of guarantee included in the caption "Other accounts receivable and other assets, net", represent the Group's right to an unconditional consideration (i.e., it only requires the passing of time for the consideration payment). This income is measured at amortized cost and is subject to impairment specifications under IFRS 9.

- Deferred income from commissions for letters of guarantee included in the caption "Other accounts payable, provisions and other liabilities", represent the Group's obligation to render services to a customer, from whom the Group has received a consideration (or a due amount). A liability for unearned fees and commissions is recognized when the payment is made or when the payment is due (whichever happens first). Unearned fees and commissions are recognized as income when the Group renders the service.

(d) Insurance contracts –

(d.1) Insurance contracts -

(d.1.1) Initial recognition -

IFS recognizes, under IFRS 17, a group of insurance contracts when the first of the following events occurs:

- The beginning of the coverage period of the group of contracts,
- The date when the first payment from a policyholder in the group is due, or
- For a group of onerous contracts, when the group becomes onerous

At initial recognition, the company shall measure a group of insurance contracts by the total of:

- The fulfillment cash flows, which comprise:
  - Estimates of the future cash flows.

- An adjustment to reflect the time value of money and the financial risks related to the future cash flows, to the extent that the financial risks are not included in the estimates of the future cash flows.
- A risk adjustment for the non-financial risk.
- The contractual service margin ("CSM").

The book value at the end of period of a group of insurance contracts shall be the sum of:

- The liability for remaining coverage, which comprises:
  - The fulfillment of cash flows related to future services
  - The contractual service margin (CSM), applicable to insurance contracts valued under the general method (Building Block Approach or "BBA") or under the Variable Fee Approach ("VFA").
- The claims incurred liability, which comprises the fulfillment cash flows related to future services.

(d.1.2) Levels of aggregation -

Insurance contract portfolios-

The first level of aggregation for insurance contracts consists of determining the portfolio. An insurance portfolio shall be composed by a group of contracts subject to similar risks and managed jointly.

The Group has deemed that the following factors are relevant when defining the insurance portfolios in effect:

- Typology of products and their differentiated management, separating the products by pensions, life, and massive, and below them, based on the specific covered risks: savings, risk, annuities, and accidents, among others. There are not separations of risks within the same contract because they are jointly managed.
- Contract limits: differentiating in equal contracts or shorter than one year and longer than four years.
- Individual or collective insurances.
- Policy currency: differentiating between policies denominated in different currencies. Currently, the currencies considered are the Sol, the US Dollar, and Sol VAC.
- Funeral (in currency VAC): a different portfolio shall be considered because it is understood that its risk management is different from the management of the main risk of the product Annuity (SPP and Private). This criterion shall only be applicable to funeral VAC of the pensions (SPP and Private), which are adjusted based on the consumer price index published by the regulator.

- The assessment based on the indicated attributes shall continue to be performed for the new products that may be designed and marketed in the future.

Cohorts (unit of account) -
The second level of aggregation is the cohort level, whereby the Group shall not include in the same group contracts issued more than one year apart. Contract issued between January 1 and December 31 of each year shall be included within each cohort for each portfolio.

Grouping by onerosity -
The last grouping level that the Group applies is in function of the expected profitability level or the onerosity at the moment of the contract issuance. Given that the standard requires at least three groups, the Group foresees that the products by level of profitability or onerosity will be grouped into two main groups:

- Groups of onerous contracts.
- Groups of non-onerous contracts: Include contracts with low probability of becoming onerous and the remaining non-onerous contracts at initial recognition.

The Group has defined a ratio to differentiate these groups. In this sense, even though it is foreseen that there will be two groups by profitability level, the groups that will eventually be determined will depend on the compliance of the ratio on the predetermined threshold.

(d.1.3) Valuation methods -
The Group applies the following valuation methods in the measurement of insurance contracts:

- Building Block Approach (“BBA”). This method will be applied by default to insurance contracts unless there exist conditions to apply any of the other two methods.
- Two BBA variants. The first one will be applied compulsorily if the conditions for it are met, and the second one will be applied optionally if conditions are met:
    - Variable Fee Approach (“VFA”)
    - Premium Allocation Approach (“PAA”)

The application of one or the other method affects the measurement of the liability for remaining coverage (“LRC”) because the liability for incurred claims (“LIC”) will be valued according to the fulfillment of cash flows related to incurred claims, adjusted for non-financial risk.

Building Block Approach (BBA) -
This method is applied to contracts with coverage periods longer than one year and whose liability flows do not depend on underlying elements. IFS measures a group of insurance contracts (unit of account) by the total of fulfillment cash flows and the CSM. Following are the elements details of said component group:

- Fulfillment Cash Flows ("FCF"): the fulfillment cash flows are comprised of the following elements:
  - Estimation of future cash flows: Weighted estimation by the probability of future cash outflows occurrence minus the future cash inflows from the fulfillment of the contract. It is necessary to consider solely the cash flows that are within the limits of the insurance contract and the attributable acquisition expenses must be included.

    The Group revises the estimations performed in the preceding valuation period and updates them so that they reflect the conditions at the valuation date, and that the changes made to the estimation represent the modifications of the period's conditions.

  - Discount effect: IFRS 17 establishes that the fulfillment cash flows shall be adjusted to reflect the time value of money and the financial risks related to the future cash flows. The estimation of cash flows and the inclusion of the discount effect may result in the best estimate liability ("BEL"). In the discount rate estimation procedure, observable market values are used; for pensions contracts, the Matching Adjustment Discount Rate is mainly used and for individual life contracts, the Risk Free Rate – USA is mainly used.

  - Risk Adjustment ("RA"): Represents the compensation that an entity requires to bear the non-financial risk that arises from the uncertainty over the cash flows regarding their amount and the moment of payment of the future cash flows, and it shall be calculated in an explicit and separated manner from the cash flows. Likewise, the risk adjustment also reflects the risk aversion degree and the diversification degrees that the entity includes to determine the compensation to bear said non-financial risks.

- CSM: Represents the expected profit from the insurance contracts, which shall be recognized in income of the entity as the service is rendered in the future, instead of recognizing it at its estimation moment. The release of the CSM throughout the contract's life shall be made in a systematic manner and consistently with the rendering of the service provided by insurance contract in the future.

Variable Fee Approach (VFA) –
The VFA valuation method is intended for insurance contracts with a direct component participation of the insured (the valuation risk is that of the insured) whereby at initial recognition the following conditions are met:
- The contractual terms specify that the policyholder takes part in a clearly identified set of underlying elements;
- The entity expects to pay the policyholder an amount equal to a substantial part of the profitability at fair value (market value) of the underlying elements; and
- The entity expects that a substantial part of any change in the amounts payable to the policyholder varies with the change in fair value of the underlying elements.

The VFA method has the following characteristics:
- In the CSM, market interest is credited.
- In the CSM the difference in the value of the funds of the underlying asset's funds is adjusted.
- The other components remain the same as the BBA method.

Premium Allocation Approach (PAA) -
The PAA valuation method is a simplification of the general method and its application is optional. The entity shall only apply the simplified method to contracts if one of the following criteria is met:
- If said simplification results in a liability for remaining coverage that does not materially differ from that generated by the general method; or
- The coverage period of the group of contracts is one year or shorter. The criterion that defines the one-year period must be determined according to the contract limits.

To assign the appropriate valuation method to the insurance contracts issued, the Group has assessed the valuation requirements under each method, as well as the minimum criteria and possible approaches for the eligibility of the PAA method and the VFA method. Following are the valuation methods assigned to each product:

- Life: BBA, PAA or VFA, depending on the characteristics and evaluation of the contract
- Pensions: BBA
- Massive: BBA or PAA, depending on the characteristics and evaluation of the contract

(d.1.4) Accounts receivable from insurance activities -

Accounts receivable from insurance activities of the Group are initially recognized when they are enforceable and are measured at the fair value of the compensation received or receivable. Therefore, at initial recognition, insurance receivables are measured at amortized cost. The book value of insurance receivables is subject to impairment when events or circumstances indicate that the book value cannot be recoverable; the impairment loss is recorded in the consolidated statement of income.

(d.1.5) Insurance contract liability with investment component -

When the contract has a financial component and transfers no relevant insurance risk as established by IFRS 17, the contract is recorded based on IFRS 9. These contracts are presented in the caption "Other accounts payable, provisions and other liabilities" as "Contract liabilities with investment component" of the consolidated statement of financial position; see Note 10(a).

(d.2) Exchange difference in insurance contract liabilities -

According to IAS 21 "Effects of variations in foreign currency exchange rates", for the purpose of converting insurance contracts in foreign currency into the functional currency of the Company, they are treated as a monetary item. The exchange difference generated by the update of the insurance contract liability shall be included in the statement of income, except for the exchange difference related to the interest rate effect for contracts under BBA method, which shall be recorded in the caption "Other comprehensive income" as is done with the annual movements of the interest rate effect.

(d.3) Recognition of income and expenses -

The Group shall recognize income and expenses for the following changes in the book value of the liability for remaining coverage (LRC):

- Income from ordinary insurance activities: for the decrease in the LRC due to the service rendered in the period.
- Expenses of the insurance service: for losses in the groups of onerous contracts, and reversions of these losses.

- Financial expenses and income for insurance activities: for the effect of the time value of money and the financial risk effect.

The Group shall recognize income and expenses for the following changes in the book value of the liability for incurred claims (LIC):

- Expenses of the insurance service: for the increase in liability due to claims and expenses incurred in the period, excluding investment components.
- Expenses of the insurance service: for the subsequent changes in the cash flows from the compliance related to claims and expenses incurred.
- Financial expenses and income for insurance activities: for the effect of the time value of money and the financial risk effect.

(d.4) Expenses attributable to the fulfillment of contracts -

Attributable expenses are related to the fulfillment of contracts, directly or indirectly.

Expenses directly and indirectly attributable -

The Group classifies expenses directly attributable to those that can be attributable at portfolio level or individual contracts. Indirect expenses are deemed partially attributable if they are necessary for the fulfillment of the insurance contracts, even if they are not directly associated to a portfolio or individual contract. Expenses indirectly attributable must be allocated to groups of contracts by using a systematic and rational method that can be applied in a consistent manner to all expenses with similar characteristics.

Expenses attributable (without considering the acquisition costs attributable) are included in the LRC, being released as income and decreasing the LRC when the service is rendered. The resulting income is recorded in the caption “Results from insurance activities” in the consolidated statement of income. At the same time, the expenses of the insurance service are recognized based on the actual expenses incurred and are presented in the caption “Other expenses” in the consolidated statement of income, see Note 22.

(d.5) Contractual Service Margin (CSM) -

The CSM represents the expected profit from a group of insurance contracts for the services rendered during the coverage period. It is released in the statement of income for each period to reflect the services rendered to the group in that period.

(d.5.1) Initial recognition

For the initial recognition of an insurance contract, the Group accounts for the positive balance of the CSM as part of the LRC for the insurance contracts valued by the BBA method and the VFA method.

At initial recognition of a profitable insurance contract, the CSM does not recognize any income (profit). Income (or profit) must only be recognized to the extent that the insurance contract services are rendered. The CSM cannot be negative, any loss at initial moment or subsequent moments must be recorded as a loss component in the caption "Results from insurance activities" in the consolidated statement of income.

(d.5.2) Subsequent valuation

Once the initial recognition of the contract is made, the groups of contracts or Units of Account (UoA) are formed considering their onerosity degree at that moment (additionally to the portfolio and the cohort they belong to); therefore, the CSM is measured in the subsequent valuations for the group of contracts. Also, the release of the CSM is made throughout the contract's life in a systematic manner and consistently with the rendering of the service provided by the insurance contract and is recorded in the caption "Income from insurance activities" in the consolidated statement of income.

(d.6) Loss component

Analogous to the CSM, the loss component (LC) is the estimated contract loss. The recording of these two concepts has a different temporality: while the CSM is deferred throughout the contract's life, the LC must be recognized immediately, thus generating an expense in the statement of income once its existence is known.

(d.6.1) Determination of the loss component at initial recognition

At initial recognition of a non-profitable insurance contract, the LC must generate an expense in the statement of income once its existence is known.

In the moment at which the existence of an LC is determined, at each subsequent valuation, it shall be necessary to make the following adjustments:

- It shall be allocated exclusively to the LC, until it is reduced to zero.
- It shall be allocated in a systematic manner between the LC and the liability for remaining coverage, excluding the LC (LRC excluding the LC); the changes in the fulfillment cash flows of the LRC.

(d.6.2) Subsequent valuation -

Once an LC for a group of onerous contracts has been established, the Group distributes the subsequent changes in the fulfillment cash flows between the LC and the LRC, excluding the LC, by making a systematic allocation between both concepts, as applicable, of the amounts related to:

- The release of claims and expenses of the LRC expected cash flows.
- Changes in the risk adjustment (RA) recognized in the income for the period.
- Financial expenses and income for insurance activities.
- In some cases, the Loss Component for adjustments in favorable actuarial experience and hypotheses can reach a positive value, in which case it shall be treated as a contract with a CSM component.

(d.7) Risk Adjustment (RA) -

The RA reflects the compensation that the entity requires for assuming the uncertainty that arises from the non-financial risk, over the amount and the moment of payment of the future cash flows of the liability. Under IFRS 17, the RA is an explicit amount and is independent of the estimations of cash flows and discount.

The Group calculates the RA for the portfolios of life, pensions, and massive insurances with the purpose of quantifying the non-financial risks associated to the insurance contracts and reflecting the uncertainty of the insurance contracts regarding their amount and validity term. However, in the following cases the RI calculation will not be necessary:

- In portfolios whose provision for LRC is valued by the PAA method.
- In portfolios whose provision for LRC is valued by the VFA method.

(e) Financial instruments: Initial recognition -

(e.1) Date of recognition

Financial assets and liabilities, with the exception of loans, are initially recognized at the trading date. This includes regular transactions of purchases or sales of financial assets that require the delivery of assets within the time frame generally established by regulation or convention on the marketplace. Loans are recognized when the funds are transferred to the customers while deposits and obligations are recognized when the funds are received by the Group.

(e.2) Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on the characteristics of the business model and contractual flows for managing the instruments, as described in Notes 3.4(f.1.1) and 3.4(f.1.2). Financial instruments are initially measured at their fair value (as defined in Note 3.4(e.4)), except in the case of financial assets and financial liabilities recorded at fair value through profit or loss, transaction costs are added to, or substracted from, this amount. Accounts receivable are measured at the transaction price. When the fair value of financial instruments at initial recognition differs from the transaction price, the Group accounts for the Day 1 profit or loss, as described below.

(e.3) Day 1 profit or loss

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique that only uses inputs observable in market transactions, the Group recognizes the difference between the transaction price and fair value in the net trading income. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognized in profit or loss when the inputs become observable, or when the instrument is derecognized.

(e.4) Measurement categories of financial assets and liabilities

The Group classifies all of its financial assets based on the business model and the contractual terms, measured at either:

- Amortized cost, as explained in Note 3.4(f.1).
- Fair value through other comprehensive income, as explained in Notes 3.4(f.4) and (f.5).
- Fair value through profit or loss, as explained in Note 3.4(f.7).

The Group classifies and measures its derivative and trading portfolio at fair value through profit or loss as explained in Notes 3.4(f.2) and (f.3). The Group may designate financial instruments at fair value through profit or loss, if so doing eliminates or significantly reduces measurement or recognition inconsistencies, as explained in Note 3.4(f.7).

Financial liabilities, other than financial guarantees, are measured at amortized cost or at fair value through profit or loss when they are held for trading, are derivative instruments or the fair value designation is applied, as explained in Note 3.4(f.6). It should be noted that during 2023 and 2022, the Group only presents derivative financial instruments measured in this way.

(f) Financial assets and liabilities -

Following is the description of the assets and liabilities held by the Group, as well as the criteria for their classification:

(f.1) Assets measured at amortized cost -

As required by IFRS 9, the Group measure cash and due from banks inter-bank funds, financial investments in debt instruments, loans and other financial assets at amortized cost if the following two conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The details of these conditions are presented below:

(f.1.1) Business model assessment -
The Group's business model is assessed at a higher level of aggregated portfolios, and not instrument by instrument, and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are assessed and reported to the entity's key management personnel.
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.

The expected frequency, value and timing of sales are also important aspects of the Group's assessment. The business model assessment is based on reasonably expected scenarios without taking "worst case" or "stress case". If cash flows after initial recognition are realized in a way that is different from the Group's original expectations, the classification of the remaining financial assets that remain in that business model will not be changed but incorporates such information when assessing newly purchased financial assets going forward.

(f.1.2) The SPPI test (Solely payments of principal and interest) -
As a second step of its classification process, the Group assesses the contractual terms to identify whether they meet the SPPI test.

"Principal", for the purpose of this test, is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortization of the premium/discount).

The most significant elements within a lending arrangement are the time value of money and credit risk. To perform the SPPI assessment, the Group applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set. In contrast, contractual terms that introduce volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at fair value through profit or loss.

(f.2) Derivatives recorded at fair value through profit or loss -

A derivative is a financial instrument or other contract with the following three characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; provided that, in the case of a non-financial variable, it is not specific to part of the contract (i.e., the "underlying").
- It requires no initial net investment or an initial net investment that is smaller than the required for other types of contracts expected to have a similar response to changes in market factors.
- It is settled at a future date.

The Group enters into derivative transactions with various counterparties, such as: interest rate swaps, cross-currency swaps, foreign currency options and foreign currency forward contracts. Derivatives are recorded at fair value and carried as assets when their fair value is positive and as liabilities when their fair value is negative. The notional amount and fair value of such derivatives are presented separately in Note 10(b). Changes in the fair value of derivatives are included in net trading income unless hedge accounting is applied. Hedge accounting disclosures are presented in Note 3.4(j).

(f.2.1) Embedded derivatives -

An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way like a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract. A derivative that is attached to a financial instrument, but is contractually transferable independently of that instrument, or has a different counterparty from that instrument, is not an embedded derivative, but a separate financial instrument.

Embedded derivatives in financial assets, liabilities and non-financial host contacts, were treated as separate derivatives and recorded at fair value if they met the definition of a derivative (as defined above), their economic characteristics and risks were not closely related to those of the host contract, and the host contract was not itself held for trading or designated at fair value through profit or loss. The embedded derivatives separated from the host contract are carried at fair value in the trading portfolio with changes in the fair value recognized in the consolidated statement of income.

In the case of embedded derivatives in financial assets, they are not separated from the financial asset and, therefore, the classification rules are applied to the hybrid instrument in its entirety, as described in Note 3.4(e.4).

As of December 31, 2024 and 2023, the Group does not present embedded derivatives in its financial liabilities needed to be separated from the host contract.

(f.3) Financial assets or financial liabilities held for trading -

The Group classifies financial assets or financial liabilities as held for trading when they have been purchased or issued primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit taking. Held-for-trading assets and liabilities are recorded and measured in the consolidated statement of financial position at fair value. Changes in fair value are recognized in the statement of income. Interest income or expense and dividend are recorded in the statement of income according to the terms of the contract, or when the right to payment has been established. Included in this classification are debt securities, equities and short positions that have been acquired mainly for the purpose of selling them in the short term.

(f.4) Debt instruments at fair value through other comprehensive income -

The Group applies the category of debt instruments measured at fair value through other comprehensive income when both of the following conditions are met:

- The instrument is held within a business model, the objective of which is achieved by collecting contractual cash flows and selling financial assets.
- The contractual terms of the financial asset meet the SPPI test.

Debt instruments at fair value through other comprehensive income are subsequently measured at fair value through other comprehensive income. Interest income and foreign exchange gains and losses are recognized in profit or loss in the same manner as for financial assets measured at amortized cost, as explained in Note 3.4(f.1). The expected credit loss calculation for debt instruments at fair value through other comprehensive income is explained in Note 3.4(h)(iii). When the Group holds more than one investment in the same security, they are deemed to be disposed of on a "first-in first-out" basis. On derecognition, cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss.

(f.5) Equity instruments at fair value through other comprehensive income -

Upon initial recognition , the Group occasionally elects to classify irrevocably some of its equity investments as equity instruments at fair value through other comprehensive income when not held for trading. Such classification is determined on an instrument-by- instrument basis.

Gains and losses on these equity instruments are never recycled to profit even when the asset is sold. Dividends are recognized in the consolidated statement of income as income when the right of the payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in other comprehensive income. Equity instruments at fair value through other comprehensive income are not subject to and impairment assessment.

(f.6) Financial liabilities -

After initial measurement, financial liabilities, except those measured at fair value through profit or loss; see (f.7), are measured at amortized cost. Amortized cost includes commissions and interest, transaction lost and any other premium or discount. A compound financial instrument which contains both a liability and an equity component is separated at the issue date.

The Group first establishes whether the instrument is a compound instrument and classifies such instrument's components separately as financial liabilities, financial assets, or equity instruments in accordance with IAS 32. Classification of the liability and equity components of a convertible instrument is not revised as a result of a change in the likelihood that a conversion option will be exercised, even when exercising the option may appear to have become economically advantageous to some holders. When allocating the initial carrying amount of a compound financial instrument to the equity and liability components, the equity component is assigned as the residual amount after deducting from the entire fair value of the instrument, the amount separately determined for the liability component. The value of any derivative features (such as call options) embedded in the compound financial instrument, other than the equity component (such as an equity conversion option), is included in the liability component. Once the Group has determined the split between equity and liability, it further assesses whether the liability component has embedded derivatives that must be accounted for separately.

(f.7) Financial assets and financial liabilities at fair value through profit or loss -
Financial assets and financial liabilities in this category are those that are not held for trading and have been either designated by Management upon initial recognition or are mandatorily required to be measured at fair value under IFRS 9. Management designates an instrument at fair value through profit or loss upon initial recognition when one of the following criteria is met:

- The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognizing gains or losses on them on a different basis, or
- The liabilities are part of a group of financial liabilities which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, or
- The liabilities contain one or more embedded derivatives, unless they do not significantly modify the cash flows that would otherwise be required by the contract.

Financial assets and liabilities at fair value through profit or loss are recorded in the consolidated statement of financial position at fair value. Changes in fair value are recorded in profit and loss with the exception of movements in fair value of liabilities designated at fair value through profit or loss due to changes in the Group's own credit risk. Such changes in fair value are recorded in other comprehensive income and do not get reclassified to profit or loss. Interest accrued on assets that must be measured at fair value through profit or loss is recorded using the contractual interest rate. Dividend income from equity instruments measured at fair value through profit or loss is recorded in profit or loss as "Interest and similar income"; see Note 19, when the right to the collection has been established.

(f.8) Financial guarantees and letters of credit -
The Group issues financial guarantees, and letters of credit.

Financial guarantees are initially recognized in the consolidated financial statements (within provisions) at fair value, which is equivalent to the commission received. Subsequent to initial recognition, the recognized liability is measured at the higher amount between: a) amount initially recognized less its cumulative amortization; and b) an Expected Credit Loss ("ECL") provision determined as set out in Note 3.4(h)(ii).

The commission received is recognized in the consolidated statement of income in the caption "Fee income from financial services, net" on a straight-line basis over the life of the guarantee.

Letters of credit are commitments under which, over the duration of the commitment, the Group is required to provide a loan with pre-specified terms to the customer. Similar to financial guarantee contracts, these contracts are within the scope of the ECL requirements.

The nominal contractual value of financial guarantees and letters of credit, where the loan agreed to be provided is on market terms, is not recorded in the consolidated statement of financial position. The nominal values of these instruments together with the corresponding ECLs are disclosed in Note 6(d).

(f.9) Reclassification of financial assets and liabilities -

The reclassification of financial assets will take place as long as the business model that manages the financial assets is changed. It is expected that this change is very rare. These changes are determined by Management because of external or internal changes and must be significant for the Group's operations and demonstrable to third parties. Consequently, a change in the Group's business model will take place only when it begins or ceases to carry out an activity that is significant for its operations. As of December 31, 2024 and 2023, the Group has not reclassified its financial assets after their initial recognition. Financial liabilities are never reclassified.

(f.10) Repurchase agreements -

Securities sold under repurchase agreements on a specified future date are not derecognized from the consolidated statement of financial position since the Group retains substantially all of the risks and rewards inherent to its ownership. Cash received is recognized as an asset with the corresponding obligation to return it, including accrued interest, as a liability, reflecting the transaction's economic substance as a loan to the Group. The difference between the sale and repurchase price is recorded as interest expense and is accrued over the life of the agreement using the effective interest rate and is recognized in the caption "Interest and similar expenses" of the consolidated statement of income.

As of December 31, 2024 and 2023, the Group did not keep any repurchase agreements.

(f.11) Short sale operations -

The securities sold under repurchase agreements at the specific future date correspond to short sales of securities, that the Group does not hold or acquires through temporary transfer of ownership.

At the date of the short-sale agreement, when initial recognition occurs, the Group records the cash received as an asset in the caption "Cash and due from banks" and, in other cases, an account receivable (equivalent to the amortized cost of the investment), recorded as "Accounts receivable for short-sale operations" in the caption "Other accounts receivable and other assets" of the consolidated statement of financial position; see Note 10(a). Also, the corresponding obligation, is recorded as "Financial liabilities at fair value through profit or loss", in the caption "Other accounts payable, provisions and other liabilities" of the consolidated statement of financial position; see Note 10(a), reflecting the economic substance of the transaction.

Subsequent measurement, valuation and impairment will be recorded according to IFRS 9 criteria; see Note 3.4(f.3). Derecognition of these financial assets and liabilities will be recorded according to Note 3.4(h).

The difference between the purchase price and the resale price is accrued during the term of the contract by using the effective interest rate method and is recorded in the caption "Interest and similar income" of the consolidated statement of income.

As of December 31, 2024, Interbank agreed on short sale contracts for an amount approximately to S/61,191,000 recorded as "Accounts receivable for short sale operations", in the caption "Other accounts receivable and other assets" of the consolidated statement of financial situation; see Note 10(a). This transaction allowed the recognition of a liability for an amount approximately to S/61,153,000 recorded as "Financial liabilities at fair value through profit or loss", in the caption "Other accounts payable, provisions and other liabilities" of the consolidated statement of financial position; see Note 10(a). These instruments were settled in the first days of 2025.

(g) Modification of financial assets and liabilities -

(g.1) Modification of financial assets -

When the contractual cash flows of a financial asset are renegotiated or otherwise modified as a result of commercial restructuring activity rather than due to credit risk and impairment considerations, the Group performs an assessment to determine whether the modifications result in the derecognition of the financial asset. For financial assets, this assessment is based on qualitative factors.

When assessing whether or not to derecognize a loan to a customer, among others, the Group considers the following factors:

- Change in the loan's currency.
- Introduction of an equity feature.
- Change in customer's credit risk.
- If the modification is such that the instrument would no longer meet the SPPI criterion.

In addition, the Group evaluates whether there is a material change based on quantitative factors considering whether the present value of the discounted cash flows under the original effective interest rate and the new conditions differs by at least 10 percent from the discounted present value of the remaining cash flows of the original financial asset. This follows an analogy on the orientation of changes in financial liabilities. This method applies to all contractual changes to financial assets, regardless of the reason for the change.

The Group made modifications to its agreements with its customers as permitted by the SBS, through its subsidiary Interbank, and performed an analysis described above. The results derived from this evaluation are recognized in profit or loss in the account "Impact from the modification of contractual cash flows due to the loan rescheduling schemes", in the caption "Interest income and similar", see Note 19.

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original effective interest rate, the Group records a gain or loss due to modification, to the extent that an impairment loss has not already been recorded.

(g.2) Modification of financial liabilities -

When the modification of the terms of an existing financial liability is not judged to be substantial and, consequently, does not result in derecognition, the amortized cost of the financial liability is recalculated by computing the present value of estimated future contractual cash flows that are discounted at the financial liability's original EIR. Any resulting difference is recognized immediately in profit or loss.

Regarding the financial liabilities, the Group considers a substantial amendment based on qualitative factors and provided it exists a difference between the present value of the discounted cash flows under the new conditions and the original book value of the financial liability is larger than ten percent.

(h) Derecognition of financial assets and liabilities -

(h.1) Derecognition due to substantial change in terms and conditions -

The Group derecognizes a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognized as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded.

(h.2) Derecognition other than for substantial modification -

(h.2.1) Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when the rights to receive cash flows from the financial asset have expired.

The Group has transferred the financial asset if, and only if, either:

- Has transferred its contractual rights to receive cash flows from the financial asset, or
- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement.

Pass-through arrangements are transactions whereby the Group retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following conditions are met:

- The Group has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset.
- The Group cannot sell or pledge the original asset other than as security to the eventual recipients.
- The Group has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Group is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of agreed revision with the eventual recipients.

A transfer only qualifies for derecognition if either:

- The Group has transferred substantially all the risks and rewards of the asset, or
- The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Group considers that control is transferred if, and only if, the transferee has the ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions to the transfer.

When the Group has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognized only to the extent of the Group's continuing involvement, in which case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group retains.

When the continuing involvement takes the form of a guarantee over the transferred asset, the amount of the Group's continuing involvement will be the lowest between the asset amount and the maximum amount of consideration the Group may be required to pay.

When the continuing involvement takes the form of a written or purchased option (or both) over the transferred asset, the amount of the Group's continuing involvement will be the amount of the transferred asset that the Group could repurchase. In the case of a written put option on an asset that is measured at fair value, the amount of the Group's continuing involvement will be limited to the lowest between the fair value of the transferred asset and the option exercising Price.

The net loss originated as consequence of the derecognition of financial asset accounts measured at amortized cost is calculated as the difference between the book value (impairment included) and the amount received.

As of December 31, 2024 and 2023, the Group did not recognize net losses as consequence of derecognition of financial assets accounts.

(h.2.2) Financial liabilities

A financial liability is derecognized when the obligation under the liability has been discharged, cancelled or has expired. 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 derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognized in profit or loss of the period .

(i) Impairment of financial assets -

(i) Overview of the expected credit loss principles -

The Group records an allowance for expected credit losses for all loans and other debt financial assets not held at fair value through profit or loss, together with financial guarantee contracts. Equity instruments are not subject to impairment under IFRS 9.

The determination of the expected credit loss is based on the credit losses expected to arise over the life of the asset, unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12-month expected credit loss as described in (ii) below. The policies for determining whether there has been a significant increase in credit risk are set out in Note 29.1(d).

Both lifetime expected credit loss and 12-month expected credit loss are calculated on either an individual basis or a collective basis, depending on the nature of the portfolio. The Group's policy for grouping financial assets measured on a collective basis is explained in Note 29.1(d).

The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition. This is further explained in Note 29.1(d).

Based on the above mentioned process, IFS groups its loans into "Stage 1", "Stage 2", "Stage 3" and purchased or originated credit impaired financial assets ("POCI"), as described below:

Stage 1: When loans are first recognized, the Group recognizes an allowance based on the 12-month expected credit loss. Stage 1 also includes loans whose credit risk has improved and the loan has been reclassified from Stage 2.

Stage 2: When a loan has shown a significant increase in credit risk since inception, the Group records an allowance based on the expected credit loss for the entire lifetime of the financial asset. Stage 2 also includes loans whose credit risk has improved and the loan has been reclassified from Stage 3.

Stage 3: Loans considered credit impaired (as outlined in Note 29.1(d)). The Group records an allowance for the entire lifetime of the financial asset.

POCI: Purchased or originated credit impaired assets are financial assets that are impaired on initial recognition. POCI assets are recorded at fair value at original recognition and interest income is subsequently recognized based on a credit-adjusted EIR. ECLs are only recognized or released to the extent that there is a subsequent change in the expected credit losses. It should be noted that during the year 2024 and 2023, the Group has not purchased or originated POCI financial assets.

For financial assets for which the Group has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

The Group recognizes a value correction for expected credit losses on the following financial assets:

- Financial assets that are measured at amortized cost.
- Financial assets that are measured at fair value with changes in other comprehensive income if the following two conditions are met:

  (i) The financial asset is maintained within a business model whose objective is achieved by obtaining contractual cash flows and selling financial assets; and

  (ii) The contractual terms of the financial asset give rise, on specified dates, to cash flows that are only payments of the principal and interest on the outstanding principal amount.

- Accounts receivable from leases.
- Assets from contracts.
- Financial guarantee contracts.

In this regard, as of December 31, 2024 and 2023, the Group's financial assets subject to a correction for expected credit loss are the following:

- Cash and due from banks.
- Inter-bank funds.
- Financial investments; see Notes 3.4(f), 5 and 29.1(e).
- Loans; see Notes 3.4(f.1), 6 and 29.1(d).
- Due from customers on acceptances.
- Other accounts receivable and other assets.

The Group assesses periodically impairment alerts derived from factors such as the release of compensation for service time deposits (henceforth "CTS") and private pension funds (henceforth "AFP"), natural disasters, and economic context of the country, and the effects of the international conflicts that may affect Peru, with the purpose of timely identifying an increase in the credit loss risk. Thus, for those financial assets other than the loan portfolio, Management has estimated the expected credit loss, concluding that it is neither significant nor relevant, given that the maximum period considered for measuring expected credit losses is very small or, even if it implies a longer term, because the main debtor is the Central Reserve Bank ("BCRP", by its Spanish acronym) or corresponds to cash in vaults of the Group.

(ii) Calculation of ECL -

The Group calculates ECL based on three probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are described below, and the key elements are the following:

- PD ("Probability of default") is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the financial asset has not been previously derecognized and is still in the portfolio. The definition of PD is further explained in Note 29.1(d).

- EAD ("Exposure at default") is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments. The definition of EAD is further explained in Note 29.1(d).

- LGD ("Loss Given Default") is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realization of any collateral. It is usually expressed as a percentage of the EAD. The definition of LGD is further explained in Note 29.1(d).

When estimating the ECLs, the Group considers three scenarios (optimistic, base and pessimistic). Each of these is associated with different PDs, as presented in Note 29.1(d). When is relevant, the assessment of multiple scenarios also incorporates how defaulted loans are expected to be recovered, including the probability that the loans will "cure" and the value of collateral or the amount that might be received for selling the asset.

With the exception of credit cards, for which the treatment is separately set out in (iv) below, the maximum period for which the credit losses are determined is the contractual life of a financial instrument (considering the prepayments) unless the Group has the legal right to call it earlier.

Impairment losses and reversals are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

The criteria followed for calculating the ECL based on each stage are described below:

- Stage 1: The provision for credit losses of those financial instruments that do not show a significant increase in risk since the initial recognition, will be calculated as the expected credit losses in the following 12 months. The group calculates the expectation that there is a probability of default (PD) in the 12 months after the reporting date. To this probability of default is multiplied and expected loss in case of default (LGD) and exposure on the date of default (EAD) and discounting the original effective interest rate. This calculation is made for each of the three scenarios (optimistic, base and pessimistic) defined by the Group.

- Stage 2: When the financial instrument shows a significant increase in credit risk since initial recognition, the provision of credit losses of this financial instrument will be calculated as the expected credit loss throughout the life of this asset. The calculation method is similar to that for Stage 1, including the use of multiple scenarios, but expected credit loss is estimated over the lifetime of the instrument.

- Stage 3: When there is objective evidence that the financial instrument is impaired, the provision of credit losses will be calculated as the expected credit loss over the life of the asset. The method is similar to that for Stage 2, with the PD set at 100 percent.

It is possible that the inputs and models used to calculate the expected loss do not reflect all the characteristics of the market as of the date of the financial statements. This is why that, occasionally, subsequent qualitative adjustments to the model are performed when there are significant differences. See Note 29.1(d.8).

Financial guarantee contracts
The Group measures each financial guarantee as the highest of the amount initially recognized minus cumulative amortization recognized in the consolidated statement of income, and the ECL provision. For this purpose, the Group estimates ECL based on the present value of the expected payments to reimburse the holder for a credit loss that it incurs. The deficits are discounted by the risk-adjusted interest rate relevant to the exposure. The ECLs related to financial guarantee contracts are recognized in provisions.

(iii) Debt instruments measured at fair value through other comprehensive income -
The ECLs for debt instruments measured at fair value through other comprehensive income do not reduce the carrying amount of these financial assets in the consolidated statement of financial position, which remains at fair value. However, the expected losses that arise at each measurement date must be reclassified from other comprehensive income to results of the period.

(iv) Credit cards -
The Group calculates the expected losses in a period that reflects the Group's expectations regarding the client's behavior, probability of default and the Group's future risk mitigation procedures that could include the reduction or cancellation of lines of credit. Based on past experience and the Group's expectations, the period during which the Group calculates the expected lifetime losses of this product is 16 months for the period 2024 and 2023.

The assessment of whether there has been a significant increase in credit risk for revolving products is similar to other credit products. This is based on changes in the customer's credit rating, as explained in Note 29.1(d).

The interest rate used to discount the ECL for credit cards is based on the average effective interest rate that is expected to be charged over the expected period of exposure to the facilities. This estimation takes into account that many facilities are repaid in full each month and are consequently not charged interest.

(v) Forward-looking information -

In its expected credit loss models, the Group relies on the following macroeconomic variables as forward-looking information inputs as of December 31, 2024 and 2023:

	2024	2023
Private formal employment	X	X
Real domestic demand		X
Real formal salary	X	X
Real informal salary	X	X
Real disposable income per capita	X	X
Unemployment rate	X	

The inputs and models used for calculating ECLs, may not always capture all characteristics of the market at the date of the consolidated financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material. Detailed information about these inputs are provided in Note 29.1(d).

(vi) Valuation of guarantees -

To mitigate the credit risks on financial assets, the Group generally uses three types of guarantees: physical guarantee, personal guarantees and title guarantees.

The guarantee, unless recovered, is not recorded in the Group's consolidated statement of financial position. However, the fair value of the guarantee affects the calculation of the expected losses, and because of that, it is assessed periodically.

The nominal contract value of the guarantees and the letters of credit not used where the loan was agreed to be granted is in market terms, is not recorded in the consolidated statement of financial position. The nominal values of these instruments together with the corresponding expected losses are disclosed in Note 29.1(d).

To the extent possible, the Group uses active market data for valuing financial assets held as guarantees. Non-financial guarantees, such as real estate, is valued based on data provided by third parties such as appraisers.

(vii) Write-offs -

Financial assets are written off only when the Group has stopped pursuing the recovery, at which time the cumulative provision recorded coincides with the total amount of the asset.

(viii) Refinanced and modified loans -
The Group may make concessions or modifications to the original terms of loans as a response to the borrower's financial difficulties, rather than taking possession or to otherwise enforce collection of guarantees. Once the terms have been renegotiated, any impairment is measured using the original EIR (as calculated before the modification of terms). It is the Group's policy to monitor refinanced loans to help ensure that future payments continue to be likely to occur.

A refinanced asset is initially classified into Stage 2 and there will be no clean-up period. However, if the financial asset presents a default mark, it will be reclassified from Stage 2 to Stage 3.

(j) Hedge derivatives -
Derivatives are initially recognized at fair value at the date a derivative contract is entered into and are subsequently remeasured at their fair value. All derivatives are recognized as assets when the fair value is positive and they are recorded as "Accounts receivables related to derivative financial instruments" under "Other accounts receivable and other assets, net" and as liabilities when they are negative and they are recorded as "Accounts payable related to derivative financial instruments" under "Other accounts payable, provisions and other liabilities" in the consolidated statement of financial position.

Derivatives can be designated as hedging instruments under hedge accounting and in the event they qualify, depending upon the nature of the hedged item, the method for recognizing gains or losses from changes in fair value will be different. These derivatives, which are used to hedge exposures to risk or modify the characteristics of financial assets and liabilities and that meet IFRS 9 criteria, are recognized as hedging accounting.

Derivatives not designated as hedging instruments or that do not qualify for hedging accounting are initially recognized at fair value and are subsequently remeasured at their fair value, which is estimated based on the market exchange rate and interest rate. Gains or losses due to changes in their fair value are recorded in the consolidated statement of income, see Note 3.4(f.2).

In accordance with IFRS 9, to qualify for hedge accounting, all of the following conditions must be met:

(i) The hedging relationship consists of only hedging instruments and eligible hedged items.

(ii) At the inception of the hedge, there is formal designation and documentation of the hedging relationship and the entity's risk management objective and strategy for undertaking the hedge. This documentation will include the identification of the hedging instrument, the hedged item, the nature of the risk being hedged, and the way the entity will assess if the hedging relationship meets the hedge effectiveness requirements.

(iii) The hedging relationship meets all the following hedge effectiveness requirements:

- There is an economic relationship between the hedged item and the hedging instrument.
- The effect of the credit risk does not dominate the value changes that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of the hedged item.

IFRS 9 presents three hedge accounting categories: fair value hedge, cash flow hedge, and hedge of net investments in a foreign operation. The Group uses derivatives as hedging instruments under cash flow hedges, as detailed in Note 10(b).

For derivatives that are designated and qualify as cash flow hedge, the effective portion of derivative gains or losses is recognized in other comprehensive income for cash flow hedge, and reclassified to income in the same period or periods in which the hedge transaction affects income. The portion of gain or loss on derivatives that represents the ineffective portion or the hedge components excluded from the assessment of effectiveness is recognized immediately in income. Amounts originally recorded in other comprehensive income and subsequently reclassified to income are recorded in the corresponding income or expenses lines in which the related hedged item is reported.

When a hedging instrument expires, is sold, when a hedge no longer meets the criteria for hedge accounting or when the Group re-designates a hedge, the cumulative gain or loss existing in other comprehensive income is kept and recognized in income when the hedged item is ultimately recognized in the consolidated statement of income. When a projected transaction is no longer expected to occur, the cumulative gain or loss recognized in other comprehensive income is immediately transferred to the consolidated statement of income.

(k) Leases -

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement at contract inception: whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset., even if it is not explicitly specified in the contract in exchange for consideration.

(i) The Group as a lessee -

The Group, as a lessee, applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets.

- Right-of-use assets -

  The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The Group holds as right-of-use assets: land lots, buildings and facilities and furniture and equipment. Land lots do not depreciate; buildings and facilities and furniture and equipment depreciate based on the straight-line method during the lease term and are presented in Note 8 "Property, furniture and equipment, net", and are subject to impairment.

- Lease liabilities -

  The Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. Given that this interest rate implicit in the lease agreement is not easily determinable, in the calculation of the present value of the lease payments, the Group uses the rate it applies to its loans. The lease payments include fixed payments (less any lease incentives receivable), variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs. Lease liabilities are presented in Note 10 as "Lease liabilities" in the caption "Other accounts payable, provisions and other liabilities".

The Group performs accounting estimates related to the determination of terms and rates of the lease agreements, as detailed below:

- Determination of the lease term for lease contracts with renewal and termination options
  The Group as a lessee determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control that affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization of the leased asset).

- Estimating the incremental borrowing rate
  To determine the interest rate implicit in the lease, the Group uses its incremental borrowing rate - "IBR" to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency).The Group estimates the IBR using observable inputs such as the free-risk interest rates, Peruvian government yield curves of global bonds (in Dollars) and sovereign bonds (in Soles), and a credit risk differential, using a spread on the most recent debt issuance.

The Group used the exemption proposed by the standard for short term and low value assets; thus, short term and low value lease agreements are kept classified as operating leases, and the disbursements incurred due to these leases are recorded in the caption "Administrative expenses" of the consolidated statement of income.

(ii) The Group as a lessor –

As of December 31, 2024 and 2023, the Group holds the following types of leases:

- Financial leases –

  Leases in which the Group substantially transfers all risks and benefits related to the ownership of the asset are classified as financial leases.

  Financial leases are recognized as loans at the present value of the installments. The difference between the total value receivable and the present value of the loan is recognized as accrued interest. This income is recognized during the term of the lease using the effective interest rate method, which reflects a constant rate of return.

  As of December 31, 2024 and 2023, leasing receivables are subject to the financial asset impairment policy; see Notes 3.4(f.1) and (g).

- Operating leases –

  Leases in which the Group does not substantially transfers all risks and benefits related to the ownership of the asset are classified as operating leases.

  Lease revenues obtained from investment properties are recorded using the straight-line method for the contract terms, and they are recorded as a revenue in the consolidated statement of income due to their operative nature, except for contingent lease revenues, which are recorded when realized.

  The lease term is the non-cancelable period, together with any other additional period for which a lessee has the option of continuing with the lease, where, at the start date of the lease, Management is reasonably confident that a lessee will exercise such option.

  Amounts received from tenants to terminate leases or to compensate impairment of leased facilities are recognized as revenues in the consolidated statement of income when the right to receive them arises.

  Service charges, administration expenses and other recoverable expenses paid by the lessees and the revenues resulting from expenses charged to the lessees are recognized in the period in which the compensation becomes an account receivable. Service charges and administration expenses and other receipts are included in the gross revenues from rentals of the related costs, given that Management considers that the Group acts as principal party.

(l) Customer Loyalty Program -
The Group has a customer loyalty program, which allows customers to accumulate points that can be exchanged for products. Loyalty points give rise to a separate performance obligation, since they provide a material right to the customer. A part of the transaction price is allocated to the loyalty points granted to customers on the basis of the relative independent selling price and is recognized as a contractual liability until the points are redeemed and presented as "Other accounts payable" in the item "Other accounts payable, provisions and other liabilities" of the consolidated statement of financial position. Expenses are provisioned monthly regardless of the customer's redemption of products.

By estimating the selling price independent of the loyalty points, the Group considers the probability of a client will use the cumulated points. The Group updates the estimates of points to be monthly redeemed and any adjustment to the liability balance will be recognized in the caption "Administrative expenses" of the consolidated statement of income.

(m) Services of purchase-sale of financial investments "principal versus agent"-
The Group has contracts with customers to buy and sell, on their behalf, financial investments on the stock market and over-the-counter market. The Group acts as an agent in these agreements.

When another party participates in the supply of services to their client, the Group determines whether it is a principal or an agent in these transactions when evaluating the nature of its agreement with the client. The Group is a principal and records the revenue by gross amounts if it controls the committed services before transferring to the customer. However, if the Group's role is only to arrange for another entity to provide the services, then the Group is an agent and records the revenues for the net amount it retains for its services as an agent.

(n) Investment property -
Investment property comprises land and buildings (mainly shopping malls, educational institutions and offices) that are not occupied substantially for use in the operations of the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation. These buildings are substantially rented and not intended to be sold in the ordinary course of business. Investment property comprises completed property and property under construction or re-development.

The Group measures its investment property at fair value according to the requirements of IAS 40 "Investment Property", as it has chosen to use the fair value model as its accounting policy.

Investment property is measured initially at cost, including transaction costs, that include transfer taxes, professional fees for legal services and initial leasing commissions to bring the property to the condition necessary to start operating. The carrying amount also includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met.

Properties under construction are measured based on estimates prepared by independent real estate valuation experts, except where such values (e.g. work-in-progress incurred on properties under construction) cannot be readily determined. Accordingly, the work-in-progress incurred on properties under construction is measured at cost until either its fair value becomes reliably measurable or construction is completed (whichever is earlier). Investment property under construction includes the value of land, which is determined by appraisals performed by an accredited appraiser using the price per square meter as a market comparable method.

Subsequent to initial recognition, investment property is recorded at fair value. Gains or losses arising from changes in fair values are included in the caption "Net gain on investment property" of the consolidated statement of income in the year in which they arise.

Fair values are assessed periodically by Management, based on the discounted cash flows that are expected to be obtained from these investments. Fair values of investment properties under construction or investment properties held to operate in the future are assessed by an independent external appraiser, through the application of a recognized valuation model. See Note 7 for details of fair value and related assumptions.

Transfers to or from investment property are made only when a change in the asset's use exists. If a component of property, furniture and equipment is transferred to an investment property, the Group transfers the net cost of the fixed asset to the caption investment property and subsequently said asset shall be measured at fair value, and the higher value of the investment property shall be recognized as revaluation surplus in the caption "Retained earnings" of the consolidated statement of changes in equity. In the case of a transfer from an investment property to the caption property, furniture and equipment, the reclassified amount corresponds to the fair value of the asset at the date of usage change. The amount recorded in the caption "Retained earnings" of the consolidated statement of changes in equity is recognized in the income of the period as the component of property, furniture and equipment is depreciated; or if said component is disposed, the cumulative balance is recognized directly in the consolidated statement of income.

During 2023, the Group transferred two floors from caption "Investment property" part of the "Orquideas" building, located in San Isidro, Lima, to caption "Property, furniture and equipment" for S/16,177,000. Additionally, the Group transferred another floor from caption "Property, furniture and equipment "part of the "Orquideas" building, located in San Isidro, Lima, to caption "Investment property", for S/3,984,000). During 2022, the Group transferred from caption "Property, furniture and equipment "part of the "Orquideas and Andres Reyes" buildings, located in San Isidro, Lima, to caption "Investment property", for S/9,357,000, see Note 7(c) and 8(a).

Investment property is derecognized when it has been disposed or withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset would result in either gains or losses at the retirement or disposal of investment property. Any gains or losses are recognized in the consolidated statement of income of the year of retirement or disposal.

(o) Property, furniture and equipment, net -

Property, furniture and equipment are stated at historical acquisition cost less residual value, cumulative depreciation and impairment losses, if applicable. The historical acquisition cost includes the expenses that are directly attributable to the acquired property, furniture or equipment. Maintenance and repair costs are charged to the consolidated statement of income; significant renewals and improvements are capitalized when it is probable that future economic benefits, in excess of the originally assessed standard of performance, will result from the use of the acquired property, furniture or equipment.

Land does not depreciate. Depreciation of property, furniture and equipment is calculated using the straight-line method over the estimated useful lives, which are as follows:

	Years
Buildings and facilities	40 - 75
Leasehold improvements	5
Furniture and equipment	10
Vehicles	5

An item of property, furniture and equipment and any significant part initially recognized, is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from the derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of income.

The residual value of each asset, its useful life and the selected depreciation method are periodically reviewed to ensure that they are consistent with current economic benefits and useful life expectations.

(p) Intangible assets with finite or indefinite useful lives -
Intangible assets with finite or indefinite useful lives are included in the caption "Intangibles and goodwill, net" of the consolidated statement of financial position. Intangibles assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition.

Intangibles assets with finite useful lives include costs incurred in connection with the acquisition of computer software used in operations and other minor intangible assets. The amortization expense is calculated following the straight-line method over the useful life estimated between 4 and 5 years; see Note 9.

Intangibles assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be sustainable. If not, the charge in useful life from indefinite to finite is made on a prospective basis.

(q) Goodwill -
Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, if any, over the net identifiable assets acquired and liabilities assumed. If the fair value of net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If from the reassessment still results in an excess of fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in the consolidated statement of income.

After initial recognition, goodwill is measured at cost less any cumulative impairment loss, if any. A goodwill impairment testing is performed on a yearly basis. To perform an impairment testing, goodwill acquired in a business combination is allocated, since the acquisition date, to one of the Group's cash-generating units (henceforth "CGU") that are expected to benefit from the business combination, irrespective of whether other assets or liabilities of the acquirer are assigned to those units.

Goodwill impairment is determined by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

Where the goodwill has been allocated to the CGU and part of the operation within that unit is disposed of, the goodwill associated to the disposed operation is included in the carrying amount of the operation when determining the gain or loss of disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the withheld portion of the CGU retained.

Goodwill, recorded by the Group; see Note 9(b), arises from the acquisition of Izipay, allocated to the CGU of Payments business unit and, Seguros Sura, allocated to the CGU of the insurance business unit.

(r) Business combinations -

Business combinations are accounted for using the acquisition method established by IFRS 3 "Business Combinations". The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at the acquisition date's fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group chooses whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in the caption "Administrative expenses" of the consolidated statement of income, see Note 1(b).

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical for the capacity to the ability to continue producing outputs , and the inputs acquired include an organized workforce with the necessary skills, knowledge or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without incurring in significant costs, effort or delay in the ability of continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer shall be recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 "Financial Instruments:

Recognition and Measurement", is measured at fair value with the changes in the consolidated statement of income or in the consolidated statement of other comprehensive income. If the contingent consideration is not within the scope of IFRS 9, this shall be measured according to the applicable IFRS Accounting Standards. The contingent consideration that is classified as equity must not be measured again and its subsequent settlement shall be recorded in equity. As of December 31, 2024 and 2023, there have been no contingencies arising from business combinations.

A business combination between entities or businesses under common control is beyond the scope of IFRS 3, because it corresponds to a business combination in which all entities or businesses that are combined are ultimately controlled by the same part or parts, both before and after the business combination. In these transactions, the Group recognizes the assets acquired under the method of unification of interest, whereby the assets and liabilities of the combined companies are reflected in their book values and no commercial credit is recognized as a result of the combination.

(s) Impairment of non-financial assets -

Property, furniture and equipment, right-of-use assets and intangible assets with a finite life are assessed to determine whether there are any indications of impairment as of the closing of each period. If any indication exists, the Group estimates the asset's recoverable value. The recoverable amount of the assets is the highest between the value of an asset or a CGU less the costs of sale and its use value, and it is determined for an individual asset, unless the asset does not generate cash revenues that are largely independent from those of other assets or groups of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value minus costs to sell, an appropriate valuation model is used.

Intangible assets with indefinite useful lives, including goodwill, are tested for impairment annually to determine if circumstances indicate that the value of the recoverable amount of the asset or a CGU (or group of CGUs) is greater than its carrying amount or recognize an impairment loss. Impairment losses relating to goodwill cannot be reversed in future periods.

(t) Defined contribution pension plan -

The Group only operates a defined contribution pension plan. The defined contribution payable in the pension plan is in proportion to the services rendered to the Group by the employees and it is recorded as an expense in the caption "Salaries and employee benefits" of the consolidated statement of income. Unpaid contributions are recorded as liabilities.

(u) Provisions -

Provisions are recognized when the Group has a present obligation (legal or implicit) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the consolidated statement of income, net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a pre-tax rate that reflects, where appropriate, the specific risks of the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a financial expense.

(v) Contingencies -

Contingent liabilities are not recognized in the consolidated financial statements, but are disclosed in notes to the consolidated financial statements, unless the probability of an outflow of resources is remote. Contingent assets are not recorded in the consolidated financial statements, but they are disclosed if it is probable that an inflow of economic benefits will emerge.

(w) Fair value measurement -

Fair value is the price that would be received for the sale of an asset or paid for the transfer of 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:

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

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

When possible, the Group measures the fair value of a financial 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 on an active market, then the Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure the fair value, maximizing the use of relevant and observable data and variables, and minimizing the use of unobservable data and variables.

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

In the case of investment property, the Group has considered the specific requirements relating to highest and best use, valuation of premises and principal (or most advantageous) market. The determination of investment property fair value requires the use of estimations such as the future cash flows of the assets (e.g., leases, sales, fixed rents for the different lessees, variable rents based on the sales percentage, operating costs, construction costs, maintenance costs, and the use of discount rates).

Additionally, real estate development risks (such as construction and abandonment) are also taken into account when determining the fair value of the land related to the investment property under construction.

The fair value of investment property in the consolidated statement of financial position must reflect the volatile nature of real estate markets; therefore, Management and its appraisers use their market knowledge and professional criteria and do not depend solely on historical comparable transactions. In this sense, there is a higher degree of uncertainty than when a more active market exists for the estimation of fair value. Significant methods and assumptions used in the estimation of fair value of investment property are detailed in Note 7.

All assets and liabilities for which the fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy described below:

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

For assets and liabilities that are recognized at fair value in the consolidated financial statements on a recurring basis, the Group 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 Group 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 hierarchy of the fair value, as explained above.

Fair values of financial instruments measured at amortized cost are disclosed in Note 31(b).

(x) Income Tax -

Income Tax is computed based on the separate financial statement of each Subsidiary.

Deferred Income Tax is accounted for in accordance with IAS 12 "Income Taxes". In this sense, the 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 that are expected to be in force in the years in which such temporary differences are expected to be recovered or settled. Consequently, the deferred Income Tax has been calculated by applying the rates that are in force; see Note 17(c). The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that arise from the manner in which each individual entity of the Group expects, at the consolidated statement of financial position dates, to recover or settle the carrying amount of their assets and liabilities.

Deferred tax assets and liabilities are recognized regardless of when the temporary differences are likely to reverse. Deferred tax assets are recognized when it is probable that sufficient taxable income will be generated against which the deferred tax assets can be offset. At each consolidated statement of financial position date, unrecognized deferred assets and the carrying amount of deferred tax assets registered are assessed. A previously unrecognized deferred tax asset is recognized to the extent that it has now become probable that future taxable income will allow the deferred tax asset to be recovered. Likewise, the carrying amount of a deferred tax asset is reduced when it is no longer probable the generation of a sufficient taxable income that allow the application of the tax deferred asset.
According to IAS 12, the deferred Income Tax is determined by applying the Income Tax rate applicable to the retained earnings, recognizing any additional tax on distribution of dividends that may arise on the date when the liability is recognized.

(y) Segment information -

IFRS 8 "Operating Segments" requires that the information of operating segments be disclosed consistently with information provided by the chief operating decision maker, who allocates resources to the segments and assesses their performance. Segment information is presented in Note 27.

(z) Fiduciary activities and management of funds -
The Group provides trust management, investment management, advisory and custody services to third parties that result in the holding of assets on their behalf. These assets and the income arising thereon are excluded from these consolidated financial statements, as they are not assets of the Group; see Note 31.

Commissions generated from these activities are included in the caption "Fee income from financial services, net" of the consolidated statement of income.

(aa) Earnings per share -
The amount of basic earnings per share is calculated by dividing the net profit for the year attributable to common shareholders by the weighted average number of common shares outstanding during the year. As of December 31, 2024 and 2023, the Group does not have financial instruments with dilutive effect, therefore, basic and diluted earnings per share are identical for the years reported.

(ab) Capital surplus -
It is the difference between the nominal value of shares issued and their public offering price made in 2007 and 2019. Capital surplus is presented net of expenses incurred in the issuance of shares.

(ac) Treasury stock -
Shares repurchased are recorded in the shareholders' equity under treasury stock caption at their purchase price. No loss or gain is recorded in the consolidated statement of income arising from the purchase, sale, issuance or amortization of these instruments. Shares that are subsequently sold are recorded as a reduction in treasury stock, measured at the average price of treasury stock held at such date; and the resulting gain or loss is recorded in the consolidated statement of changes in net equity in the caption "Retained earnings".

(ad) Cash and cash equivalents -
Cash presented in the consolidated statement of cash flows includes cash and due from banks balances with original maturities lower than three months, excludes the restricted funds, which are subject to an insignificant risk of changes in value. The cash and cash equivalent item does not include accrued interest.

On the other hand, the cash collateral committed as part of a repurchase agreement is included in the "Cash and due from banks" caption of the consolidated statement of financial position; see Note 4(d).

(ae) Interest Rate Benchmark Reform -
In recent years, global regulators decided to gradually eliminate LIBOR rates and replace them by an alternative interest rate (risk-free rates). During 2023, the Group managed the transition of all its contracts exposed to the alternative interest rate benchmark Secured Overnight Financial Rate (SOFR). Regarding other interest rate benchmarks, such as EURIBOR, the financial instruments subject to said rate will not need to perform a transition since the rates comply with the strict regulating requirements to qualify as interest rate benchmark.

The exposures that were migrated to other benchmarks included, as mentioned before, commercial loan contracts, liability positions, and derivatives. In the case of commercial loans and liability positions (bonds issued) the new conditions of migration to other benchmark were negotiated or the already existing fallback clauses in the contracts were applied. In the case of derivatives agreed under the framework of the International Swaps and Derivatives Association (ISDA), Interbank signed the ISDA Protocol, which allowed the migration to new benchmarks to follow the standard process defined by said protocol. In the case of derivative contracts agreed outside the ISDA framework, mainly domestic contracts, the transition to the new SOFR benchmark was negotiated one by one.

Also, regarding the derivatives valuation, since June 2023, said valuations ceased to refer to the LIBOR benchmark and became being valued under SOFR rates or equivalents.

Regarding the new exposures, since the beginning of 2023, all new contracts refer to liquid standard risk-free rates (SOFR or similar) or are fixed rates, so that no new exposures are generated on the basis of LIBOR rates.

Note 10(b)(vi) details the nominal value and the average term in years of derivative financial instruments that are subject to the new interest rate benchmark SOFR.

(af) Financial statements as of December 31, 2024 and 2023 -
When necessary, certain amounts from the previous year have been reclassified to make them comparable with the presentation of the current year.

(ag) Subsequent events -
The events subsequent to the year-end closing that provide additional information about the consolidated financial position of the Group as of the date of the consolidated statement of financial position (adjustment events) are included in the consolidated financial statements. The subsequent events that are important but are not adjustment events are disclosed in the Notes to the consolidated financial statements; see Note 32.

3.5 Standards issued but not yet effective -

Following is the description of the new and amended standards and interpretations issued, but which are not yet in force at the date of issuance of these consolidated financial statements. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective:

- Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates": Lack of Exchangeability

  In August 2023, the IASB issued the amendments to IAS 21 to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is slacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

  The amendments will be effective for annual reporting periods beginning on or after 1 January, 2025. Early adoption is permitted but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

  The amendments are not expected to have a material impact on the Group's consolidated financial statements.

- IFRS 18 "Presentation and Disclosure in Financial Statements"

  In April 2024, the IASB issued IFRS 18, which replaces IAS 1 "Presentation of Financial Statements".

  IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

  It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified "roles" of the primary financial statements and the notes to the financial statements.

  In addition, narrow-scope amendments have been made to IAS 7 "Statement of Cash Flows", which include changing the starting point for determining cash flows from operations under the indirect method, from "profit or loss" to "operating profit or loss" and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The Group is currently working to identify all impacts the amendments will have on the primary consolidated financial statements and notes to the consolidated financial statements.

- IFRS 19 "Subsidiaries without Public Accountability": Disclosures
  In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity: (i) must be a subsidiary as defined in IFRS 10 "Consolidated Financial Statements"; (ii) cannot have public accountability; and (iii) must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

  IFRS 19 is effective for reporting periods beginning on 1 January 2027, with early application permitted. As the equity instruments of the Company are publicly traded, it is not eligible to elect to apply IFRS 19.

- Amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments": Disclosures: Classification and measurement of financial instruments

  In May 2024, the IASB issued amendments referred to the classification and measurement of financial instruments, which:

  - Clarifies that a financial liability is derecognized on the "settlement date"; when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. It also introduces an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met.
  - Clarified how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features.
  - Clarifies the treatment of non-recourse assets and contractually linked instruments.
  - Requires additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income.

The amendments will be effective for annual reporting periods beginning on 1 January 2026. Early adoption is permitted for amendments that relate to the classification of financial assets plus the related disclosures. Other amendments can be applied later. The amendments are not expected to have a material impact on the Group's consolidated financial statements.

3.6 Material accounting judgments, estimates and assumptions -

The preparation of the consolidated financial statement of the Group requires Management to make judgments, estimates and assumptions that affect the reported amount of income, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. In the process of applying the Group's accounting policies, Management has used judgments and assumptions about the future and other key sources to make its estimates at the reporting date, which have a significant risk that may cause a material adjustment to the value in books of assets and liabilities within the next financial year. The estimates and existing assumptions may change due to circumstances beyond the control of the Group and are reflected in assumptions if they occur. The items with the most impact recognized in the consolidated financial statements with judgements and/or considerable estimates are the following: the calculation of the impairment of the portfolio of loans and financial investments, the measurement of the fair value of the financial investments and investment properties, the assessment of the impairment of the goodwill and indefinite-lived intangibles, the liabilities for insurance contracts and the measurement of the fair value of derivative financial instruments; also, there are other estimates such as provisions for litigation, the estimated useful life of intangible assets, and property, furniture and equipment, and the estimation of assets and liabilities for deferred Income Tax, and the determination of terms and estimation of the interest rate of lease agreements. The accounting criteria used for each of these items are described in Note 3.4.

4. Cash and due from banks and inter-bank funds

(a) The detail of cash and due from banks is as follows:

	2024 S/(000)	2023 S/(000)
Cash and clearing (b)	2,853,187	2,248,845
Deposits in the BCRP (b)	7,333,818	5,215,762
Deposits in banks (c)	1,790,361	1,609,604
Total cash and cash equivalent	11,977,366	9,074,211
Accrued interest	18,094	23,809
Restricted funds (d)	619,766	720,691
Total	12,615,226	9,818,711

(b) In accordance with rules in force, Interbank is required to maintain a legal reserve to honor its obligations with the public. This reserve is comprised of funds kept in Interbank and in the BCRP and is made up as follows:

	2024 S/(000)	2023 S/(000)
Legal reserve (*)		
Deposits in the BCRP	5,969,218	4,593,592
Cash in vaults	2,644,386	2,005,760
Subtotal legal reserve	8,613,604	6,599,352
Non-mandatory reserve		
Term deposits in BCRP (**)	800,000	-
Overnight deposits in BCRP (***)	564,600	622,170
Cash and clearing	208,548	243,029
Subtotal non-mandatory reserve	1,573,148	865,199
Cash balances not subject to legal reserve	253	56
Total	10,187,005	7,464,607

(*) The legal reserve funds maintained in the BCRP are non-interest bearing, except for the part that exceeds the minimum reserve required that accrued interest at a nominal annual rate, established by the BCRP. As of December 31, 2024 and 2023, the Group presented only excess in foreign currency that accrued interest in US Dollars at an annual average rate of 3.90 and 4.86 percent, respectively.

During the years 2024, 2023 and 2022, the Group recognized income for interest related to the excess of the legal reserve, which amounted to S/202,637,000, S/194,446,000 and S/61,302,000, respectively, and were recorded in the item "Interest on due from banks and inter-bank funds" of the caption "Interest and similar income" of the consolidated statement of income, see Note 19.

In Group Management's opinion, Interbank has complied with the requirements established by the rules in force related to the computation of the legal reserve.

(**) As of December 31, 2024, corresponds to overnight deposits in local currency, with maturity in the first days of January 2025, and accrued interest at an annual interest rate of 4.83 percent.

During the years 2024, 2023 and 2022, the Group recognized interest on time deposits, which amounted to S/52,245,000, S/36,960,000 and S/48,331,000, respectively, and were recorded in the item "Interest on due from banks and inter-bank funds" of the caption "Interest and similar income" of the consolidated statement of income, see Note 19.

(***) As of December 31, 2024, corresponds to an overnight deposit in foreign currency for US$150,000,000 (approximately equivalent to S/564,600,000), with maturity in the first days of January 2025, and accrued interest at an annual interest rate of 4.44 percent, (as of December 31, 2023, it corresponded to an overnight deposit in foreign currency for US$130,000,000 (approximately equivalent to S/482,170,000), and an overnight deposit in local currency for S/140,000,000, with maturity in the first days of January 2024, and accrued interest at an annual interest rate of 5.33 and 4.0 percent, respectively).

During the years 2024, 2023 and 2022, the Group recognized income for interest on overnight deposits, which amounted to S/66,989,000, S/68,850,000and S/35,874,000, respectively, and were recorded in the item "Interest on due from banks and inter-bank funds" of the caption "Interest and similar income" of the consolidated statement of income, see Note 19.

(c) Deposits in domestic banks and abroad are mainly in Soles and US Dollars, they are freely available and accrue interest at market rates.

(d) The Group maintains restricted funds related to:

	2024 S/(000)	2023 S/(000)
Inter-bank transfers (*)	596,648	694,118
Derivative financial instruments, Note 10(b)(i) and Note 29.1(g.1)	21,568	24,725
Others	1,550	1,848
Total	619,766	720,691

(*) Funds held at BCRP to guarantee transfers made through the Electronic Clearing House ("CCE", by its Spanish acronym).

(e) Inter-bank funds
These are loans made between financial institutions with maturity, in general, minor than 30 days. As of December 31, 2024, Inter-bank funds assets accrue interest at an annual rate of 5.00 percent in local currency (annual rate of 6.75 percent in local currency and annual rate of 5.5 in foreign currency for Inter-bank funds assets and liabilities, as of December 31, 2023); and do not have specific guarantees.

5. Financial investments

(a) This caption is made up as follows:

	2024 S/(000)	2023 S/(000)
Debt instruments measured at fair value through other comprehensive income (b) and (c)	20,377,805	20,912,184
Investments at amortized cost (d)	3,784,912	3,383,014
Investments at fair value through profit or loss (e)	1,776,567	1,556,540
Equity instruments measured at fair value through other comprehensive income (f)	458,268	444,878
Total financial investments	26,397,552	26,296,616
Accrued income		
Debt instruments measured at fair value through other comprehensive income (b)	347,087	334,385
Investments at amortized cost (d)	113,286	90,990
Total	26,857,925	26,721,991

In the determination of the expected loss for the financial investments' portfolio, the Group has not needed to apply any subsequent adjustment to the model through the expert judgment, because the most significant investments held as of December 31, 2024 and 2023 are permanently evaluated by local and international credit-rating agencies, in an individual manner. Said agencies periodically modify the ratings of the issuers in accordance with the risk variation of each of the financial instrument, based on specific situation of issuers.

(b) Following is the detail of debt instruments measured at fair value through other comprehensive income:

	Amortized cost	Unrealized gross amount		Estimated fair value	Maturity	Annual effective interest rates			
		Gains	Losses (c)			S/		US$	
	S/(000)	S/(000)	S/(000)	S/(000)		Min %	Max %	Min %	Max %
2024									
Corporate, leasing and subordinated bonds (*)	9,867,060	111,866	(805,981)	9,172,945	Jan-25 / Feb-97	2.20	14.00	3.70	10.86
Sovereign Bonds of the Republic of Peru (**)	8,331,426	24,387	(410,536)	7,945,277	Aug-26 / Feb-55	2.81	7.12	-	-
Negotiable Certificates of Deposit issued by the Central Reserve Bank of Peru	2,113,571	370	(17)	2,113,924	Jan-25 / Jun-25	4.51	4.68	-	-
Bonds guaranteed by the Peruvian Government	554,359	6,798	(4,603)	556,554	Apr-28 / Oct-33	3.65	4.74	6.37	7.22
Global Bonds of the Republic of Peru	548,697	-	(27,058)	521,639	Jul-25 / Nov-50	-	-	5.00	6.14
Treasury Bonds of the United States of America	57,607	-	(5,082)	52,525	Nov-31 / Aug-34	-	-	4.46	4.53
Global Bonds of the United States of Mexico	18,100	-	(3,159)	14,941	Feb-34	-	-	6.51	6.51
Total	21,490,820	143,421	(1,256,436)	20,377,805					
Accrued interest				347,087					
Total				20,724,892					

	Amortized cost	Unrealized gross amount		Estimated fair value	Maturity	Annual effective interest rates			
		Gains	Losses (c)			S/		US$	
	S/(000)	S/(000)	S/(000)	S/(000)		Min %	Max %	Min %	Max %
2023									
Corporate, leasing and subordinated bonds (*)	9,443,384	83,511	(865,654)	8,661,241	Jan-24 / Feb-97	2.22	14.52	4.00	18.00
Sovereign Bonds of the Republic of Peru (**)	8,320,671	13,599	(558,282)	7,775,988	Aug-24 / Feb-55	0.95	6.82	-	-
Negotiable Certificates of Deposit issued by the Central Reserve Bank of Peru (***)	3,445,361	3,638	(15)	3,448,984	Jan-24 / Sep-24	5.60	6.66	-	-
Bonds guaranteed by the Peruvian Government	475,542	7,810	(9,722)	473,630	Oct-24 / Oct-33	2.81	4.65	7.39	7.92
Global Bonds of the Republic of Peru	498,897	-	(35,564)	463,333	Jul-25 / Dec-32	-	-	4.76	5.23
Treasury Bonds of the United States of America	76,556	26	(3,252)	73,330	Jan-24 / Feb-32	-	-	3.87	5.00
Global Bonds of the United States of Mexico	17,769	-	(2,091)	15,678	Feb-34	-	-	5.51	5.51
Total	22,278,180	108,584	(1,474,580)	20,912,184					
Accrued interest				334,385					
Total				21,246,569					

(*) As of December 31, 2024, Inteligo Bank holds corporate bonds from several entities for approximately S/410,509,000, which guarantee loans with BMO Capital Markets Corp. and Bank J. Safra Sarasin (Inteligo holds corporate bonds from several entities for approximately S/101,215,000, which guarantee loans with Bank J. Safra Sarasin, as of December 31, 2023), see Note 12(d).

(**) As of December 31, 2024 and 2023, Interbank holds Sovereign Bonds of the Republic of Peru for approximately S/1,027,038,000 and S/629,265,000, respectively, which guarantee loans with foreign banks, see Note 12(d). As of December 31, 2023, Interbank held Sovereign Bonds of the Republic of Peru for approximately S/887,454,000, which guaranteed loans with the BCRP, see Note 12(b).

(***) As of December 31, 2023, Interbank maintained Negotiable Certificates of Deposits issued by the BCRP for approximately S/785,206,000, which guaranteed loans with the BCRP, see Note 12(b).

The following table shows the credit quality and maximum exposure to credit risk based on the Group's internal credit rating of debt instruments measured at fair value through other comprehensive income as of December 31, 2024 and 2023. The amounts presented do not consider impairment.

	2024				2023			
	Stage 1 S/(000)	**Stage 2** S/(000)	**Stage 3** S/(000)	**Total** S/(000)	**Stage 1** S/(000)	**Stage 2** S/(000)	**Stage 3** S/(000)	**Total** S/(000)
Not impaired								
High grade	2,946,070	-	-	2,946,070	4,261,926	-	-	4,261,926
Standard grade	16,385,685	823,057	-	17,208,742	15,898,382	750,179	-	16,648,561
Sub-standard grade	-	222,993	-	222,993	-	-		
Impaired								
Individual	-	-	-	-	-	-	1,697	1,697
Total	19,331,755	1,046,050	-	20,377,805	20,160,308	750,179	1,697	20,912,184

(c) The Group, according to the business model applied to these debt instruments, has the capacity to hold these investments for a sufficient period that allows the recovery of the fair value, up to the maximum period for the early recovery or the due date.

The following table shows the analysis of changes in fair value and the corresponding expected credit loss:

	2024			
Gross carrying amount of debt instruments measured at fair value through other comprehensive income	**Stage 1** S/(000)	**Stage 2** S/(000)	**Stage 3** S/(000)	**Total** S/(000)
Beginning of year balances	20,160,308	750,179	1,697	20,912,184
New originated or purchased assets	4,916,977	-	-	4,916,977
Assets matured or derecognized (excluding write-offs)	(5,166,123)	(101,294)	(1,718)	(5,269,135)
Change in fair value	(218,924)	(28,365)	-	(247,289)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(425,221)	425,221	-	-
Transfers to Stage 3	-	-	-	-
Write-offs	-	-	-	-
Foreign exchange effect	64,738	309	21	65,068
End of year balances	19,331,755	1,046,050	-	20,377,805

	2024			
Movement of the allowance for expected credit losses for debt instruments measured at fair value through other comprehensive income	**Stage 1** S/(000)	**Stage 2** S/(000)	**Stage 3** S/(000)	**Total** S/(000)
Expected credit loss at the beginning of the period	9,877	37,987	13,182	61,046
New originated or purchased assets	1,095	-	-	1,095
Assets matured or derecognized (excluding write-offs)	(851)	(2,808)	(256)	(3,915)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(1,053)	1,053	-	-
Transfers to Stage 3	-	-	-	-
Effect on the expected credit loss due to the change of the stage during the year	-	8,958	-	8,958
Others (*)	457	40,926	-	41,383
Write-offs	-	-	(13,043)	(13,043)
Recoveries	-	-	-	-
Foreign exchange effect	(142)	(409)	117	(434)
Expected credit loss at the end of the period	9,383	85,707	-	95,090

(*) Corresponds mainly to the effects on the expected loss due to changes in investment ratings that do not necessarily have resulted in stage transfers during the year.

Gross carrying amount of debt instruments measured at fair value through other comprehensive income	2023			
	Stage 1 S/(000)	Stage 2 S/(000)	Stage 3 S/(000)	Total S/(000)
Beginning of year balances	15,770,778	945,321	418	16,716,517
New originated or purchased assets	5,810,766	-	-	5,810,766
Assets matured or derecognized (excluding write-offs)	(2,175,611)	(80,810)	-	(2,256,421)
Change in fair value	783,826	(58,954)	1,289	726,161
Transfers to Stage 1	161,781	(161,781)	-	-
Transfers to Stage 2	(109,392)	109,392	-	-
Transfers to Stage 3	-	-	-	-
Write-offs	-	-	-	-
Foreign exchange effect	(81,840)	(2,989)	(10)	(84,839)
End of year balances	20,160,308	750,179	1,697	20,912,184

Movement of the allowance for expected credit losses for debt instruments measured at fair value through other comprehensive income	2023			
	Stage 1 S/(000)	Stage 2 S/(000)	Stage 3 S/(000)	Total S/(000)
Expected credit loss at the beginning of the period	10,822	29,600	13,552	53,974
New originated or purchased assets	1,689	-	-	1,689
Assets matured or derecognized (excluding write-offs)	(877)	(116)	-	(993)
Transfers to Stage 1	4,198	(4,198)	-	-
Transfers to Stage 2	(183)	183	-	-
Transfers to Stage 3	-	-	-	-
Effect on the expected credit loss due to the change of the stage during the year	(4,003)	3,414	-	(589)
Others (*)	(1,739)	9,120	-	7,381
Write-offs	-	-	-	-
Recoveries	-	-	-	-
Foreign exchange effect	(30)	(16)	(370)	(416)
Expected credit loss at the end of the period	9,877	37,987	13,182	61,046

(*) Corresponds mainly to the effects on the expected loss due to changes in investment ratings that do not necessarily have resulted in stage transfers during the year.

In the determination of the expected loss for the portfolio of financial investments, for the years 2024 and 2023; it has not been necessary to perform a subsequent adjustment to the model because it captures the expected loss in a satisfactory manner considering the Group portfolio investments.

As a result of the assessment of the impairment of its debt instruments at fair value through other comprehensive income, the Group recorded a loss of S/47,521,000, S/7,500,000 and S/12,752,000 during the year 2024, 2023 and 2022, which are presented in the caption "Loss to impairment of financial investments" in the consolidated statement of income. The movement of unrealized results of investments at fair value through other comprehensive income, net of Income Tax and non-controlling interest, is presented in Notes 16(d) and (e).

(d) As of December 31, 2024, investments at amortized cost corresponds mainly to Sovereign Bonds of the Republic of Peru issued in Soles for an amount of S/3,799,540,000, including accrued interest for an amount of S/101,143,000 (as of December 31, 2023, corresponded to Sovereign Bonds of the Republic of Peru issued in Soles for an amount of S/3,393,962,000, including accrued interest for an amount of S/86,652,000). Said investments present low credit risk and the impairment loss is not significant.

As of December 31, 2024, these investments have maturity dates that range from August 2026 to August 2039, have accrued interest at effective annual rates between 4.36 percent and 7.76 percent, and a fair value amounting to approximately S/3,775,935,000 (as of December 31, 2023, their maturity dates ranged from August 2024 to August 2037, accrued interest at effective annual rates between 4.36 percent and 7.50 percent , and a fair value amounted to approximately S/3,277,672,000).

Additionally, as of December 31, 2024, term deposits mainly issued in local currency are held, for an amount of S/98,658,000, including accrued interest amounting to S/12,143,000 (as of December 31, 2023, term deposits mainly issued in local currency are held, for an amount of S/80,042,000, included accrued interest amounting to S/4,338,000).Said investments present low credit risk and the impairment loss is not material. As of December 31, 2024, the maturity of these investments fluctuates between January 2025 and February 2029, have accrued interest at effective annual rates between 3.10 percent and 8.80 percent, and their fair value amounts to approximately S/98,658,000 (as of December 31, 2023, the maturity of these investments fluctuated between April 2024 and February 2029, have accrued interest at effective annual rates between 3.10 percent and 8.80 percent, and a fair value amounted to approximately S/80,042,000).

During the years 2024 and 2023, the Government of the Republic of Peru performed public offerings to repurchase certain sovereign bonds, with the purpose of renewing its debt and funding the fiscal deficit. Considering the purpose of this offering, subsequently to it, there should not be existing remaining sovereign bonds of the repurchased issuances or, in case of existing, they would become illiquid on the market. In that sense, during year 2024, Interbank took part of these public offering and sold to the Government of the Republic of Peru, sovereign bonds classified as investments at amortized cost for approximately S/630,749,000, generating a gain amounting to S/866,000 (during year 2023, Interbank sold S/482,632,000, generating a loss amounting to S/490,000), which was recorded in the caption "Net gain (loss) on sale of financial investments" of the consolidated statement of income. Additionally, with the purpose of maintaining its asset management strategy, Interbank, during year 2024, purchased simultaneously other sovereign bonds of the Republic of Peru for approximately S/628,675,000, and classified them as investments at amortized cost (during year 2023, purchased S/488,127,000 and classified them as investments at amortized cost). In Management's opinion and pursuant to IFRS 9, said transaction is congruent with the Group's business model because although said sales were significant, they were infrequent and were performed with the sole purpose of facilitating the renewal and the funding of the fiscal deficit of the Republic of Peru, and thus the business model regarding these assets has always been to collection of the contractual cash flows.

As of December 31, 2024 and 2023, Interbank holds loans with the BCRP that are guaranteed with these sovereign bonds, classified as restricted, for approximately S/1,861,524,000 and S/2,058,931,000, respectively, see Note 12(b).

As of December 31, 2024 and 2023, Interbank holds loans with foreign banks that are guaranteed with these sovereign bonds, classified as restricted, for approximately S/435,242,000 and S/445,909,000, respectively; see Note 12(d).

(e) The composition of financial instruments at fair value through profit or loss is as follows:

	2024 S/(000)	2023 S/(000)
Equity instruments		
Local and foreign mutual funds and investment funds participations	1,396,582	1,169,491
Listed shares	202,054	253,203
Non-listed shares	154,856	122,482
Debt instruments		
Negotiable Certificates of Deposits	12,365	6,075
Sovereign Bonds of the Republic of Peru	8,538	-
Corporate, leasing and subordinated bonds	2,172	5,289
Total	1,776,567	1,556,540

As of December 31, 2024 and 2023, investments at fair value through profit or loss include investments held for trading for approximately S/152,755,000 and S/194,033,000, respectively; and those assets that are necessarily measured at fair value through profit or loss for approximately S/1,623,812,000 and S/1,362,507,000, respectively.

During the year 2024, the Group recognized gains from valuation of instruments at fair value through profit or loss for approximately S/95,783,000 (during the year 2023 and 2022 recognized losses for S/53,134,000 and S/303,733,000), which are part of caption "Net gain (loss) from financial assets at fair value through profit or loss" of the consolidated statement of income.

During the years 2024, 2023 and 2022, the Group has received dividends from these investments for approximately S/12,084,000, S/8,838,000 and S/33,897,000, respectively, which were recorded as "Dividends on financial instruments" in the caption "Interest and similar income" of the consolidated statement of income, see Note 19.

(f) The composition of equity instruments measured at fair value through other comprehensive income is as follow:

	2024 S/(000)	2023 S/(000)
Listed shares (g)	420,474	407,636
Non-listed shares	37,794	37,242
Total	458,268	444,878

As of December 31, 2024 and 2023, it corresponds to investments in shares in the biological sciences, distribution of machinery, energy, telecommunications, financial and massive consumption sectors that are listed on the domestic and foreign markets.

During the years 2024, 2023 and 2022, the Group received dividends from these investments for approximately S/37,312,000, S/33,941,000 and S/45,031,000, respectively, which were recorded as "Dividends on financial instruments" in the caption "Interest and similar income" in the consolidated statement of income, see Note 19.

(g) During the year 2024, the Group sold shares of several entities, which were irrevocably designated at fair value through other comprehensive income. The total amount of the sales amounted to S/40,591,000 generating total losses for approximately S/53,737,000 (in 2023, the sales amounted to S/80,372,000, generating total gains for approximately S/33,433,000; in 2022, the sales amounted to S/345,791,000, generating total gains for approximately S/16,313,000). In accordance with IFRS 9 and considering the classification of this investment said gains or losses were reclassified to caption "Retained Earnings" of the consolidated statement of changes in equity.

(h) The following is the balance of investments at fair value through other comprehensive income (debt and equity instruments) and investments at amortized cost as of December 31, 2024 and 2023 classified by contractual maturity (without including accrued interest or future interest):

	2024		2023	
	Investments at fair value through other comprehensive income S/(000)	Investments at amortized cost S/(000)	Investments at fair value through other comprehensive income S/(000)	Investments at amortized cost S/(000)
Up to 3 months	1,973,030	52,301	1,933,761	-
From 3 months to 1 year	528,185	11,413	2,279,986	634,133
From 1 to 3 years	2,431,310	422,956	2,347,378	485,590
From 3 to 5 years	2,205,297	327,432	1,660,263	146,633
From 5 years onwards	13,239,983	2,970,810	12,690,796	2,116,658
Equity instruments (without maturity)	458,268	-	444,878	-
Total	20,836,073	3,784,912	21,357,062	3,383,014

(i) Below are the debt instruments measured at fair value through other comprehensive income and at amortized cost according to the stages indicated by IFRS 9. As of December 31, 2024 and 2023:

	2024			
Debt instruments measured at fair value through other comprehensive income and at amortized cost	**Stage 1** S/(000)	**Stage 2** S/(000)	**Stage 3** S/(000)	**Total** S/(000)
Sovereign Bonds of the Republic of Peru	11,643,674	-	-	11,643,674
Corporate, leasing and subordinated bonds	8,126,895	1,046,050	-	9,172,945
Negotiable Certificates of Deposit issued by the BCF	2,113,924	-	-	2,113,924
Bonds guaranteed by the Peruvian government	556,554	-	-	556,554
Global Bonds of the Republic of Peru	521,639	-	-	521,639
Treasury Bonds of the United States of America	52,525	-	-	52,525
Global Bonds of the United States of Mexico	14,941	-	-	14,941
Term deposits	86,515	-	-	86,515
Total	23,116,667	1,046,050	-	24,162,717

Debt instruments measured at fair value through other comprehensive income and at amortized cost	2023			
	Stage 1 S/(000)	**Stage 2** S/(000)	**Stage 3** S/(000)	**Total** S/(000)
Sovereign Bonds of the Republic of Peru	11,083,297	-	-	11,083,297
Corporate, leasing and subordinated bonds	7,909,365	750,179	1,697	8,661,241
Negotiable Certificates of Deposit issued by the BCF	3,448,984	-	-	3,448,984
Bonds guaranteed by the Peruvian government	473,630	-	-	473,630
Global Bonds of the Republic of Peru	463,333	-	-	463,333
Treasury Bonds of the United States of America	73,330	-	-	73,330
Global Bonds of the United States of Mexico	15,678	-	-	15,678
Term deposits	75,705	-	-	75,705
Total	23,543,322	750,179	1,697	24,295,198

6. Loan, net

(a) This caption is made up as follows:

	2024 S/(000)	**2023** S/(000)
Direct loans		
Loans (*)	38,456,682	35,789,130
Credit cards and other loans (**)	5,386,427	6,023,769
Discounted notes	1,706,886	1,567,411
Leasing	1,584,357	1,495,290
Factoring	1,410,968	1,244,795
Advances and overdrafts	101,848	14,617
Refinanced loans	449,438	461,995
Past due and under legal collection loans	1,318,758	1,652,151
	50,415,364	48,249,158
Plus (minus)		
Accrued interest from performing loans (f)	569,384	657,355
Unearned interest and interest collected in advance	(25,133)	(36,706)
Impairment allowance for loans (d)	(1,730,167)	(2,349,425)
Total direct loans, net	49,229,448	46,520,382
Indirect loans, Note 18(a)	5,068,694	4,743,480

(*) As of December 31, 2024 and 2023, Interbank maintains repo operations of loans represented in securities according to the BCRP's definition. In consequence, loans provided as guarantee amounts to S/123,772,000 and S/504,158,000, respectively, and is presented in the caption "Loan, net", and the related liability is presented in the caption "Due to banks and correspondents" of the consolidated statement of financial position; see Note 12(b).

(**) As of December 31, 2024 and 2023, it includes non-revolving consumer loans for approximately S/2,666,284,000 and S/3,149,149,000, respectively.

(b) The classification of the direct loan portfolio is as follows:

	2024 S/(000)	2023 S/(000)
Commercial loans (c.1)	22,770,495	21,155,476
Consumer loans (c.1)	15,036,411	16,325,460
Mortgage loans (c.1)	10,571,300	9,834,398
Small and micro-business loans (c.1)	2,037,158	933,824
Total	50,415,364	48,249,158

As explained in further detail in Note 29.1, for purposes of estimating the impairment loss in accordance with IFRS 9, the Group's loans are segmented into homogeneous groups that share similar risk characteristic. In this sense, the Group has determined three types of loan portfolios: Retail Banking (consumer and mortgage loans), Commercial Banking (commercial loans) and Small Business Banking (loans to small and micro-business).

(c) The following table shows the credit quality and maximum exposure to credit risk based on the Group's internal credit rating as of December 31, 2024 and 2023. The amounts presented do not consider impairment.

	2024				2023			
Direct loans, (c.1)	**Stage 1** S/(000)	**Stage 2** S/(000)	**Stage 3** S/(000)	**Total** S/(000)	**Stage 1** S/(000)	**Stage 2** S/(000)	**Stage 3** S/(000)	**Total** S/(000)
Not impaired								
High grade	32,184,807	340,472	-	32,525,279	35,098,364	1,068,674	-	36,167,038
Standard grade	8,332,692	1,513,955	-	9,846,647	2,832,251	1,510,897	-	4,343,148
Sub-standard grade	2,705,012	1,582,401	-	4,287,413	1,367,503	1,450,751	-	2,818,254
Past due but not impaired	1,335,553	1,172,779	-	2,508,332	1,949,892	1,460,138	-	3,410,030
Impaired								
Individually	-	-	23,214	23,214	-	-	36,257	36,257
Collectively	-	-	1,224,479	1,224,479	-	-	1,474,431	1,474,431
Total direct loans	44,558,064	4,609,607	1,247,693	50,415,364	41,248,010	5,490,460	1,510,688	48,249,158

	2024				2023			
Contingent Credits: Guarantees and stand-by letters, import and export letters of credit (substantially, all indirect loans correspond to commercial loans)	**Stage 1** S/(000)	**Stage 2** S/(000)	**Stage 3** S/(000)	**Total** S/(000)	**Stage 1** S/(000)	**Stage 2** S/(000)	**Stage 3** S/(000)	**Total** S/(000)
Not impaired								
High grade	3,434,095	31,240	-	3,465,335	3,988,999	457,518	-	4,446,517
Standard grade	1,055,740	118,821	-	1,174,561	32,433	214,806	-	247,239
Sub-standard grade	272,352	132,498	-	404,850	2,823	31,101	-	33,924
Past due but not impaired	-	-	-	-	-	-	-	-
Impaired								
Individually	-	-	6,181	6,181	-	-	6,181	6,181
Collectively	-	-	17,767	17,767	-	-	9,619	9,619
Total indirect loans	4,762,187	282,559	23,948	5,068,694	4,024,255	703,425	15,800	4,743,480

(c.1) The following tables show the credit quality and maximum exposure to credit risk for each classification of the direct loans:

	2024				2023			
Commercial loans	**Stage 1** S/(000)	**Stage 2** S/(000)	**Stage 3** S/(000)	**Total** S/(000)	**Stage 1** S/(000)	**Stage 2** S/(000)	**Stage 3** S/(000)	**Total** S/(000)
Not impaired								
High grade	11,636,968	290,927	-	11,927,895	14,979,356	855,890	-	15,835,246
Standard grade	6,274,653	1,024,426	-	7,299,079	1,347,961	1,013,803	-	2,361,764
Sub-standard grade	1,749,950	356,019	-	2,105,969	450,577	314,063	-	764,640
Past due but not impaired	770,026	345,062	-	1,115,088	1,431,064	364,603	-	1,795,667
Impaired								
Individually	-	-	23,214	23,214	-	-	36,257	36,257
Collectively	-	-	299,250	299,250	-	-	361,902	361,902
Total direct loans	20,431,597	2,016,434	322,464	22,770,495	18,208,958	2,548,359	398,159	21,155,476

	2024				2023			
Consumer loans	**Stage 1** S/(000)	**Stage 2** S/(000)	**Stage 3** S/(000)	**Total** S/(000)	**Stage 1** S/(000)	**Stage 2** S/(000)	**Stage 3** S/(000)	**Total** S/(000)
Not impaired								
High grade	10,914,268	28,813	-	10,943,081	11,475,514	199,501	-	11,675,015
Standard grade	1,210,504	320,220	-	1,530,724	945,060	452,811	-	1,397,871
Sub-standard grade	593,507	765,324	-	1,358,831	717,526	755,121	-	1,472,647
Past due but not impaired	180,748	508,336	-	689,084	217,712	829,119	-	1,046,831
Impaired								
Individually	-	-	-	-	-	-	-	-
Collectively	-	-	514,691	514,691	-	-	733,096	733,096
Total direct loans	12,899,027	1,622,693	514,691	15,036,411	13,355,812	2,236,552	733,096	16,325,460

	2024				2023			
Mortgage loans	**Stage 1** S/(000)	**Stage 2** S/(000)	**Stage 3** S/(000)	**Total** S/(000)	**Stage 1** S/(000)	**Stage 2** S/(000)	**Stage 3** S/(000)	**Total** S/(000)
Not impaired								
High grade	8,407,045	20,165	-	8,427,210	8,093,031	13,283	-	8,106,314
Standard grade	528,923	3,714	-	532,637	433,968	17,124	-	451,092
Sub-standard grade	318,802	400,671	-	719,473	193,340	348,274	-	541,614
Past due but not impaired	322,348	244,537	-	566,885	261,100	200,873	-	461,973
Impaired								
Individually	-	-	-	-	-	-	-	-
Collectively	-	-	325,095	325,095	-	-	273,405	273,405
Total direct loans	9,577,118	669,087	325,095	10,571,300	8,981,439	579,554	273,405	9,834,398

	2024				2023			
Small and micro-business loans	**Stage 1** S/(000)	**Stage 2** S/(000)	**Stage 3** S/(000)	**Total** S/(000)	**Stage 1** S/(000)	**Stage 2** S/(000)	**Stage 3** S/(000)	**Total** S/(000)
Not impaired								
High grade	1,226,526	567	-	1,227,093	550,463	-	-	550,463
Standard grade	318,612	165,595	-	484,207	105,262	27,159	-	132,421
Sub-standard grade	42,753	60,387	-	103,140	6,060	33,293	-	39,353
Past due but not impaired	62,431	74,844	-	137,275	40,016	65,543	-	105,559
Impaired								
Individually	-	-	-	-	-	-	-	-
Collectively	-	-	85,443	85,443	-	-	106,028	106,028
Total direct loans	1,650,322	301,393	85,443	2,037,158	701,801	125,995	106,028	933,824

(d) The balances of the direct and indirect loan portfolio and the movement of the respective allowance for expected credit loss, calculated according to IFRS 9, is as follows:

(d.1) Direct loans

	2024				2023			
Gross carrying amount of direct loans	**Stage 1** S/(000)	**Stage 2** S/(000)	**Stage 3** S/(000)	**Total** S/(000)	**Stage 1** S/(000)	**Stage 2** S/(000)	**Stage 3** S/(000)	**Total** S/(000)
Beginning of year balances	41,248,010	5,490,460	1,510,688	48,249,158	41,798,055	4,037,168	1,190,127	47,025,350
New originated or purchased assets	24,385,615	-	-	24,385,615	22,372,321	-	-	22,372,321
Assets matured or derecognized (excluding write-offs)	(14,540,979)	(1,529,947)	(74,309)	(16,145,235)	(14,406,950)	(977,654)	(72,977)	(15,457,581)
Transfers to Stage 1	1,191,935	(1,190,305)	(1,630)	-	762,554	(760,269)	(2,285)	-
Transfers to Stage 2	(3,580,445)	3,607,482	(27,037)	-	(4,664,954)	4,706,631	(41,677)	-
Transfers to Stage 3	(1,051,604)	(1,294,253)	2,345,857	-	(1,235,354)	(1,054,563)	2,289,917	-
Write-offs	-	-	(2,405,564)	(2,405,564)	-	-	(1,714,968)	(1,714,968)
Others (*)	(3,181,151)	(481,308)	(103,405)	(3,765,864)	(3,217,003)	(449,390)	(131,273)	(3,797,666)
Foreign exchange effect	86,683	7,478	3,093	97,254	(160,659)	(11,463)	(6,176)	(178,298)
End of year balances	44,558,064	4,609,607	1,247,693	50,415,364	41,248,010	5,490,460	1,510,688	48,249,158

	2024				2023			
Changes in the allowance for expected credit losses for direct loans, see (d.1.1)	**Stage 1** S/(000)	**Stage 2** S/(000)	**Stage 3** S/(000)	**Total** S/(000)	**Stage 1** S/(000)	**Stage 2** S/(000)	**Stage 3** S/(000)	**Total** S/(000)
Expected credit loss at the beginning of year balances	545,242	833,912	970,271	2,349,425	608,558	737,286	682,011	2,027,855
Impact of the expected credit loss in the consolidated statement of income -								
New originated or purchased assets	345,800	-	-	345,800	624,484	-	-	624,484
Assets matured or derecognized (excluding write-offs)	(117,510)	(63,854)	(24,285)	(205,649)	(147,086)	(66,329)	(25,445)	(238,860)
Transfers to Stage 1	115,241	(114,022)	(1,219)	-	106,745	(104,939)	(1,806)	-
Transfers to Stage 2	(142,315)	149,763	(7,448)	-	(327,728)	339,051	(11,323)	-
Transfers to Stage 3	(88,212)	(380,565)	468,777	-	(163,156)	(269,881)	433,037	-
Impact on the expected credit loss for credits that change stage in the year (***)	(98,820)	193,935	1,476,103	1,571,218	(90,594)	259,309	1,407,191	1,575,906
Others (**)	(120,334)	(52,823)	185,680	12,523	(65,775)	(60,358)	163,834	37,701
Total	(106,150)	(267,566)	2,097,608	1,723,892	(63,110)	96,853	1,965,488	1,999,231
Write-offs	-	-	(2,524,919)	(2,524,919)	-	-	(1,813,670)	(1,813,670)
Recovery of written-off loans	-	-	179,683	179,683	-	-	138,886	138,886
Foreign exchange effect	232	290	1,564	2,086	(206)	(227)	(2,444)	(2,877)
Expected credit loss at the end of year balances	439,324	566,636	724,207	1,730,167	545,242	833,912	970,271	2,349,425

(*) Corresponds mainly to: (i) the variation between the amortized cost of the loan at the beginning of the year and its amortized cost at the end of the year (partial amortizations that did not represent a reduction or derecognized of the loan), and (ii) the execution of contingent loans (conversion of indirect debt into direct debt).

(**) Corresponds mainly to: (i) the variation between the amortized cost of the loan at the beginning of the year and its amortized cost at the end of the year (variation in the provision recorded for partial amortizations that did not represent a reduction or derecognized of the loan), (ii) variations in credit risk that did not generate transfers to other stages; and (iii) the execution of contingent loans (conversion of indirect debt into direct debt).

(***) During 2024 and 2023, the Group applied its expert judgement with the purpose of reflecting the effects of the potential impairment that could be caused by the withdrawals of Indemnity Severance Deposits (CTS) and funds managed by the Administrators of Private Pension Funds (AFP), which generate an "artificial" improvement of the credit score and the possible impact of the El Niño event, respectively, that were not considered in the forward-looking model and led to incur in a higher provision for expected loss, see Note 29.1(d.8).

(d.1.1) The following tables show the movement of the allowance for expected credit losses for each classification of the direct loan portfolio:

	2024				2023			
Commercial loans	**Stage 1** S/(000)	**Stage 2** S/(000)	**Stage 3** S/(000)	**Total** S/(000)	**Stage 1** S/(000)	**Stage 2** S/(000)	**Stage 3** S/(000)	**Total** S/(000)
Expected credit loss at beginning of year	51,611	64,470	162,385	278,466	45,474	47,311	154,299	247,084
Impact of the expected credit loss in the consolidated statement of income -								
New originated or purchased assets	35,739	-	-	35,739	47,129	-	-	47,129
Assets derecognized or matured (excluding write-offs)	(27,765)	(18,765)	(4,083)	(50,613)	(26,668)	(10,113)	(2,924)	(39,705)
Transfers to Stage 1	5,405	(5,405)	-	-	2,920	(2,687)	(233)	-
Transfers to Stage 2	(20,669)	21,431	(762)	-	(27,598)	30,826	(3,228)	-
Transfers to Stage 3	(2,208)	(14,571)	16,779	-	(10,620)	(16,046)	26,666	-
Impact on the expected credit loss for credits that change stage in the year (**)	(4,722)	(1,638)	12,108	5,748	(1,988)	7,333	40,748	46,093
Others (*)	(20,973)	(9,539)	9,402	(21,110)	23,154	8,006	6,579	37,739
Total	(35,193)	(28,487)	33,444	(30,236)	6,329	17,319	67,608	91,256
Write-offs	-	-	(78,217)	(78,217)	-	-	(62,960)	(62,960)
Recovery of written-off loans	-	-	4,254	4,254	-	-	5,189	5,189
Foreign exchange effect	222	175	1,147	1,544	(192)	(160)	(1,751)	(2,103)
Expected credit loss at end of year	16,640	36,158	123,013	175,811	51,611	64,470	162,385	278,466

	2024				2023			
Consumer loans	**Stage 1** S/(000)	**Stage 2** S/(000)	**Stage 3** S/(000)	**Total** S/(000)	**Stage 1** S/(000)	**Stage 2** S/(000)	**Stage 3** S/(000)	**Total** S/(000)
Expected credit loss at beginning of year	466,606	713,361	682,417	1,862,384	534,005	657,474	430,902	1,622,381
Impact of the expected credit loss in the consolidated statement of income -								
New originated or purchased assets	219,439	-	-	219,439	552,847	-	-	552,847
Assets derecognized or matured (excluding write-offs)	(75,335)	(38,022)	(8,120)	(121,477)	(98,984)	(54,036)	(10,863)	(163,883)
Transfers to Stage 1	96,900	(95,895)	(1,005)	-	95,173	(93,918)	(1,255)	-
Transfers to Stage 2	(101,634)	104,024	(2,390)	-	(282,373)	287,164	(4,791)	-
Transfers to Stage 3	(73,066)	(338,289)	411,355	-	(135,476)	(231,432)	366,908	-
Impact on the expected credit loss for credits that change stage in the year (**)	(81,900)	174,052	1,369,154	1,461,306	(81,051)	221,421	1,263,515	1,403,885
Others (*)	(47,271)	(44,916)	188,121	95,934	(117,534)	(73,259)	162,060	(28,733)
Total	(62,867)	(239,046)	1,957,115	1,655,202	(67,398)	55,940	1,775,574	1,764,116
Write-offs	-	-	(2,310,032)	(2,310,032)	-	-	(1,647,576)	(1,647,576)
Recovery of written-off loans	-	-	165,081	165,081	-	-	123,679	123,679
Foreign exchange effect	1	101	119	221	(1)	(53)	(162)	(216)
Expected credit loss at end of year	403,740	474,416	494,700	1,372,856	466,606	713,361	682,417	1,862,384

(*) Corresponds mainly to: (i) the variation between the amortized cost of the loan at the beginning of the year and its amortized cost at the end of the year (variation in the provision recorded for partial amortizations that did not represent a reduction or derecognized of the loan), (ii) variations in credit risk that did not generate transfers to other stages; and (iii) the execution of contingent loans (conversion of indirect debt into direct debt).

(**) During 2024 and 2023, the Group applied its expert judgement with the purpose of reflecting the effects of the potential impairment that could be caused by the withdrawals of Indemnity Severance Deposits (CTS) and funds managed by the Administrators of Private Pension Funds (AFP), which generate an "artificial" improvement of the credit score and the possible impact of the El Niño event, respectively, that were not considered in the forward-looking model and led to incur in a higher provision for expected loss, see Note 29.1(d.8).

Mortgage loans	2024 Stage 1 S/(000)	2024 Stage 2 S/(000)	2024 Stage 3 S/(000)	2024 Total S/(000)	2023 Stage 1 S/(000)	2023 Stage 2 S/(000)	2023 Stage 3 S/(000)	2023 Total S/(000)
Expected credit loss at beginning of year	6,794	25,753	54,651	87,198	4,236	12,285	45,101	61,622
Impact of the expected credit loss in the consolidated statement of income -								
New originated or purchased assets	4,114	-	-	4,114	3,949	-	-	3,949
Assets derecognized or matured (excluding write-offs)	(429)	(1,689)	(9,267)	(11,385)	(181)	(833)	(10,625)	(11,639)
Transfers to Stage 1	9,983	(9,983)	-	-	6,414	(6,414)	-	-
Transfers to Stage 2	(2,348)	6,551	(4,203)	-	(2,052)	5,115	(3,063)	-
Transfers to Stage 3	(2,025)	(3,142)	5,167	-	(1,915)	(2,423)	4,338	-
Impact on the expected credit loss for credits that change stage in the year (**)	(9,606)	16,451	15,411	22,256	(5,956)	15,996	20,982	31,022
Others (*)	(969)	10,001	(15,977)	(6,945)	2,312	2,040	2,018	6,370
Total	(1,280)	18,189	(8,869)	8,040	2,571	13,481	13,650	29,702
Write-offs	-	-	(1,755)	(1,755)	-	-	(3,580)	(3,580)
Recovery of written-off loans	-	-	-	-	-	-	-	-
Foreign exchange effect	9	14	294	317	(13)	(13)	(520)	(546)
Expected credit loss at end of year	5,523	43,956	44,321	93,800	6,794	25,753	54,651	87,198

Small and micro-business loans	2024 Stage 1 S/(000)	2024 Stage 2 S/(000)	2024 Stage 3 S/(000)	2024 Total S/(000)	2023 Stage 1 S/(000)	2023 Stage 2 S/(000)	2023 Stage 3 S/(000)	2023 Total S/(000)
Expected credit loss at beginning of year	20,231	30,328	70,818	121,377	24,843	20,216	51,709	96,768
Impact of the expected credit loss in the consolidated statement of income -								
New originated or purchased assets	86,508	-	-	86,508	20,559	-	-	20,559
Assets derecognized or matured (excluding write-offs)	(13,981)	(5,378)	(2,815)	(22,174)	(21,253)	(1,347)	(1,033)	(23,633)
Transfers to Stage 1	2,953	(2,739)	(214)	-	2,238	(1,920)	(318)	-
Transfers to Stage 2	(17,664)	17,757	(93)	-	(15,705)	15,946	(241)	-
Transfers to Stage 3	(10,913)	(24,563)	35,476	-	(15,145)	(19,980)	35,125	-
Impact on the expected credit loss for credits that change stage in the year (**)	(2,592)	5,070	79,430	81,908	(1,599)	14,559	81,946	94,906
Others (*)	(51,121)	(8,369)	4,134	(55,356)	26,293	2,855	(6,823)	22,325
Total	(6,810)	(18,222)	115,918	90,886	(4,612)	10,113	108,656	114,157
Write-offs	-	-	(134,915)	(134,915)	-	-	(99,554)	(99,554)
Recovery of written-off loans	-	-	10,348	10,348	-	-	10,018	10,018
Foreign exchange effect	-	-	4	4	-	(1)	(11)	(12)
Expected credit loss at end of year	13,421	12,106	62,173	87,700	20,231	30,328	70,818	121,377

(*) Corresponds mainly to: (i) the variation between the amortized cost of the loan at the beginning of the year and its amortized cost at the end of the year (variation in the provision recorded for partial amortizations that did not represent a reduction or derecognized of the loan), (ii) variations in credit risk that did not generate transfers to other stages; and (iii) the execution of contingent loans (conversion of indirect debt into direct debt).

(**) During 2024 and 2023, the Group applied its expert judgement with the purpose of reflecting the effects of the potential impairment that could be caused by the withdrawals of Indemnity Severance Deposits (CTS) and funds managed by the Administrators of Private Pension Funds (AFP), which generate an "artificial" improvement of the credit score and the possible impact of the El Niño event, respectively, that were not considered in the forward-looking model and led to incur in a higher provision for expected loss, see Note 29.1(d.8).

(d.2) Indirect loans (substantially, all indirect loans correspond to commercial loans):

Gross carrying amount of contingent credits, guarantees and stand-by letters, import and export letters of credit	2024				2023			
	Stage 1 S/(000)	Stage 2 S/(000)	Stage 3 S/(000)	Total S/(000)	Stage 1 S/(000)	Stage 2 S/(000)	Stage 3 S/(000)	Total S/(000)
Beginning of year balances	4,024,255	703,425	15,800	4,743,480	3,959,441	501,830	26,076	4,487,347
New originated or purchased assets	2,669,212	-	-	2,669,212	2,122,067	-	-	2,122,067
Assets derecognized or matured	(2,044,010)	(332,730)	(882)	(2,377,622)	(1,606,539)	(135,042)	(1,784)	(1,743,365)
Transfers to Stage 1	172,930	(172,930)	-	-	30,259	(30,259)	-	-
Transfers to Stage 2	(100,437)	102,899	(2,462)	-	(392,176)	407,454	(15,278)	-
Transfers to Stage 3	(277)	(10,778)	11,055	-	(12)	(6,687)	6,699	-
Others (*)	23,959	(8,766)	436	15,629	(54,162)	(26,950)	92	(81,020)
Foreign exchange effect	16,555	1,439	1	17,995	(34,623)	(6,921)	(5)	(41,549)
End of year balances	4,762,187	282,559	23,948	5,068,694	4,024,255	703,425	15,800	4,743,480

Changes in the allowance for expected credit losses for contingent credits, guarantees and stand-by letters, import and export letters of credit	2024				2023			
	Stage 1 S(000)	Stage 2 S(000)	Stage 3 S(000)	Total S(000)	Stage 1 S(000)	Stage 2 S(000)	Stage 3 S(000)	Total S(000)
Expected credit loss at beginning of year balances	6,624	3,939	7,369	17,932	8,354	18,205	8,936	35,495
Impact of the expected credit loss in the consolidated statement of income -								
New originated or purchased assets	2,110	-	-	2,110	4,770	-	-	4,770
Assets derecognized or matured	(3,275)	(1,484)	(330)	(5,089)	(1,988)	(4,205)	(631)	(6,824)
Transfers to Stage 1	1,265	(1,265)	-	-	180	(180)	-	-
Transfers to Stage 2	(697)	961	(264)	-	(1,986)	3,626	(1,640)	-
Transfers to Stage 3	229	(91)	320	-	(1)	(50)	51	-
Impact on the expected credit loss for credits that change stage in the year	(1,001)	(109)	1,202	92	(57)	(837)	684	(210)
Others (**)	(2,155)	294	1,035	(826)	(2,521)	(12,600)	(28)	(15,149)
Total	(3,982)	(1,694)	1,963	(3,713)	(1,603)	(14,246)	(1,564)	(17,413)
Foreign exchange effect	21	5	3	29	(127)	(20)	(3)	(150)
Expected credit loss at the end of year balances, Note 10(a)	2,663	2,250	9,335	14,248	6,624	3,939	7,369	17,932

(*) Corresponds mainly to: (i) the variation between the amortized cost of the loan at the beginning of the year and its amortized cost at the end of the year (partial amortizations that did not represent a reduction or derecognized of the loan), and (ii) the execution of contingent loans (conversion of indirect debt into direct debt).

(**) Corresponds mainly to: (i) the variation between the amortized cost of the loan at the beginning of the year and its amortized cost at the end of the year (variation in the provision recorded for partial amortizations that did not represent a reduction or derecognized of the loan), (ii) variations in credit risk that did not generate transfers to other stages; and (iii) the execution of contingent loans (conversion of indirect debt into direct debt).

(e) In Group Management's opinion, the allowance for loan losses recorded as of December 31, 2024 and 2023, has been established in accordance with IFRS 9; and it is sufficient to cover incurred losses on the loan portfolio.

(f) During 2024 and 2023, the interest that the loan portfolio generates is freely agreed considering the interest rates prevailing on the market. Notwithstanding the above, Act No. 31143, "Act Protecting Consumers of Financial Services from Usury" established that the BCRP is the entity that determined maximum and minimum interest rates for consumer, small and micro-business loans in financial institutions. As of December 31, 2024, the maximum interest rate for the period between November 2024 and April 2025 is 112.98 percent in national currency and 93.86 percent in foreign currency (the maximum interest rate for the period between November 2023 and April 2024 was 101.86 percent in national currency and 82.94 percent in foreign currency, as of December 31, 2023).

(g) Interest income from loans classified in Stage 3 is calculated through the effective interest rate adjusted for credit quality at amortized cost.

(h) The refinanced loans during the 2024 period amounted to approximately S/104,173,000 (S/132,172,000, during the year 2023) which had no significant impact on the consolidated statement of income.

During 2024 and 2023, the Group has carried out rescheduling of credits related to social conflicts, natural disasters and other resolutions that amounted to S/853,222,000 and S/1,979,342,000, respectively. Said loans are not considered as refinanced loans. See further detail in Note 29.1 (d.7.3).

During recent years, the Group modified the contractual conditions of a determined number of loans that were granted under the "Reactiva Peru" program, said loans were not deemed as refinanced loans. As of December 31, 2024 and 2023, the balance of rescheduled loans amounts of approximately S/212,398,000 and S/730,508,000, respectively; see further detail in Note 29.1 (d.7.2).

Additionally, during 2020, the Group modified the contractual conditions of a determined number of loans as relief for its clients' liquidity as consequence of the Covid-19 pandemic, for a total of approximately S/12,663,960,000. Said loans are not considered as refinanced loans. As of December 31, 2024 and 2023, the balances of the rescheduled loans amount to approximately S/2,501,672,000 and S/3,513,905,000, respectively; see further detail in Note 29.1 (d.7.1).

(i) The table below presents the maturity of direct loan portfolio without including accrued interest, interest to be accrued and interest collected in advance as of December 31, 2024 and 2023:

	2024 S/(000)	2023 S/(000)
Outstanding		
Within 1 month	4,693,941	4,461,634
Between 1 and 3 months	5,315,685	5,781,509
Between 3 months and 1 year	12,967,405	10,831,137
Between 1 and 5 years	20,000,898	19,500,481
More than 5 years	6,118,677	6,022,246
	49,096,606	46,597,007
Past due and under legal collection loans, see (i.1) -		
Up to 4 months	177,367	484,808
Over 4 months	640,853	697,246
Under legal collection	500,538	470,097
	50,415,364	48,249,158

(i.1) The tables below present past due and under legal collection loans for each classification of the direct loan portfolio:

	2024 S/(000)	2023 S/(000)
Commercial loans		
Up to 4 months	33,440	98,263
Over 4 months	84,331	143,170
Under legal collection	217,741	228,809
	335,512	470,242
Consumer loans		
Up to 4 months	81,020	284,954
Over 4 months	371,731	401,164
Under legal collection	78,432	78,290
	531,183	764,408

	2024 S/(000)	2023 S/(000)
Mortgage loans		
Up to 4 months	52,779	35,934
Over 4 months	95,106	94,568
Under legal collection	174,179	140,018
	322,064	270,520
Small and micro-business loans		
Up to 4 months	10,126	65,657
Over 4 months	89,685	58,344
Under legal collection	30,186	22,980
	129,999	146,981

See credit risk analysis in Note 29.1

(j) Part of the loan portfolio is collateralized with guarantees received from clients, which mainly consist of mortgages, trust assignments, financial instruments as well as industrial commercial pledges.

(k) The following tables present the maturities of direct and indirect loans of Stages 2 and 3, as of December 31, 2024 and 2023, as follows:

- Stage 2: Loans with maturity longer or shorter than 30 days, regardless the criteria that caused their classification into Stage 2.
- Stage 3: Loans with maturity longer or shorter than 90 days, regardless the criteria that caused their classification into Stage 3.

	2024						2023					
	Stage 2		Stage 3		Total		Stage 2		Stage 3		Total	
	Gross amount S/(000)	Expected loss S/(000)	Gross amount S/(000)	Expected loss S/(000)	Gross amount S/(000)	Expected loss S/(000)	Gross amount S/(000)	Expected loss S/(000)	Gross amount S/(000)	Expected loss S/(000)	Gross amount S/(000)	Expected loss S/(000)
Maturity shorter than:												
30 days	4,260,747	450,143	-	-	4,260,747	450,143	5,400,087	609,406	-	-	5,400,087	609,406
90 days	-	-	3,060	2,801	3,060	2,801	-	-	16,219	14,888	16,219	14,888
Maturity longer than:												
30 days	631,419	118,743	-	-	631,419	118,743	793,798	228,445	-	-	793,798	228,445
90 days	-	-	1,268,581	730,741	1,268,581	730,741	-	-	1,510,269	962,752	1,510,269	962,752
Total	4,892,166	568,886	1,271,641	733,542	6,163,807	1,302,428	6,193,885	837,851	1,526,488	977,640	7,720,373	1,815,491

(k.1) The following tables present the maturities of direct and indirect loans of Stages 2 and 3 as of December 31, 2024 and 2023, for each classification:

	2024						2023					
	Stage 2		Stage 3		Total		Stage 2		Stage 3		Total	
Commercial loans	Gross amount S/(000)	Expected loss S/(000)	Gross amount S/(000)	Expected loss S/(000)	Gross amount S/(000)	Expected loss S/(000)	Gross amount S/(000)	Expected loss S/(000)	Gross amount S/(000)	Expected loss S/(000)	Gross amount S/(000)	Expected loss S/(000)
Maturity shorter than:												
30 days	2,169,530	36,418	-	-	2,169,530	36,418	3,155,267	60,877	-	-	3,155,267	60,877
90 days	-	-	6	5	6	5	-	-	2,686	2,259	2,686	2,259
Maturity longer than:												
30 days	129,463	1,990	-	-	129,463	1,990	96,517	7,532	-	-	96,517	7,532
90 days	-	-	346,406	132,343	346,406	132,343	-	-	411,273	167,495	411,273	167,495
Total	2,298,993	38,408	346,412	132,348	2,645,405	170,756	3,251,784	68,409	413,959	169,754	3,665,743	238,163

	2024						2023					
	Stage 2		Stage 3		Total		Stage 2		Stage 3		Total	
Consumer loans	Gross amount S/(000)	Expected loss S/(000)	Gross amount S/(000)	Expected loss S/(000)	Gross amount S/(000)	Expected loss S/(000)	Gross amount S/(000)	Expected loss S/(000)	Gross amount S/(000)	Expected loss S/(000)	Gross amount S/(000)	Expected loss S/(000)
Maturity shorter than:												
30 days	1,299,718	369,516	-	-	1,299,718	369,516	1,700,558	508,045	-	-	1,700,558	508,045
90 days	-	-	2,581	2,373	2,581	2,373	-	-	10,295	9,883	10,295	9,883
Maturity longer than:												
30 days	322,975	104,900	-	-	322,975	104,900	535,994	205,316	-	-	535,994	205,316
90 days	-	-	512,110	492,327	512,110	492,327	-	-	722,801	672,534	722,801	672,534
Total	1,622,693	474,416	514,691	494,700	2,137,384	969,116	2,236,552	713,361	733,096	682,417	2,969,648	1,395,778

	2024						2023					
	Stage 2		Stage 3		Total		Stage 2		Stage 3		Total	
Mortgage loans	Gross amount S/(000)	Expected loss S/(000)	Gross amount S/(000)	Expected loss S/(000)	Gross amount S/(000)	Expected loss S/(000)	Gross amount S/(000)	Expected loss S/(000)	Gross amount S/(000)	Expected loss S/(000)	Gross amount S/(000)	Expected loss S/(000)
Maturity shorter than:												
30 days	539,780	35,542	-	-	539,780	35,542	463,168	20,311	-	-	463,168	20,311
90 days	-	-	-	-	-	-	-	-	546	109	546	109
Maturity longer than:												
30 days	129,307	8,414	-	-	129,307	8,414	116,386	5,442	-	-	116,386	5,442
90 days	-	-	325,095	44,321	325,095	44,321	-	-	272,859	54,542	272,859	54,542
Total	669,087	43,956	325,095	44,321	994,182	88,277	579,554	25,753	273,405	54,651	852,959	80,404

	2024						2023					
	Stage 2		Stage 3		Total		Stage 2		Stage 3		Total	
Small and micro-business loans	Gross amount S/(000)	Expected loss S/(000)	Gross amount S/(000)	Expected loss S/(000)	Gross amount S/(000)	Expected loss S/(000)	Gross amount S/(000)	Expected loss S/(000)	Gross amount S/(000)	Expected loss S/(000)	Gross amount S/(000)	Expected loss S/(000)
Maturity shorter than:												
30 days	251,719	8,667	-	-	251,719	8,667	81,094	20,173	-	-	81,094	20,173
90 days	-	-	473	423	473	423	-	-	2,692	2,637	2,692	2,637
Maturity longer than:												
30 days	49,674	3,439	-	-	49,674	3,439	44,901	10,155	-	-	44,901	10,155
90 days	-	-	84,970	61,750	84,970	61,750	-	-	103,336	68,181	103,336	68,181
Total	301,393	12,106	85,443	62,173	386,836	74,279	125,995	30,328	106,028	70,818	232,023	101,146

(l) The following tables present the exposure and the expected credit losses by economic sector for direct loans as of December 31, 2024 and 2023:

2024

	Carrying amount				Expected credit loss				Percentage expected credit loss			
	Stage1 S/(000)	Stage 2 S/(000)	Stage 3 S/(000)	Total S/(000)	Stage1 S/(000)	Stage 2 S/(000)	Stage 3 S/(000)	Total S/(000)	Stage1	Stage 2	Stage 3	Total
Direct loans												
Consumer loans	12,899,027	1,622,693	514,691	15,036,411	403,740	474,416	494,700	1,372,856	3.1%	29.2%	96.1%	9.1%
Mortgage loans	9,577,118	669,087	325,095	10,571,300	5,523	43,956	44,321	93,800	0.1%	6.6%	13.6%	0.9%
Commerce	392,929	12,365	5,073	410,367	242	389	1,807	2,438	0.1%	3.1%	35.6%	0.6%
Manufacturing	3,888,532	228,696	21,788	4,139,016	3,383	2,963	8,490	14,836	0.1%	1.3%	39.0%	0.4%
Professional, scientific and technical activities	583,931	122,359	8,580	714,870	636	715	3,247	4,598	0.1%	0.6%	37.8%	0.6%
Communications, storage and transportation	1,819,460	105,875	20,939	1,946,274	1,253	2,278	6,328	9,859	0.1%	2.2%	30.2%	0.5%
Agriculture	2,239,264	141,792	12,255	2,393,311	1,260	2,480	2,524	6,264	0.1%	1.7%	20.6%	0.3%
Electricity, gas, water and oil	101,903	20,289	35,649	157,841	364	396	28,281	29,041	0.4%	2.0%	79.3%	18.4%
Leaseholds and real estate activities	398,882	46,199	3,758	448,839	1,137	1,523	2,957	5,617	0.3%	3.3%	78.7%	1.3%
Construction and infrastructure	632,424	118,719	21,022	772,165	1,763	1,675	10,446	13,884	0.3%	1.4%	49.7%	1.8%
Others	12,024,594	1,521,533	278,843	13,824,970	20,023	35,845	121,106	176,974	0.2%	2.4%	43.4%	1.3%
Total direct loans	44,558,064	4,609,607	1,247,693	50,415,364	439,324	566,636	724,207	1,730,167	1.0%	12.3%	58.0%	3.4%

2023

	Carrying amount				Expected credit loss				Percentage expected credit loss			
	Stage1 S/(000)	Stage 2 S/(000)	Stage 3 S/(000)	Total S/(000)	Stage1 S/(000)	Stage 2 S/(000)	Stage 3 S/(000)	Total S/(000)	Stage1	Stage 2	Stage 3	Total
Direct loans												
Consumer loans	13,355,812	2,236,552	733,096	16,325,460	466,606	713,361	682,417	1,862,384	3.5%	31.9%	93.1%	11.4%
Mortgage loans	8,981,439	579,554	273,405	9,834,398	6,794	25,753	54,651	87,198	0.1%	4.4%	20.0%	0.9%
Commerce	454,962	18,592	1,867	475,421	736	1,109	1,376	3,221	0.2%	6.0%	73.7%	0.7%
Manufacturing	3,279,555	458,429	24,135	3,762,119	6,700	9,780	9,823	26,303	0.2%	2.1%	40.7%	0.7%
Professional, scientific and technical activities	639,699	4,343	9,422	653,464	1,770	1,265	3,501	6,536	0.3%	29.1%	37.2%	1.0%
Communications, storage and transportation	441,627	109,686	40,207	591,520	2,109	3,570	8,831	14,510	0.5%	3.3%	22.0%	2.5%
Agriculture	1,927,954	233,793	11,067	2,172,814	3,638	2,920	1,658	8,216	0.2%	1.2%	15.0%	0.4%
Electricity, gas, water and oil	113,039	27,827	38,543	179,409	1,463	860	27,611	29,934	1.3%	3.1%	71.6%	16.7%
Leaseholds and real estate activities	277,573	62,852	5,972	346,397	2,156	3,433	4,404	9,993	0.8%	5.5%	73.7%	2.9%
Construction and infrastructure	593,416	84,193	21,834	699,443	2,564	2,422	8,462	13,448	0.4%	2.9%	38.8%	1.9%
Others	11,182,934	1,674,639	351,140	13,208,713	50,706	69,439	167,537	287,682	0.5%	4.1%	47.7%	2.2%
Total direct loans	41,248,010	5,490,460	1,510,688	48,249,158	545,242	833,912	970,271	2,349,425	1.3%	15.2%	64.2%	4.9%

(m) The following tables present the exposure and the expected credit losses by economic sector for indirect loans as of December 31, 2024 and 2023:

2024

	Carrying amount				Expected credit loss				Percentage expected credit loss			
	Stage 1 S/(000)	Stage 2 S/(000)	Stage 3 S/(000)	Total S/(000)	Stage 1 S/(000)	Stage 2 S/(000)	Stage 3 S/(000)	Total S/(000)	Stage 1	Stage 2	Stage 3	Total
Indirect loans												
Commerce	406,317	23,200	-	429,517	70	11	-	81	0.0%	0.0%	0.0%	0.0%
Manufacturing	825,853	6,734	-	832,587	185	61	-	246	0.0%	0.9%	0.0%	0.0%
Professional, scientific and technical activities	42,476	1,410	-	43,886	50	42	-	92	0.1%	3.0%	0.0%	0.2%
Communications, storage and transportation	547,328	2,209	54	549,591	323	15	45	383	0.1%	0.7%	83.3%	0.1%
Agriculture	13,890	37	-	13,927	16	1	-	17	0.1%	2.7%	0.0%	0.1%
Electricity, gas, water and oil	169,810	16,495	8,474	194,779	409	208	6,819	7,436	0.2%	1.3%	80.5%	3.8%
Leaseholds and real estate activities	90,609	45,051	-	135,660	88	118	-	206	0.1%	0.3%	0.0%	0.2%
Construction and infrastructure	114,457	10,194	-	124,651	45	100	-	145	0.0%	1.0%	0.0%	0.1%
Others	2,551,447	177,229	15,420	2,744,096	1,477	1,694	2,471	5,642	0.1%	1.0%	16.0%	0.2%
Total indirect loans	4,762,187	282,559	23,948	5,068,694	2,663	2,250	9,335	14,248	0.1%	0.8%	39.0%	0.3%

2023

	Carrying amount				Expected credit loss				Percentage expected credit loss			
	Stage 1 S/(000)	Stage 2 S/(000)	Stage 3 S/(000)	Total S/(000)	Stage 1 S/(000)	Stage 2 S/(000)	Stage 3 S/(000)	Total S/(000)	Stage 1	Stage 2	Stage 3	Total
Indirect loans												
Commerce	298,440	25,424	-	323,864	266	40	-	306	0.1%	0.2%	0.0%	0.1%
Manufacturing	682,138	145,052	-	827,190	685	275	-	960	0.1%	0.2%	0.0%	0.1%
Professional, scientific and technical activities	44,501	1,448	-	45,949	139	8	-	147	0.3%	0.6%	0.0%	0.3%
Communications, storage and transportation	453,038	12,257	-	465,295	745	92	-	837	0.2%	0.8%	0.0%	0.2%
Agriculture	9,760	37	-	9,797	22	-	-	22	0.2%	0.0%	0.0%	0.2%
Electricity, gas, water and oil	95,956	127,084	8,606	231,646	598	890	6,513	8,001	0.6%	0.7%	75.7%	3.5%
Leaseholds and real estate activities	57,614	50,671	-	108,285	133	214	-	347	0.2%	0.4%	0.0%	0.3%
Construction and infrastructure	72,910	2,053	1	74,964	100	6	-	106	0.1%	0.3%	0.0%	0.1%
Others	2,309,898	339,399	7,193	2,656,490	3,936	2,414	856	7,206	0.2%	0.7%	11.9%	0.3%
Total indirect loans	4,024,255	703,425	15,800	4,743,480	6,624	3,939	7,369	17,932	0.2%	0.6%	46.6%	0.4%

During the years 2024 and 2023, the Group applied its expert judgment, which led to incur in a higher provision for expected losses, see Note 29.1(d.8).

7. Investment property

(a) This caption is made up as follows:

	2024 S/(000)	2023 S/(000)	Acquisition or construction year	Valuation methodology (f) 2024 / 2023
Land (i)				
San Isidro – Lima	279,775	269,194	2009	Appraisal
San Martín de Porres – Lima	80,389	77,970	2015	Appraisal
Pardo (Vivanda) (d)	68,200	12,903	2021	Appraisal / Cost
Nuevo Chimbote	37,382	34,724	2021	Appraisal
Ate Vitarte – Lima	32,195	31,510	2006	Appraisal
Santa Clara – Lima	28,613	27,229	2017	Appraisal
Piura (e)	-	39,081	2020	Appraisal
Others	33,982	32,738	-	Appraisal / Cost
	560,536	525,349		
Completed investment property - "Real Plaza" shopping malls (i)				
Talara	26,720	28,991	2015	DCF
	26,720	28,991		
Buildings (i)				
Orquídeas - San Isidro - Lima, (d), Note 3.4(o)	150,718	128,593	2017	DCF
Ate Vitarte – Lima	133,768	128,698	2006	DCF
Paseo del Bosque	100,023	87,168	2021	DCF
Chorrillos – Lima	95,849	94,184	2017	DCF
Piura	94,907	92,063	2020	DCF
Chimbote	48,690	47,054	2015	DCF
Maestro – Huancayo	35,004	34,978	2017	DCF
Cuzco	29,843	28,167	2017	DCF
Panorama – Lima	22,474	22,136	2016	DCF
Others	83,256	81,511	-	DCF / Appraisal
	794,532	744,552		
Total	1,381,788	1,298,892		

DCF: Discounted cash flow

(i) Financial assets classified by the Group as Level 3. During 2024 and 2023, there were no transfers between levels of hierarchy, see Note 3.4(w).

(ii) As of December 31, 2024 and 2023, there are no liens on investment property.

(b) The net gain on investment properties as of December 31, 2024, 2023 and 2022, consists of the following:

	2024 S/(000)	2023 S/(000)	2022 S/(000)
Income from rental of investment property	71,080	65,961	65,485
Gain on valuation of investment property	60,260	7,111	19,146
Loss on sale (e)	(3,176)	-	-
Total	128,164	73,072	84,631

(c) The movement of investment property for the years ended December 31, 2024, 2023 and 2022, is as follows:

	2024 S/(000)	2023 S/(000)	2022 S/(000)
Beginning of year balances	1,298,892	1,287,717	1,224,454
Additions (d)	61,812	16,903	34,760
Sales (e)	(39,176)	-	-
Valuation gain	60,260	7,111	19,146
Net transfers, Note 3.4(n)	-	(12,839)	9,357
End of year balances	1,381,788	1,298,892	1,287,717

(d) During 2024 and 2023, the main additions correspond to partial purchases of the "Pardo (Vivanda)" building, which was purchased in its entirety from a related party, in cash; and disbursements related to the construction of the building "Orquideas (San Isidro)", located in Lima.

(e) During 2024, Interseguro sold, for cash and at market value, a land located in Piura to a related entity. The loss generated by this sale amounted to S/3,176,000, and was recorded in the caption "Net gain from investment properties" in the consolidated income statement.

(f) Fair value measurement – Investment property and investment property under construction
Valuation techniques -
The discounted cash flow ("DCF") method is used for completed shopping malls, buildings and investment property built on land leases and own lands.

This method involves the projection of a series of periodic cash flows at present value through a discount rate. The periodic calculation of the cash flows is normally determined as rental income net of operating expenses. The series of periodic net operating income, together with an estimation of the terminal value (which uses the traditional valuation method) at the end of the projection period, is discounted at present value. The sum of the net current values is equal to the investment property's fair value.

The fair value of land is determined based on the value assigned by an external appraiser. The external appraiser uses the market comparable method, under this method a property's fair value is estimated based on comparable transactions. The unit of comparison applied by the Group is the price per square meter. Following are the minimum ranges, maximum ranges and the average price for the main lands, before any adjustment:

	Minimum range US$ per m2	**Maximum range** US$ per m2	**Average** US$ per m2
San Isidro – Lima	3,961	7,987	5,672
Miraflores – Lima	3,589	5,961	4,699
Ate Vitarte - Lima	1,183	1,546	1,357
San Martin de Porres – Lima	1,076	1,398	1,268
Piura	672	797	724

Main assumptions -
Below is a brief description of the assumptions considered in the determination of cash flows as of December 31, 2024 and 2023:

- ERV (Estimated Rental Value) -
  Corresponds to the Estimated Rental Value, that is, the rent under to which the space could be rent under the market conditions prevailing at the valuation date.

- Long-term inflation -
  It is the increase of the general level of prices expected in Peru for the long term.

- Long-term occupancy rate -
  It is the expected occupancy level of lessees in the leased properties.

- Average growth rate of rental income -
  It is the rate that expresses the rental income growth and includes growth factors of the industry, inflation rates, stable exchange rate, per capita income and increasing expenses.

- Average Net Operating Income (NOI) margin -
  It is projected from the rental income from leasable areas, by property and marketing income, minus costs related to administration fees, other administrative expenses, insurance, taxes and other expenses.

- Discount rate -
  It reflects the current market risk and the uncertainty associated to obtaining cash flows.

The main assumptions used in the valuation and estimation of the market value of investment property are detailed below:

	US$ / Percentage	
	2024	**2023**
Average ERV	US$144.3	US$129.3
Long-term inflation	3.0%	2.9%
Long-term occupancy rate	97.5%	97.1%
Average growth rate of rental income	2.5%	3.1%
Average NOI margin	93.6%	93.0%
Discount rate	9.3%	9.6%

Sensitivity analysis -

The sensitivity analysis on the valuation of investment property, against changes in factors deemed relevant by Management, is presented below:

		2024 S/(000)	**2023** S/(000)
Average growth rate of rental income (basis) -			
Increase	+0.25%	3,839	20,853
Decrease	-0.25%	(3,837)	(16,791)
Long-term inflation (basis) -			
Increase	+0.25%	15,836	17,833
Decrease	-0.25%	(15,404)	(13,824)
Discount rate (basis) -			
Increase	+0.5%	(56,868)	(50,337)
Decrease	-0.5%	66,193	62,076

Likewise, a significant increase (decrease) in the price per square meter of the land lots could result in a significantly higher (lower) fair value measurement.

(g) Below are the nominal amounts of the future minimum fixed rental income of the Group's investment property (operating leases) are as follows:

Year	**2024** S/(000)	**2023** S/(000)
Within 1 year	72,831	69,078
After 1 year but not more than 5 years	249,668	255,898
Over 5 years	750,179	855,949
Total	1,072,678	1,180,925

The minimum rental income is computed considering a period between 20 and 26 years as of December 31, 2024 (between 20 and 27 years as of December 31, 2023).

8. Property, furniture and equipment, net

(a) The movement of property, furniture and equipment and depreciation for the years ended December 31, 2024, 2023 and 2022, is as follows:

Description	Land S/(000)	Buildings, facilities and leasehold improvements S/(000)	Furniture and equipment S/(000)	Vehicles S/(000)	Assets and work-in-progress S/(000)	Right-of-use assets: Buildings and facilities S/(000)	Right-of-use assets: Furniture and equipment S/(000)	Total 2024 S/(000)	Total 2023 S/(000)	Total 2022 S/(000)
Cost										
Balance as of January 1	125,822	612,818	890,797	1,216	43,206	300,926	17,641	1,992,426	1,864,977	1,826,051
Acquisition of Izipay, Note 1(b)	-	-	-	-	-	-	-	-	-	90,079
Additions	-	21,317	55,931	558	26,913	105,860	-	210,579	183,546	168,214
Transfers	6,058	10,837	16,573	-	(33,468)	-	-	-	-	-
Transfer (to) from investment property, Note 3.4(n)	-	-	-	-	-	-	-	-	12,193	(10,643)
Disposals, write-offs, sales and others (d)	(20,286)	(27,696)	(44,104)	(226)	(311)	(34,800)	(1,844)	(129,267)	(68,290)	(208,724)
Balance as of December 31	111,594	617,276	919,197	1,548	36,340	371,986	15,797	2,073,738	1,992,426	1,864,977
Depreciation										
Balance as of January 1	-	(325,467)	(628,758)	(1,058)	-	(215,132)	(17,179)	(1,187,594)	(1,073,545)	(1,010,933)
Depreciation of the year	-	(19,794)	(91,004)	(139)	-	(47,434)	(385)	(158,756)	(156,023)	(133,825)
Transfer to (from) investment property, Note 3.4(n)	-	-	-	-	-	-	-	-	-	1,286
Disposals, write-offs, sales and others (d)	-	15,723	38,816	219	-	(30,443)	1,843	87,044	41,974	69,927
Balance as of December 31	-	(329,538)	(680,946)	(978)	-	(232,123)	(15,721)	(1,259,306)	(1,187,594)	(1,073,545)
Net book value	111,594	287,738	238,251	570	36,340	139,863	76	814,432	804,832	791,432

(b) Financial entities in Peru are prohibited from pledging their fixed assets.

(c) Management periodically reviews the residual values, useful life and the depreciation method to ensure they are consistent with the economic benefits and life expectation of property, furniture and equipment. In Management's opinion, there is no evidence of impairment in property, furniture and equipment as of December 31, 2024, 2023 and 2022.

(d) For year 2024, it includes the sale of diverse properties, performed by Interbank to third parties, for US$12,090,000 (equivalent to approximately S/45,462,000), with a net disposal cost of S/32,583,000. The gain generated from these sales amounted to S/12,879,000, and was recorded as "Gain on sale of Property, furniture and equipment" in the caption "Other income and (expenses)" in the consolidated statement of income; see Note 21.

For year 2023, it includes the sale of a property, performed by Interbank to a third party, for US$8,552,000 (equivalent to approximately S/32,667,000), with a net disposal cost of S/17,367,000. The gain generated from the sale amounted to S/15,300,000, and was recorded as "Gain on sale of Property, furniture and equipment" in the caption "Other income and (expenses)" in the consolidated statement of income; see Note 21.

For year 2022, it includes the sale of a land lot, performed by Interbank to a related entity, for US$14,100,000 (equivalent to approximately S/54,313,000), with a net disposal cost of S/44,374,000. The gain generated from the sale amounted to S/9,939,000, and was recorded as "Gain on sale of Property, furniture and equipment" in the caption "Other income and (expenses)" in the consolidated statement of income; see Note 21. Additionally, includes the sale of two land lots from Interseguro to a related entity, recorded as financial lease according to IFRS 16. This sale implied the derecognition of a right-of-use asset, net of depreciation, for S/59,051,000, alongside a derecognition of a right-of-use liability for S/77,305,000), generating a net disposal cost of S/18,253,000 and a gain amounted to S/1,841,000, presented as "Gain on sale of Property, furniture and equipment" in the caption "Other income and (expenses)" in the consolidated statement of income; see Note 21.

(e) The following table shows the book values of lease liabilities (included in the caption "Other accounts payable, provisions and other liabilities"); see Note 10(a) and the movement of the year:

	2024 S/(000)	2023 S/(000)
As of January 1	90,513	112,581
Additions	105,860	35,900
Interest expenses, Note 19(a)	7,627	5,562
Disposals	(4,908)	(5,433)
Exchange differences	102	(279)
Payments	(55,391)	(57,818)
As of December 31	143,803	90,513

As of December 31, 2024 and 2023, the amortization schedule of these obligations is as follows:

	2024 S/(000)	2023 S/(000)
2024	-	2,709
2025	35,544	31,956
2026	33,011	20,801
2027	23,621	17,669
2028 onwards	51,627	17,378
Total	143,803	90,513

The following table shows the amounts recognized in the consolidated statement of income:

	2024 S/(000)	2023 S/(000)	2022 S/(000)
Depreciation expenses of right-of-use assets	47,819	49,305	53,134
Interest expenses of lease liabilities, Note 19(a)	7,627	5,562	9,283
Expenses related to short term and low value assets leases (included in administrative expenses, see Note 24(c))	5,317	9,643	10,958
Total amount recognized in the consolidated statement of income	60,763	64,510	73,375

During year 2024, the Group paid leases for approximately S/82,644,000 (S/89,334,000 during year 2023).

9. Intangible and goodwill, net

(a) Intangible assets -

The movement of intangible assets and amortization for the years ended December 31, 2024, 2023 and 2022, is as follows:

	2024								2023	2022
Description	Software S/(000)	Software development S/(000)	Relationship with clients S/(000)	Brand S/(000)	Database S/(000)	Other intangible S/(000)	Goodwill (b and c) S/(000)	Total S/(000)	Total S/(000)	Total S/(000)
Cost										
Balance as of January 1	1,600,270	187,016	110,042	82,546	97,016	229,067	669,075	2,975,032	2,698,486	1,908,144
Acquisition of Izipay, Note 1(b)	-	-	-	-	-	-	-	-	-	569,850
Additions	186,572	54,519	-	-	-	4,243	-	245,334	280,388	227,270
Transfers	105,652	(72,544)	-	-	-	(33,108)	-	-	-	-
Disposals and write-offs, Note 21(a)	(22,109)	-	-	-	-	(20,731)	-	(42,840)	(3,842)	(6,778)
Balance as of December 31	1,870,385	168,991	110,042	82,546	97,016	179,471	669,075	3,177,526	2,975,032	2,698,486
Amortization										
Balance as of January 1	(1,126,123)	-	(19,257)	-	(16,978)	(125,554)	-	(1,287,912)	(1,065,284)	(863,395)
Amortization of the year	(216,370)	-	(11,004)	-	(9,702)	(17,225)	-	(254,301)	(223,015)	(202,401)
Disposals and write-offs	21,712	-	-	-	-	10,728	-	32,440	387	512
Balance as of December 31	(1,320,781)	-	(30,261)	-	(26,680)	(132,051)	-	(1,509,773)	(1,287,912)	(1,065,284)
Net book value	549,604	168,991	79,781	82,546	70,336	47,420	669,075	1,667,753	1,687,120	1,633,202

Management assesses periodically the amortization method used with the purpose of ensuring that it is consistent with the economic benefit of the intangible assets. In Management's opinion, there is no evidence of impairment in the Group's intangible assets as of December 31, 2024, 2023 and 2022.

(b) Goodwill of Seguros Sura:
In 2017, IFS acquired 99.39 percent of Seguros Sura's capital stock and 99.42 percent of Hipotecaria Sura's capital stock. In March 2018, Interseguro merged with Seguro Sura, using the method of absorption, originating the transfer of all the assets and liabilities of Seguros Sura to the absorbing company and extinguishing without having to liquidate.

The goodwill resulting from the purchase of Seguros Sura and Hipotecaria Sura equivalent to S/430,646,000 represents the future synergies that are expected to arise from the combination of operations, distribution channels, workforce and other efficiencies not included in the intangible assets of the present value of acquired in-force business.

The goodwill recorded by the Group has been allocated to the CGU (cash generated unit) comprised of the merged entity.

The recoverable amount for the CGU was determined based on the income approach, specifically the dividend discount model.

As of December 31, 2024 and 2023, the key assumptions used for the calculation of fair value are:

- Perpetuity growth rate: 6.4% (2024) and 6.3% (2023)
- Discount rate: 14.4% (2024) and 14.3% (2023)

10-year cash flows plus an estimation of the value at perpetuity were included in the dividend discount model. The estimated growth rates are based on the historical performance and the expectations of Management over the development of the market. Long-term perpetuity growth rate was determined based on reports from the sector.

The discount rate represents the assessment of the CGU specific risks. The discount rate was established considering the Company's capital structure, the cost of capital coming from the benefits that the Group's investors expect to obtain, from the specific risk incorporated by applying comparable individual beta factors adapted to the CGU's debt structure and from the country and market specific risk premiums for the CGU. Beta factors are assessed on an annual basis using available market information.

The key assumptions described above can change if the market conditions and the economy change. As of December 31, 2024 and 2023, the Group estimates that the reasonableness of possible changes in these assumptions would not make the recoverable amount of the CGU decrease to an amount lower than its book value.

(c) Goodwill and indefinite-lived intangible of Izipay:
In April 2022, IFS acquired 50 percent of Izipay, through the method of step acquisitions, adjusting at fair value the previous participation held by IFS in Izipay through its Subsidiary Interbank (50 percent).

The goodwill resulting from the acquisition of Izipay, amounts to S/ 238,429,000, represents the future synergies that are expected to arise from the combination of operations and other efficiencies not included in the intangibles of the current value of the ongoing business. The value of the brand resulting from the acquisition of Izipay was equivalent to S/82,546,000.

The goodwill and the indefinite-lived brand recorded by the Group has been assigned to the CGU (cash-generating unit) consisting of the acquired entities, Izipay.

The recoverable amount for the CGU has been determined based on the method of discounted cash flows.

As of December 31, 2024 and 2023, the key assumptions used for the calculation of the fair value are the following:

- Perpetual growth rate: 3.0% (2024 and 2023)
- Discount rate: 13.47% (2024) and 13.95% (2023)

10-year cash flows plus an estimation of the value at perpetuity were included in the model of discounted cash flows. The estimated growth rates are based on the historical performance and the expectations of Management over the market development. The long-term perpetual growth rate has been determined considering the upper target range of inflation established by the BCRP.

The discount rate represents the assessment of the CGU's specific risks. The discount rate was originated considering the data obtained from market information sources.

The key assumptions described before can change if market conditions and the economy change. As of December 31, 2024 and 2023, the Group estimates that the reasonableness of these possible changes in these assumptions would not originate that the recoverable amount of the CGU decreases below its book value.

10. Other accounts receivable and other assets, net, and other accounts payable, provisions and other liabilities

(a) These captions are comprised of the following:

	2024 S/(000)	2023 S/(000)
Other accounts receivable and other assets		
Financial instruments		
Other accounts receivable, net	540,883	660,956
Accounts receivable from sale of investments (c)	432,341	63,466
POS commission receivable	390,126	420,644
Operations in process (d)	149,105	83,640
Accounts receivable related to derivative financial instruments (b)	143,201	158,101
Accounts receivable from short sale operations, Note 3.4(f.11)	61,191	-
Others	14,954	17,774
	1,731,801	1,404,581
Non-financial instruments		
Tax paid to recover	673,786	422,248
Deferred charges	99,776	101,551
Deferred cost of POS affiliation and registration	85,006	92,511
Tax credit for General Sales Tax - IGV	35,391	32,482
Investments in associates	24,795	22,548
POS equipment supplies (*)	12,966	14,854
Assets received as payment and seized through legal actions	4,158	28,933
Others	2,499	5,440
	938,377	720,567
Total	2,670,178	2,125,148

(*) Comprises the Points of Sale ("POS") required for the rendering of the service. Their supplies are recorded at cost, which is determined by applying the weighted average method.

	2024 S/(000)	2023 S/(000)
Other accounts payable, provisions and other liabilities		
Financial instruments		
Insurance contract liability with investment component, Note 3.4(d.1.5)	1,308,422	1,010,429
Third party compensation (**)	866,665	763,039
Other accounts payable	665,296	727,906
Operations in process (d)	556,543	226,428
Accounts payable for acquisitions of investments (c)	353,787	106,955
Lease liabilities, Note 8(e)	143,803	90,513
Workers' profit sharing and salaries payable	109,395	105,734
Accounts payable related to derivative financial instruments (b)	102,288	145,395
Financial liabilities at fair value through profit or loss; Note 3.4(f.11)	61,153	-
Allowance for indirect loan losses, Note 6(d.2)	14,248	17,932
Accounts payable to reinsurers and coinsurers	6,354	7,260
	4,187,954	3,201,591
Non-financial instruments		
Provision for other contingencies (e)	107,078	70,671
Taxes payable	87,262	80,331
Deferred income (***)	36,394	23,490
Registration for use of POS	18,005	21,962
Others	8,839	9,315
	257,578	205,769
Total	4,445,532	3,407,360

(**) Corresponds mainly to outstanding balances payable to affiliated businesses, for the consumptions made by the card's users, net of the respective fee charged by Izipay, which are mainly settled the day after the transaction was made.

(***) Corresponds mainly to deferred fees for indirect loans (mainly guarantee letters) and the transactions registered in Izipay related to installments pending of accrual within the contract's term with affiliated businesses.

(b) The following table presents the fair value of derivative financial instruments recorded as assets or liabilities, including their notional amounts, as of December 31, 2024 and 2023. The notional gross amount is the nominal amount of the derivative's underlying asset and it is the base over which changes in the fair value of derivatives are measured; see Note 18(a):

	Note	Assets S/(000)	Liabilities S/(000)	Notional amount S/(000)	Effective part recognized in other comprehensive income during the year S/(000)	Maturity	Hedged instruments	Caption of the consolidated statement of financial position where the hedged item has been recognized
2024								
Derivatives held for trading (*) -								
Forward exchange contracts		22,336	45,012	7,092,071	-	Between January 2025 and June 2026	-	-
Cross swaps		11,593	13,277	1,899,348	-	Between January 2025 and November 2029	-	-
Interest rate swaps		38,817	28,812	1,742,139	-	Between January 2025 and June 2036	-	-
Options		-	-	2,518	-	Between January 2025 and July 2025	-	-
		72,746	87,101	10,736,076	-			
Derivatives held as hedges -								
Cash flow hedges:								
Cross currency swaps (CCS)	13(d)	5,953	3,415	1,129,200	(6,754)	October 2026	Corporate bonds	Bonds, notes and obligations outstanding
Cross currency swaps (CCS)	13(e)	54,218	-	565,500	(10,463)	October 2027	Senior bond	Bonds, notes and obligations outstanding
Cross currency swaps (CCS)	12(d)	3,168	-	188,200	1,002	June 2025	Due to bank	Due to banks and correspondents
Cross currency swaps (CCS)	12(d)	-	404	188,200	742	May 2025	Due to bank	Due to banks and correspondents
Cross currency swaps (CCS)	13(e)	-	5,518	75,400	(1,418)	October 2027	Senior bond	Bonds, notes and obligations outstanding
Cross currency swaps (CCS)	13(e)	-	5,433	75,400	(1,537)	October 2027	Senior bond	Bonds, notes and obligations outstanding
Cross currency swaps (CCS)	12(d)	7,116	-	75,280	588	February 2025	Due to bank	Due to banks and correspondents
Cross currency swaps (CCS)	13(e)	-	417	37,700	(433)	October 2027	Senior bond	Bonds, notes and obligations outstanding
Cross currency swaps (CCS)	12(d)	-	-	-	218	-	Due to bank	Due to banks and correspondents
Cross currency swaps (CCS)	12(d)	-	-	-	632	-	Due to bank	Due to banks and correspondents
Cross currency swaps (CCS)	12(e)	-	-	-	243	-	Due to bank	Due to banks and correspondents
		70,455	15,187	2,334,880	(17,180)			
		143,201	102,288	13,070,956	(17,180)			

	Note	Assets S/(000)	Liabilities S/(000)	Notional amount S/(000)	Effective part recognized in other comprehensive income during the year S/(000)	Maturity	Hedged instruments	Caption of the consolidated statement of financial position where the hedged item has been recognized
2023								
Derivatives held for trading (*) -								
Forward exchange contracts		36,595	29,517	4,875,692	-	Between January 2024 and December 2025	-	-
Interest rate swaps		40,350	25,196	1,530,493	-	Between March 2024 and June 2036	-	-
Cross currency swaps		20,982	44,897	1,370,799	-	Between January 2024 and April 2028	-	-
Options		1,172	1,174	279,047	-	Between January 2024 and December 2024	-	-
		99,099	100,784	8,056,031	-			
Derivatives held as hedges -								
Cash flow hedges:								
Cross currency swaps (CCS)	13(d)	2,958	7,383	1,112,700	(10,199)	October 2026	Corporate bonds	Bonds, notes and obligations outstanding
Cross currency swaps (CCS)	13(e)	56,044	-	556,950	(3,309)	October 2027	Senior bond	Bonds, notes and obligations outstanding
Cross currency swaps (CCS)	12(d)	-	3,020	241,085	(1,374)	Between January 2025 and June 2025	Due to banks	Due to banks and correspondents
Cross currency swaps (CCS)	12(d)	-	3,823	185,450	(1,234)	May 2025	Due to banks	Due to banks and correspondents
Cross currency swaps (CCS)	12(d)	-	6,708	111,270	(578)	August 2024	Due to banks	Due to banks and correspondents
Cross currency swaps (CCS)	12(d)	-	9,442	111,270	(277)	October 2024	Due to banks	Due to banks and correspondents
Cross currency swaps (CCS)	13(e)	-	5,245	74,260	(2,401)	October 2027	Senior bond	Bonds, notes and obligations outstanding
Cross currency swaps (CCS)	13(e)	-	5,041	74,260	(1,923)	October 2027	Senior bond	Bonds, notes and obligations outstanding
Cross currency swaps (CCS)	12(d)	-	811	74,180	(619)	February 2025	Due to banks	Due to banks and correspondents
Cross currency swaps (CCS)	12(e)	-	3,138	37,090	(88)	November 2024	Due to banks	Due to banks and correspondents
Cross currency swaps (CCS)	-	-	-	-	(669)	-	Corporate bonds	Bonds, notes and obligations outstanding
		59,002	44,611	2,578,515	(22,671)			
		158,101	145,395	10,634,546	(22,671)			

(*) During the years 2024, 2023 and 2022, the Group recognized losses for S/13,793,000, gains for S/68,315,000 and losses for S/4,523,000 , respectively, as a result of the valuation of derivative financial instruments held for trading, which were recorded in the caption "Net (loss) gain from financial assets at fair value through profit or loss" in the consolidated statement of income.

(i) As of December 31, 2024 and 2023, certain derivative financial instruments hold collateral deposits; see Note 4(d).

(ii) For the designated hedging derivatives mentioned in the table above, changes in fair values of hedging instruments completely offset the changes in fair values of hedged items; therefore, there has been no hedge ineffectiveness as of December 31, 2024 and 2023. During 2024 and 2023, there were no discontinued hedges accounting.

(iii) Derivatives held for trading are traded mainly to satisfy clients' needs. The Group may also take positions with the expectation of profiting from favorable movements in prices or rates. Also, this caption includes any derivatives which do not comply with IFRS 9 hedging accounting requirements.

(iv) The table below presents the future effect of current cash flow hedges on the consolidated statement of income, net of the deferred Income Tax, which will be included in the caption "Net (loss) gain of financial assets at fair value through profit or loss" when realized:

	As of December 31, 2024				As of December 31, 2023			
	Up to 1 year S/(000)	From 1 to 3 years S/(000)	Over 3 years S/(000)	Expected effect S/(000)	Up to 1 year S/(000)	From 1 to 3 years S/(000)	Over 3 years S/(000)	Expected effect S/(000)
Consolidated statement of income – (Expense) income	(2,458)	(46,655)	-	(49,113)	(2,139)	(13,717)	(16,077)	(31,933)

The transfer of net unrealized losses on cash flow hedges to the consolidated statement of income is presented in Note 16(d) and 16(e).

(v) The gain (loss) for cash flow hedges reclassified to the consolidated statement of income for the year ended as of December 31, 2024 and 2023, is as follows:

	2024 S/(000)	2023 S/(000)
Interest expenses from cash flow hedges	(119,893)	(116,885)
Interest income from cash flow hedges	89,947	92,637
Expenses for exchange differences from cash flow hedges	(133,480)	(136,625)
Income for exchange differences from cash flow hedges	168,835	118,180
	5,409	(42,693)

These amounts offset the effects of interest rate risk and exchange rate risk of the hedged item.

The following table shows hedging instruments that the Group uses in its cash flow hedges due to maturities:

December 31, 2024	1 to 3 months	3 to 12 months	1 to 5 years	Total
Cross currency swaps (CCS)				
Notional	75,280	376,400	1,883,200	2,334,880
Average interest rate in US Dollars	4.66%	5.20%	2.17%	-
Average interest rate in Soles	8.59%	7.89%	2.07%	-
Average exchange rate Soles / US Dollar	3.89	3.71	3.66	-

December 31, 2023	1 to 3 months	3 to 12 months	1 to 5 years	Total
Cross currency swaps (CCS)				
Notional	-	259,630	2,318,885	2,578,515
Average interest rate in US Dollars	-	3.60%	3.07%	-
Average interest rate in Soles	-	8.09%	3.86%	-
Average exchange rate Soles / US Dollar	-	3.94	3.66	-

(c) As of December 31, 2024 and 2023, corresponds to accounts receivable and payable for the sale and purchase of financial investments negotiated during the last days of the month, which were settled at the beginning of the following month. As of said dates, the balance corresponds mainly to the purchase and sale of Sovereign Bonds issued by the Peruvian Government and Global Bonds issued by the Treasury of the United States of America.

(d) Operations in process include transactions made during the last days of the month and other types of similar transactions that are reclassified to their corresponding accounting accounts in the following month. These transactions do not affect the consolidated statement of income.

(e) As of December 2024, Inteligo Bank has established a provision of US$5,800,000 (equivalent to approximately S/21,831,000) related to the legal proceedings in the ordinary course of its banking operations.

11. Deposits and obligations

(a) This caption is made up as follows:

	2024 S/(000)	2023 S/(000)
Time deposits (e)	19,891,128	17,288,629
Saving deposits	19,411,720	17,756,097
Demand deposits	13,746,684	13,376,375
Compensation for service time (c)	711,806	760,551
Other obligations	6,690	6,582
Total	53,768,028	49,188,234

(b) Interest rates applied to deposits and obligations are determined based on the market interest rates.

(c) In May 2024 and 2022, through Act No. 32027 "Act Authorizing workers the free disposal of 100 percent of their severance indemnity deposits in order to cover their needs caused by the economic crises" and Act No. 31480 "Act Authorizing the Withdrawal of Severance Indemnities to Cover Economic Needs Caused by the Covid-19 Pandemic", respectively, the Peruvian government authorized clients of the financial system, to withdraw the 100 percent of these deposits until December 31, 2024 and 2023, respectively. As a result of this benefit, during 2024 approximately 324,000 clients withdrew approximately S/1,014,252,000 (during 2023, approximately 308,000 clients withdrew approximately S/1,061,734,000).

(d) As of December 31, 2024 and 2023, deposits and obligations of approximately S/19,978,058,000 and S/18,668,431,000, respectively, are covered by the Peruvian Deposit Insurance Fund. Likewise, at those dates, the coverage of the Deposit Insurance Fund by each client is up to S/121,600 and S/123,810, respectively.

(e) The table below presents the balance of time deposits classified by maturity as of December 31, 2024 and 2023:

	2024 S/(000)	2023 S/(000)
Within 1 month	7,744,887	6,131,655
Between 1 and 3 months	5,179,603	3,890,589
Between 3 months and 1 year	6,263,412	6,458,103
Between 1 and 5 years	413,031	512,280
More than 5 years	290,195	296,002
Total	19,891,128	17,288,629

12. Due to banks and correspondents

(a) This caption is comprised of the following:

	2024 S/(000)	2023 S/(000)
By type -		
Banco Central de Reserva del Peru (b)	1,756,687	3,683,687
Promotional credit lines (c)	2,090,825	2,014,600
Loans received from foreign entities (d)	3,304,169	2,895,637
Loans received from Peruvian entities (e)	332,165	309,525
	7,483,846	8,903,449
Interest and commissions payable	78,211	122,481
	7,562,057	9,025,930
By term -		
Short term	3,586,376	4,852,495
Long term	3,975,681	4,173,435
Total	7,562,057	9,025,930

(b) As part of the exceptional measures implemented to mitigate the financial and economic impact generated by the Covid-19 pandemic, the BCRP issued a series of regulations related to the loans repurchase agreements. In this sense, during 2022, Interbank took in repurchase agreements of loan portfolio for an amount of S/42,461,000.

As of December 31, 2024, includes repurchase operations on loans represented by securities according to which Interbank receives a debt in local currency for approximately S/123,772,000 (S/540,158,000 as of December 31, 2023), and gives commercial and micro and small business loans as guarantee; see Note 6(a). As of December 31, 2024, these obligations have maturities between May 2025 and November 2025 and accrue interest at effective rates of 0.50 percent; these operations accrued interest payable for approximately S/85,000 (as of December 31, 2023, these obligations had maturities between July 2024 and November 2025, and accrued interest at effective rates of 0.50 percent; these operations accrued interest payable for S/114,000).

Additionally, as of December 31, 2024, it includes repurchase agreements whereby Interbank receives a debt in Soles for approximately S/1,632,915,000, and delivers securities of its investment portfolio as guarantees. In relation to these transactions, Interbank delivered as guarantee Peruvian Sovereign Bonds, recorded as restricted investments at amortized cost, see Note 5(d). These transactions have maturities between January 2025 and March 2025 and accrue interest at effective rates between 5.16 and 5.46 percent. These transactions generated interest payable for approximately S/13,489,000 (as of December 31, 2023, it includes repurchase agreements whereby Interbank receives a debt in Soles for approximately S/3,143,529,000 and delivers securities of its investment portfolio as guarantees. In relation to said operations, Interbank delivered as guarantee Peruvian Sovereign Bonds and Negotiable Certificates of Deposits issued by the BCRP, recorded as restricted investments at fair value through other comprehensive income and restricted investments at amortized cost; see Note 5(b) and (d), respectively. These operations had maturities between January 2024 and October 2024 and accrued interest at effective interest rates between 0.50 percent and 7.33 percent. These operations accrued interest payable for approximately S/59,864,000).

(c) Promotional credit lines are loans in Soles and US Dollars from the Corporación Financiera de Desarrollo ("COFIDE") and Fondo Mivivienda ("FMV") whose purpose is to promote development in Peru. These liabilities are guaranteed by a loan portfolio up to the amount of the line and include specific agreements on the use of funds, the financial conditions to be met and other management issues. In Management's opinion, Interbank is meeting these requirements.

As of December 31, 2024, COFIDE's loans accrued interest at an effective annual rate in foreign currency that fluctuated between 5.81 percent and 11.11 percent, and have maturities between December 2029 and October 2034 (as of December 31, 2023, they accrued, in foreign currency, an effective annual interest rate that fluctuated between 5.81 percent and 10.62 percent, and had maturities between December 2029 and October 2034).

As of December 31, 2024, FMV's loans accrued, in local currency, an effective annual interest rate that fluctuated between 5.0 percent and 8.30 percent, and maturities between January 2025 and July 2053 and in foreign currency of 7.75 percent and maturities between January 2025 and November 2028 (as of December 31, 2023, accrued in local currency, an effective annual interest rate between 5.00 percent and 8.30 percent, and maturities between January 2024 and December 2048, and in foreign currency, 7.75 percent and maturities between January 2024 and November 2028).

(d) As of December 31, 2024 and 2023, corresponds to the following funding in foreign currency:

Entity	Country	Final maturity	2024 S/(000)	2023 S/(000)
Standard Chartered Bank London	United Kingdom	2026	1,055,140	662,161
China Development Bank Hong Kong Branch	China	2027	376,400	-
Citigroup Global Markets Inc.	United States of America	2026	289,867	289,867
Standard Chartered Bank Hong Kong Ltd.	China	2025	263,480	-
Sumitomo Mitsui Banking	Japan	2026	263,480	259,630
Banco del Estado de Chile, Note 10(b)	Chile	2025	244,660	241,085
BMO Capital Markets Corp.	Canada	2025	188,200	-
Banco Bilbao Vizcaya Argentaria NY Branch, Note 10(b)	Spain	2025	188,200	185,450
Caixabank S.A. Barcelona	Spain	2025 / 2024	169,380	166,905
Bank J. Safra Sarasin	Switzerland	2025 / 2024	77,162	81,598
Commerzbank Ag Frankfurt	Germany	2025	75,280	-
Standard Chartered Bank NY, Note 10(b)	United States of America	2025	75,280	74,180
Citibank NA New York	United States of America	2025	37,640	-
Wells Fargo	United States of America	2024	-	296,720
Bank of America	United States of America	2024	-	203,995
Bank of Montreal	Canada	2024	-	185,450
JP Morgan Chase Bank NY; Note 10(b)	United States of America	2024	-	111,270
Bank of New York	United States of America	2024	-	92,725
HSBC Branch India	India	2024	-	37,090
Banco Interamericano de Desarrollo	Multilateral	2024	-	7,511
			3,304,169	2,895,637

During the year 2024, the operations with foreign entities accrue average interest rate between 6-month Term SOFR plus 0.60 percent and 6-month Term SOFR plus 1.99 percent, 3-month Term SOFR plus 0.70 percent and 3-month Term SOFR plus 1.90 percent and Daily SOFR plus 1.30 percent, and annual fixed rates that fluctuate between 5.16 percent and 7.51 percent (between 6-month Term SOFR plus 0.75 percent and 6-month Term SOFR plus 1.70 percent, and annual fixed rates that fluctuate between 6.53 percent and 7.51 percent during the year 2023).

(e) As of December 31, 2024 and 2023, corresponds to the following funding in local and foreign currency:

Entity	2024 Maturity	2024 Currency	2024 Book value S/(000)
Banco de Credito del Peru S.A.	Jan-25 / Jan-26	S/	125,171
Bank of GNB Peru S.A.	Jan-25	S/	74,500
Scotiabank Peru S.A.A.	Jan-25 / Oct-25	S/	72,270
Banco BBVA Continental	Jan-25	S/	60,224
			332,165

Entity	2023 Maturity	2023 Currency	2023 Book value S/(000)
Banco de Credito del Peru S.A.	Jan-24 / Jan-26	S/	127,000
Scotiabank Peru S.A.A.	Jan-24 / Oct-25	S/	75,465
Bank of GNB Peru S.A.	Jan-24	S/	69,970
Bank of China (Peru) S.A.	Nov-24	US$	37,090
			309,525

(f) As of December 31, 2024 and 2023, maturities are the following:

Year	2024 S/(000)	2023 S/(000)
2024	-	4,852,495
2025	3,586,376	1,185,753
2026	1,787,212	1,373,363
2027	517,521	133,723
2028 onwards	1,670,948	1,480,596
Total	7,562,057	9,025,930

13. Bonds, notes and other obligations

(a) This caption is comprised of the following:

Issuance	Issuer	Annual interest rate	Interest payment	Maturity	Amount issued (000)	2024 S/(000)	2023 S/(000)
Local issuances							
Subordinated bonds – third program (b)							
Fourth – single series	Interseguro	7.09375%	Semi-annually	2034	US$34,780	130,912	
Third - single series	Interseguro	4.84375%	Semi-annually	2030	US$25,000	94,100	92,725
Second - single series	Interseguro	4.34%	Semi-annually	2029	US$20,000	-	74,180
First - single series	Interseguro	6.00%	Semi-annually	2029	US$20,000	-	74,102
						225,012	241,007
Corporate bonds – fourth program (b)							
First (single series)	Interseguro	6.75%	Semi-annually	2034	US$28,706	108,049	-
Negotiable certificates of deposit – second program							
First (A series)	Interbank	5.21875%	Annual	2025	S/112,964	110,010	-
First (B Series)	Interbank	4.9375%	Annual	2025	S/138,435	133,852	-
First (C Series)	Interbank	4.59375%	Annual	2025	S/102,000	97,643	-
						341,505	-
Corporate bonds – second program							
Fifth (A series)	Interbank	3.41% + VAC (*)	Semi-annually	2029	S/150,000	150,000	150,000
Total local issuances						824,566	391,007
International issuances							
Subordinated bonds (c)	Interbank	4.000%	Semi-annually	2030	US$300,000	1,124,502	1,107,228
Corporate bonds	Interbank	5.000%	Semi-annually	2026	S/312,000	311,788	311,644
Corporate bonds (d)	Interbank	3.250%	Semi-annually	2026	US$400,000	1,501,894	1,477,909
Senior bonds (e)	IFS	4.125%	Semi-annually	2027	US$300,000	1,062,514	1,045,258
Subordinated bonds (f)	Interbank	7.625%	Semi-annually	2034	US$300,000	1,122,122	-
Subordinated bonds (g)	Interbank	6.625%	Semi-annually	2029	US$300,000	-	1,112,438
Total international issuances						5,122,820	5,054,477
Total local and international issuances						5,947,386	5,445,484
Interest payable						128,047	106,145
Total						6,075,433	5,551,629

(*) The Spanish term "Valor de actualización constante" is referred to amounts in Soles indexed by inflation.

(b) Subordinated bonds do not have specific guarantees and in accordance with SBS rules, qualify as second level equity (Tier 2) in the determination of the effective equity; see Note 16(f).

(c) Starting on July 8, 2025, prior authorization by the SBS, Interbank will be able to redeem the entirety of the bonds, having to pay a redemption price of 100 percent of the issued subordinated bonds. From that date onwards, in case Interbank does not perform the early redemption, the interest rate will increase by 371.1 basis points. After July 8, 2025, prior authorization by the SBS, Interbank will be able to redeem the entirety of the bonds, having to pay a redemption price of 100 percent of the issued subordinated bonds plus the present value of each scheduled coupon payment, discounted at the redemption date.

(d) As of December 31, 2024, Interbank holds fourth cross currency swap contracts for a total of US$300,000,000 (equivalent to approximately S/1,129,200,000), which were designated as cash flow hedges (four cross-currency swap contracts for a total of US$300,000,000 (equivalent to approximately S/1,112,700,000, as of December 31, 2023)), see Note 10(b); through these operations, part of the amount issued of said bonds was economically converted to Soles at rates of 2.12, 4.92, 5.10 and 5.32 percent.

(e) From 2018 until July 2027, IFS, on any time, can redeem these bonds, paying a penalty equal to the United States of America Treasury rate plus 30 basis points. The payment of principal will take place on the maturity date of the bonds or when IFS redeems them.

In October 2017, IFS entered a cross-currency swap for US$150,000,000 (equivalent to approximately S/565,500,000 and S/556,950,000, as of December 31, 2024 and 2023, respectively). Later on, during January and February 2023, IFS signed two cross-currency swap contracts for US$20,000,000 each (equivalent to approximately S/75,400,000 and S/74,260,000 each, as of December 31, 2024 and 2023, respectively) and during August 2024, signed another cross-currency swap contract for US$10,000,000 (equivalent to approximately S/37,700,000); which were designated as a cash flow hedges, see Note 10(b).

As of December 31, 2024, Management does not intend to redeem these bonds before their maturity date; said situation may change in the future, depending on market conditions.

(f) Starting in January 2029, prior authorization by the SBS, Interbank will be able to redeem the entirety of the bond, without penalties; since that date, the interest rate changes to 5-year U.S. Treasury plus 365.2 basis points. In accordance with SBS regulation, this issuance qualifies as second level equity (Tier 2) in the determination of the regulatory capital.

Also, as part of said program, Interbank announced a repurchase offering in cash aimed to the bondholders of the subordinated bond called "6.625% Subordinated Notes due 2029"; see paragraph (j). On January 17, 2024, Interbank repurchased bonds for an amount of US$194,852,000. Regarding the remaining balance of bondholders that did not accept the repurchase offering, on January 29, 2024, Interbank informed them its decision to early redeem said instruments.

(g) In accordance with SBS regulation, this issuance qualifies as second level equity (Tier 2) in the determination of the regulatory capital.

In January 2024, Interbank performed a repurchase of part of these bonds; see paragraph (i). On March 19, 2024, Interbank redeemed the entirety of the outstanding bonds for US$105,148,000.

(h) International issuances are listed at the Luxembourg Stock Exchange. On the other hand, the local and international issuances include standard clauses of compliance with financial ratios, the use of funds and other administrative matters, which have been met by the Group as of December 31, 2024 and 2023. In addition, Interbank maintains the following additional clauses: (i) limits regarding related party transactions that are not under market conditions and (ii) limits regarding consolidation, merger or transfer of Interbank assets. In the opinion of Interbank Management and its legal advisers, these clauses has been met by Interbank as of December 31, 2024 and 2023.

(i) As of December 31, 2024 and 2023, the repayment schedule of these obligations is as follows:

Year	**2024** S/(000)	**2023** S/(000)
2024	-	71,709
2025	430,884	-
2026	1,813,682	1,789,553
2027	1,069,661	1,052,011
2028 onwards	2,761,206	2,638,356
Total	6,075,433	5,551,629

14. Assets and Liabilities for insurance and reinsurance contracts

(a) This caption is comprised of the following:

	2024			2023		
	Assets S/(000)	Liabilities S/(000)	Net S/(000)	Assets S/(000)	Liabilities S/(000)	Net S/(000)
Reinsurance contracts held (*)	(18,602)	1,968	(16,634)	(26,287)	1,895	(24,392)
Insurance contracts issued						
Remaining coverage liability	-	12,335,922	12,335,922	-	12,000,220	12,000,220
Liability for claims incurred	-	186,430	186,430	-	205,421	205,421
Total insurance contracts issued (b) and (c)	-	12,522,352	12,522,352	-	12,205,641	12,205,641
Total reinsurance contracts held and issued	(18,602)	12,524,320	12,505,718	(26,287)	12,207,536	12,181,249

(*) Correspond to the ceded part of the reinsurance contracts mainly life insurance contracts.

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

(b) The movement of issued insurance contract liabilities is presented below:

	2024						
	Liabilities remaining coverage		Liabilities remaining coverageLiabilities for claims incurred in contracts measured by the general model (BBA) and variable rate model (VFA)		Liabilities Claim incurred contracts measured by the Premium Allocation Approach (PAA)		
	Excluding loss component S/(000)	Loss component S/(000)	Fulfillment Cash Flows (FCF) S/(000)	Risk Adjustment (RA) S/(000)	Fulfillment Cash Flows (FCF) S/(000)	Risk Adjustment (RA) S/(000)	Total S/(000)
Balance as of January 1, 2024	11,301,149	699,071	155,649	5,257	43,237	1,278	12,205,641
Insurance revenue	(768,758)	-	-	-	-	-	(768,758)
Contracts under fair value, BBA and VFA approach	(545,835)	-	-	-	-	-	(545,835)
Contracts under PAA approach	(222,923)	-	-	-	-	-	(222,923)
Insurance service expenses	136,433	6,872	454,446	(990)	101,245	(497)	697,509
Claims and other expenses incurred	-	-	979,959	106	47,549	(497)	1,027,117
Amortization of insurance acquisition cash flows	136,433	-	-	-	-	-	136,433
Gains on onerous contracts and reversals of those losses	-	6,872	-	-	-	-	6,872
Changes to liabilities for incurred claims	-	-	(525,513)	(1,096)	53,696	-	(472,913)
Insurance service result	(632,325)	6,872	454,446	(990)	101,245	(497)	(71,249)
Insurance financial expenses	622,647	32,557	-	-	-	-	655,204
Insurance financial result	563,093	32,557	-	-	-	-	595,650
Interest rate effect (*), see Note 3.4(d.1)	59,554	-	-	-	-	-	59,554
Effect of movements in exchange rates	67,098	3,668	292	4	146	1	71,209
Total changes in the statement of income and other comprehensive income	57,420	43,097	454,738	(986)	101,391	(496)	655,164
Net cash flow and investment component	235,185	-	(462,286)	-	(111,352)	-	(338,453)
Premiums received	1,029,082	-	-	-	-	-	1,029,082
Claims and other expenses paid	-	-	(1,039,615)	-	(111,352)	-	(1,150,967)
Insurance acquisition cash flows	(216,568)	-	-	-	-	-	(216,568)
Investment component	(577,329)	-	577,329	-	-	-	-
Balance as of December 31, 2024	11,593,754	742,168	148,101	4,271	33,276	782	12,522,352

(*) Comprises the variation in market interest rate. In 2024, the rates for pension business in US Dollars presented an increase from 6.409 percent in 2023 to 6.412 percent in 2024; whereas for pension business in soles presented a decrease from 6.962 percent in 2023 to 6.922 percent in 2024; and for pension business in soles VAC presented a decrease, from 3.722 percent in 2023 to 3.599 percent in 2024.

	2023						
	Liabilities remaining coverage		Liabilities remaining coverageLiabilities for claims incurred in contracts measured by the general model (BBA) and variable rate model (VFA)		Liabilities Claim incurred contracts measured by the Premium Allocation Approach (PAA)		
	Excluding loss component S/(000)	Loss component S/(000)	Fulfillment Cash Flows (FCF) S/(000)	Risk Adjustment (RA) S/(000)	Fulfillment Cash Flows (FCF) S/(000)	Risk Adjustment (RA) S/(000)	Total S/(000)
Balance as of January 1, 2023	10,337,035	685,630	151,594	5,411	45,278	2,897	11,227,845
Insurance revenue	(720,636)	-	-	-	-	-	(720,636)
Contracts under fair value, BBA and VFA approach	(495,923)	-	-	-	-	-	(495,923)
Contracts under PAA approach	(224,713)	-	-	-	-	-	(224,713)
Insurance service expenses	127,009	(12,547)	433,958	(81)	106,801	(1,566)	653,574
Claims and other expenses incurred	-	-	965,054	(81)	58,884	(1,566)	1,022,291
Amortization of insurance acquisition cash flows	127,009	-	-	-	-	-	127,009
Losses on onerous contracts and reversals of those losses	-	(12,547)	-	-	-	-	(12,547)
Changes to liabilities for incurred claims	-	-	(531,096)	-	47,917	-	(483,179)
Insurance service result	(593,627)	(12,547)	433,958	(81)	106,801	(1,566)	(67,062)
Insurance financial expenses	1,499,572	29,771	-	-	(545)	-	1,528,798
Insurance financial result	543,941	29,771	-	-	(545)	-	573,167
Interest rate effect (*), see Note 3.4(d.1)	955,631	-	-	-	-	-	955,631
					-		
Effect of movements in exchange rates	(135,726)	(3,736)	(447)	(73)	(213)	(53)	(140,248)
Total changes in the statement of income and other comprehensive income	770,219	13,488	433,511	(154)	106,043	(1,619)	1,321,488
Net cash flow and investment component	193,895	(47)	(429,456)	-	(108,084)	-	(343,692)
Premiums received	974,312	-	-	-	-	-	974,312
Claims and other expenses paid	-	-	(996,755)	-	(108,084)	-	(1,104,839)
Insurance acquisition cash flows	(213,118)	(47)	-	-	-	-	(213,165)
Investment component	(567,299)	-	567,299	-	-	-	-
Balance as of December 31, 2023	11,301,149	699,071	155,649	5,257	43,237	1,278	12,205,641

(*) Comprises the variation in market interest rate. In 2023, the rates for pension business in US Dollars presented a decrease from 6.472 percent in 2022 to 6.409 percent in 2023; whereas for pension business in soles presented a decrease from 8.139 percent in 2022 to 6.962 percent in 2023; and for pension business in soles VAC presented a decrease, from 4.765 percent in 2022 to 3.722 percent in 2023.

(c) Following is the movement of the issued insurance contracts' net asset or liability, showing the present value estimates of future cash flows, risk adjustment and the contractual service margin (CSM) for portfolios included in the life insurance unit:

	2024				2023			
	Estimates of the present value of future cash flows S/(000)	Risk Adjustment S/(000)	Contractual Service Margin (d) S/(000)	Total S/(000)	Estimates of the present value of future cash flows S/(000)	Risk Adjustment S/(000)	Contractual Service Margin (d) S/(000)	Total S/(000)
Balance as of January 1	11,072,275	302,764	742,870	12,117,909	10,256,194	277,973	599,799	11,133,966
Changes that relate to current services								
Contractual service margin recognized for services provided	-	-	(94,596)	(94,596)	-	-	(80,778)	(80,778)
Risk adjustment recognized for the risk expired	-	(12,257)	-	(12,257)	-	(306)	-	(306)
Experience adjustments	(30,427)	-	-	(30,427)	(114,952)	-	-	(114,952)
Changes that relate to future services								
Contracts initially recognized in the period	(260,895)	13,417	269,737	22,259	(249,907)	9,441	289,323	48,857
Changes in estimates that adjust the contractual service margin	101,713	(6,470)	(95,243)	-	98,096	609	(98,705)	-
Changes in estimates that do not adjust the contractual service margin	88,456	(36,502)	-	51,954	70,637	17,930	-	88,567
Changes that relate to past services								
Adjustments to liabilities for incurred claims	(6,806)	-	-	(6,806)	2,866	-	-	2,866
Insurance service result	(107,959)	(41,812)	79,898	(69,873)	(193,260)	27,674	109,840	(55,746)
Insurance financial expenses	593,390	15,090	46,348	654,828	1,471,337	111	37,868	1,509,316
Insurance financial result	533,836	15,090	46,348	595,274	515,706	111	37,868	553,685
Interest rate effect (*), see Note 3.4(d.1)	59,554	-	-	59,554	955,631	-	-	955,631
Effect of movements in Exchange rates	68,328	1,242	1,735	71,305	(111,021)	(2,994)	(4,637)	(118,652)
Total changes in the statement of income and other comprehensive income	553,759	(25,480)	127,981	656,260	1,167,056	24,791	143,071	1,334,918
Cash flows	(320,911)	-	-	(320,911)	(350,975)	-	-	(350,975)
Premiums received	812,221	-	-	812,221	737,205	-	-	737,205
Claims and other expenses paid	(1,039,615)	-	-	(1,039,615)	(996,755)	-	-	(996,755)
Insurance acquisition cash flows	(93,517)	-	-	(93,517)	(91,425)	-	-	(91,425)
Balance as of December 31	11,305,123	277,284	870,851	12,453,258	11,072,275	302,764	742,870	12,117,909

(*) Balance does not include PPA movement of LRC and LIC amounting to S/69,094,000 and S/87,732,000 as of December 31, 2024 and 2023, respectively.

(d) Following is the CSM movement for insurance contract portfolios for the periods 2024 and 2023:

	2024	2023
	Total Contracts using the fair value approach S/(000)	Total Contracts using the fair value approach S/(000)
Contractual Service Margin as of January 1	742,870	599,799
Changes that relate to current services		
Contractual service margin recognized for services provided	(94,596)	(80,778)
Changes that relate to future services		
Contracts initially recognized in the period	269,737	289,323
Changes in estimates that adjust the contractual service margin	(95,243)	(98,705)
Insurance service result	79,898	109,840
Insurance financial expenses	46,348	37,868
Effect of movements in exchange difference	1,735	(4,637)
Total changes in the statement of income	127,981	143,071
Other movements	-	-
Balance as of December 31	870,851	742,870

(e) The following table details the components of the new insurance contracts issued and included in the life insurance unit:

	2024			2023		
	Contracts issued			Contracts issued		
	Non-onerous	Onerous	Total	Non-onerous	Onerous	Total
	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)
Life insurance contract liabilities						
Estimate present value of future cash outflows, excluding insurance acquisition cash flows	652,557	218,540	871,097	683,302	99,200	782,502
Estimates of insurance acquisition cash flows	75,164	17,338	92,502	81,957	8,875	90,832
Estimate of present value of future cash outflows	727,721	235,878	963,599	765,259	108,075	873,334
Estimates of present value of future cash inflows	(1,008,629)	(215,865)	(1,224,494)	(1,063,336)	(59,905)	(1,123,241)
Risk adjustment	11,171	2,246	13,417	8,754	687	9,441
Contractual service margin	269,737	-	269,737	289,323	-	289,323
Losses on onerous contracts at initial recognition	-	22,259	22,259	-	48,857	48,857

(f) Following is the disclosure of when the CSM is expected to be in profit or loss in future years:

	2024						
	Less than a year S/(000)	From 1 to 2 years S/(000)	From 2 to 3 years S/(000)	From 3 to 4 years S/(000)	From 4 to 5 years S/(000)	More than 5 years S/(000)	Total S/(000)
Insurance contracts issued -							
Pensions	(11,923)	(10,803)	(9,509)	(8,481)	(7,654)	350,817	302,447
Life	(3,773)	(3,615)	(2,780)	(877)	1,665	448,532	439,152
Massive	30,864	23,683	16,570	11,035	6,961	40,139	129,252
	15,168	9,265	4,281	1,677	972	839,488	870,851

	2023						
	Less than a year S/(000)	From 1 to 2 years S/(000)	From 2 to 3 years S/(000)	From 3 to 4 years S/(000)	From 4 to 5 years S/(000)	More than 5 years S/(000)	Total S/(000)
Insurance contracts issued -							
Pensions	(11,028)	(10,474)	(9,441)	(8,398)	(7,570)	294,707	247,796
Life	(3,681)	(2,111)	(776)	1,271	4,240	347,975	346,918
Massive	38,088	27,662	19,468	12,920	8,397	41,621	148,156
	23,379	15,077	9,251	5,793	5,067	684,303	742,870

(g) Reconciliation of the amount included in net unrealized income for insurance premium reserves. On transition to IFRS 17, the Group applied the fair value approach for certain groups of contracts with term-life cover and surrender options. The movement in the fair value reserve for related financial assets measured at fair value through other comprehensive income is disclosed below:

	2024 S/(000)	2023 S/(000)
Cumulative other comprehensive income, opening balance	744,116	1,714,334
Losses recognized in other comprehensive income in the period	(59,554)	(955,631)
Rate effect of "Renta Particular" contract (*)	1,065	(14,587)
Others	(2,900)	-
Cumulative other comprehensive income, closing balance	682,727	744,116

(*) Comprises the variation in market interest rate of contracts with investment component recorded in the caption "other accounts payable, provisions and other liabilities", see Note 10.

15. Deferred Income Tax asset and liability

(a) As indicated in Note 3.4(aa), the net tax position has been met based on the separate financial statement of each Subsidiary domiciled in Peru. The following table presents a summary of the items comprising the Subsidiaries' deferred Income Tax:

	2024 S/(000)	2023 S/(000)
Deferred asset		
Tax loss	22,400	23,686
Deferred service income	5,386	6,975
Provision for loan portfolio and other provisions	3,859	261,713
Right-of-use assets	436	2,787
Others	15,402	30,912
Net unrealized losses from fluctuation in investments through other comprehensive income	-	8,263
Leveling of assets and liabilities	-	7,474
Unrealized loss from derivatives	-	6,407
Deferred income from indirect credits (stand-by letters)	-	2,272
Modification of rescheduled loan cash flows	-	731
Deferred liability		
Deferred cost of POS affiliation and registration	(22,708)	(25,348)
Deemed cost of fixed assets	(2,950)	(60,731)
Past-due and refinanced loans	-	(121,928)
Amortization of intangible assets, net	-	(84,552)
Others	(2,619)	(2,725)
Total deferred Income Tax asset, net	19,206	55,936
Deferred asset		
Provision for loan portfolio and other provisions	200,241	-
Unrealized loss from derivatives	7,743	-
Net unrealized losses from fluctuation in investments through other comprehensive income	4,542	-
Deferred income from indirect credits (stand-by letters)	3,629	-
Right-of-use assets	2,299	-
Modification of rescheduled loan cash flows	580	-
Others	16,793	-

	2024 S/(000)	2023 S/(000)
Deferred liability		
Recording of past-due and refinanced loans	(149,111)	-
Amortization of intangible assets, net	(76,149)	-
Higher value of intangibles generated by business combination, Note 1(b)	(68,636)	(74,744)
Deemed cost of fixed assets	(56,481)	-
Leveling of assets and liabilities	(21,741)	-
Higher value of property, furniture and equipment and right-of-use generated by business combination, Note 1(b)	(889)	(968)
Others	(3,473)	-
Total deferred Income Tax liability, net	(140,653)	(75,712)

(b) In Management's opinion, the deferred Income Tax assets will be recovered from the taxable income that will be generated by each company of the Group over the coming years, including the portion that is recorded in the consolidated statement of changes in equity.

(c) The table below presents the amounts reported in the consolidated statement of income for the years 2024, 2023 and 2022:

	2024 S/(000)	2023 S/(000)	2022 S/(000)
Current – Expense	188,236	140,332	432,392
Current – Dividend expense, Note 17(b)	26,076	33,020	30,587
Deferred – Expense (income)	100,053	102,244	(442)
	314,365	275,596	462,537

(d) The table below presents the reconciliation of the effective Income Tax rate to the statutory tax rate for the Group:

	2024		2023		2022	
	S/(000)	%	S/(000)	%	S/(000)	%
Income before Income Tax	1,621,826	100.0	1,354,872	100.0	2,140,651	100.0
Theoretical tax	478,439	29.5	399,687	29.5	631,492	29.5
Increase in income of Subsidiaries not domiciled in Peru	1,299	0.1	46,453	3.4	11,412	0.5
Non-taxable income, net	(284,298)	(17.5)	(275,379)	(20.3)	(243,003)	(11.4)
Permanent non-deductible expenses	115,616	7.1	109,602	8.1	61,833	2.9
Non-taxable translation results	3,309	0.2	(4,767)	(0.4)	803	0.1
Income Tax	314,365	19.4	275,596	20.3	462,537	21.6

16. Equity, net

(a) Capital stock and distribution of dividends -

IFS's shares are listed on the Lima Stock Exchange and, since July 2019, they are listed also on the New York Stock Exchange. IFS's shares have no nominal value and their issuance value was US$9.72 per share. As of December 31, 2024 and 2023, IFS's capital stock is represented by 115,447,705 subscribed and paid-in common shares.

The General Shareholders' Meeting of IFS held on April 1, 2024, agreed to distribute dividends charged to profits for the year 2023 for approximately US$115,443,000 (equivalent to approximately S/427,369,000); equivalent to US$1.00 per share, which were paid on April 29, 2024.

The General Shareholders' Meeting of IFS held on March 31, 2023, agreed to distribute dividends charged to profits for the year 2022 for approximately US$136,222,000 (equivalent to approximately S/511,788,000); equivalent to US$1.18 per share, which were paid on May 8, 2023.

The General Shareholders' Meeting of IFS held on March 31, 2022, agreed to distribute dividends charged to profits for the year 2021 for approximately US$202,025,000 (equivalent to approximately S/751,532,000); equivalent to US$1.75 per share, which were paid on May 6, 2022.

(b) Treasury stock -

On March 31, 2023, the General Shareholders of IFS approved the Share Repurchase Program for an amount of up to US$100 million of common shares, which may be carried out simultaneously on the Lima Stock Exchange – BVL and New York Stock Exchange – NYSE, on one or more dates at market value. The program is expected to continue until terminated by the Board of Directors.

During 2024, within the framework of this Program, Interbank has purchased 1,191,553 shares, at market values, for approximately US$32,847,000, equivalent to approximately S/122,688,000 (during 2023, Interbank has purchased 938,371 shares, at market values, for approximately US$21,952,000 (equivalent to approximately S/81,021,000).

In addition, during 2024, Interfondos acquired 2,000 common shares, at market value, for approximately US$45,000 (equivalent to approximately S/169,000). On November 20, 2024, it sold these shares (during 2023, Interfondos sold 750 shares for approximately S/75,000).

As of December 31, 2024 and 2023, the Company and some Subsidiaries hold, 2,159,000 and 967,000 shares issued by IFS, respectively, with an acquisition cost equivalent to S/206,997,000 and S/84,309,000.

(c) Capital surplus -

Corresponds to the difference between the nominal value of the shares issued and their public offerings price, which were performed in 2007 and 2019. Capital surplus is presented net of the expenses incurred and related to the issuance of such shares.

(d) Unrealized results, net -

This item is made up as follows:

	Unrealized gain (loss)					
	Instruments that will not be reclassified to consolidated statement of income	Instruments to be reclassified to the consolidated statement of income				
	Equity instruments at fair value S/(000)	Debt instruments at fair value S/(000)	Insurance contracts reserve S/(000)	Cash flow hedge reserve S/(000)	Translation of foreign operations S/(000)	Total S/(000)
Balances as of January 1, 2022	(8,787)	(599,626)	(27)	44,878	261,085	(302,477)
Effect of changes in the discount rates of pension reserves, Note 3.4(d)	-	-	1,711,520	-	-	1,711,520
Unrealized loss from equity instruments at fair value through other comprehensive income, net of unrealized gain	(21,663)	-	-	-	-	(21,663)
Transfer to retained earnings from realized gain from equity instruments at fair value through other comprehensive income, Note 5(g)	(16,313)	-	-	-	-	(16,313)
Unrealized loss from debt instruments at fair value through other comprehensive income, net of unrealized gain	-	(1,848,192)	-	-	-	(1,848,192)
Transfer to realized loss from debt instruments at fair value through other comprehensive income, net of unrealized gain	-	14,263	-	-	-	14,263
Transfer of impairment on debt instruments at fair value through other comprehensive income	-	12,746	-	-	-	12,746
Variation for net unrealized loss on cash flow hedges	-	-	-	(70,170)	-	(70,170)
Transfer of realized loss on cash flow hedges to consolidated statement of income, net of realized gain	-	-	-	16,030	-	16,030
Translation of foreign operations	-	-	-	-	(50,165)	(50,165)
Balances as of December 31, 2022	(46,763)	(2,420,809)	1,711,493	(9,262)	210,920	(554,421)
Effect of changes in the discount rates of pension reserves, Note 3.4(d)	-		(968,599)	-	-	(968,599)
Unrealized gain from equity instruments at fair value through other comprehensive income, net of unrealized loss.	16,055	-	-	-	-	16,055
Transfer to retained earnings from realized gain from equity instruments at fair value through other comprehensive income, Note 5(g)	(33,433)	-	-	-	-	(33,433)
Unrealized gain from debt instruments at fair value through other comprehensive income, net of unrealized loss.	-	1,128,206	-	-	-	1,128,206
Transfer to realized gain from debt instruments at fair value through other comprehensive income, net of realized loss.	-	(8,350)	-	-	-	(8,350)
Transfer of impairment on debt instruments at fair value through other comprehensive income	-	7,390	-	-	-	7,390
Variation for net unrealized loss on cash flow hedges	-	-	-	(67,980)	-	(67,980)
Transfer of realized loss on cash flow hedges to consolidated statement of income, net of realized gain	-	-	-	45,309	-	45,309
Translation of foreign operations	-	-	-	-	(21,970)	(21,970)
Balances as of December 31, 2023	(64,141)	(1,293,563)	742,894	(31,933)	188,950	(457,793)

	Unrealized gain (loss)					
	Instruments that will not be reclassified to consolidated statement of income	Instruments to be reclassified to the consolidated statement of income				
	Equity instruments at fair value S/(000)	Debt instruments at fair value S/(000)	Insurance contracts reserve S/(000)	Cash flow hedge reserve S/(000)	Translation of foreign operations S/(000)	Total S/(000)
Effect of changes in the discount rates of pension reserves,	-		(61,299)	-	-	(61,299)
Unrealized gain from equity instruments at fair value through other comprehensive income, net of unrealized loss.	1,263	-	-	-	-	1,263
Transfer to retained earnings from realized loss from equity instruments at fair value through other comprehensive income, Note 5(g)	53,737	-	-	-	-	53,737
Unrealized gain from debt instruments at fair value through other comprehensive income, net of unrealized loss.	-	259,523	-	-	-	259,523
Transfer to realized gain from debt instruments at fair value through other comprehensive income, net of realized loss.	-	(25,325)	-	-	-	(25,325)
Transfer of impairment on debt instruments at fair value through other comprehensive income	-	47,497	-	-	-	47,497
Variation for net unrealized loss on cash flow hedges	-	-	-	(57,848)	-	(57,848)
Transfer of realized loss on cash flow hedges to consolidated statement of income, net of realized gain	-	-	-	40,668	-	40,668
Translation of foreign operations	-	-	-	-	11,747	11,747
Balances as of December 31, 2024	(9,141)	(1,011,868)	681,595	(49,113)	200,697	(187,830)

(e) Components of other comprehensive income -

The consolidated statement of comprehensive income include: (i) Other comprehensive income that will not be reclassified to the consolidated statement of income in future periods, such as the revaluation of gain (loss) in equity instruments at fair value through other comprehensive income; which will not be reclassified to the consolidated statement of income at the time of its disposal, but will be reclassified to retained earnings; and (ii) Other comprehensive income to be reclassified to the consolidated statement of income in future periods, such as the comprehensive income of financial instruments derivatives used as cash flow hedges, debt instruments at fair value through other comprehensive income and translation for foreign operations. Below is the movement of the caption:

	20234 S/(000)	2023 S/(000)	2022 S/(000)
Other comprehensive income that will not be reclassified to the consolidated statement of income in future periods:			
Equity instruments at fair value through other comprehensive income			
Gains (losses) on equity instruments at fair value through other comprehensive income, net	1,263	16,055	(21,663)
Subtotal	1,263	16,055	(21,663)
Non-controlling interest	190	8	(43)
Income Tax	1,595	157	(218)
Total	3,048	16,220	(21,924)
Other comprehensive income to be reclassified to the consolidated statement of income in future periods:			
Debt instruments at fair value through other comprehensive income			
Net gain (loss) unrealized on debt instruments at fair value through other comprehensive income	259,523	1,128,206	(1,848,192)
Transfer to income of net realized (gain) loss on debt instruments at fair value through other comprehensive income	(25,325)	(8,350)	14,263
Transfer to income of loss for impairment on debt instruments at fair value through other comprehensive income	47,497	7,390	12,746
Subtotal	281,695	1,127,246	(1,821,183)
Non-controlling interest	1,448	3,618	(4,423)
Income Tax	3,595	3,645	(8,250)
Total	286,738	1,134,509	(1,833,856)

	20234 S/(000)	2023 S/(000)	2022 S/(000)
Insurance contracts reserve at fair value, Note 14(b)	(61,299)	(968,599)	1,711,520
Non-controlling interest	(90)	(1,592)	2,814
Total	(61,389)	(970,191)	1,714,334
Cash flow hedges:			
Net loss from cash flow hedges	(57,848)	(67,980)	(70,170)
Transfer of net realized loss from cash flow hedge to consolidated statement of income	40,668	45,309	16,030
Subtotal	(17,180)	(22,671)	(54,140)
Non-controlling interest	(23)	(105)	(144)
Income Tax	(1,402)	(6,336)	(8,670)
Total	(18,605)	(29,112)	(62,954)
Foreign currency translation	11,747	(21,970)	(50,165)

(f) Shareholders' equity for legal purposes (regulatory capital) -
Within the framework of the Consolidated Supervision set out by the Regulation for the Consolidated Supervision of Financial and Mixed Conglomerates, approved by SBS Resolution No. 11823-2010 and amendments, the Intercorp Group must meet certain capital requirements as well as global and concentration limits, among other requirements, applicable to its Financial Group. As of December 31, 2024, the Financial Group is mainly comprised of Intercorp Financial Services Inc. and its subsidiaries.

On the other hand, as of December 31, 2024 and 2023, the regulatory capital required for Interbank, Interseguro and Inteligo Bank (a Subsidiary of Inteligo Group Corp.), is calculated based on the separate financial statement of each Subsidiary and prepared following the accounting principles and practices of their respective regulators (the SBS or the Central Bank of the Bahamas, in the case of Inteligo Bank).

As of December 31, 2024, the Company and its subsidiaries have complied with the capital requirements and complementary provisions established by their regulators for individual and consolidated supervision purposes, as applicable.

The regulatory capital required for Interbank, Interseguro and Inteligo Bank is detailed below:

Interbank's regulatory capital -
According to Legislative Decree No. 1028 and amendments, Interbank's regulatory capital must be equal to or higher than 10 percent of the assets and contingent credits weighted by total risk represented by the sum of: the regulatory capital requirement for market risk multiplied by 10,

the regulatory capital requirement for operational risk multiplied by 10 and the assets and contingent credits weighted by credit risk. However, through Multiple Official Letter No. 27358-2021 and Emergency Decree No. 003-2022, it was established that in the period between April 2021 and August 2022, the regulatory capital for financial companies shall be equal or higher than 8 percent of total risk-weighted assets and contingencies and from September 2022 to March 2023, it will be of 8.5 percent, once this period ends, the regulatory capital shall go back to be equal or higher than 10 percent determined as or indicated above. The aforementioned regulations were modified by SBS Resolution No. 3952-2022, establishing that within the period between January and March 2023, the regulatory capital for financial companies must be equal or higher than 8.5 percent of the assets and contingent assets weighted by total risks; equal or higher than 9 percent between April 2023 and August 2024; equal or higher than 9.5 percent between September 2024 and February 2025; and 10 percent from March 2025 onwards.

As of December 31, 2024 and 2023, in application of the current SBS Resolutions, Interbank maintains the following amounts related to the risk weighted assets and contingent and regulatory capital (basic and supplementary):

	2024	**2023**
	S/(000)	S/(000)
Total risk weighted assets and credits	64,308,282	63,494,884
Total regulatory capital	10,239,304	9,811,486
Basic regulatory capital (Level 1)	7,892,361	7,461,727
Supplementary regulatory capital (Level 2)	2,346,943	2,349,759
Global capital to regulatory capital ratio	15.92%	15.45%

As of December 31, 2024 and 2023, Interbank has complied with SBS Resolutions No.2115-2009, No.6328-2009, No.14354-2009, No.4128-2014, "Regulations for the Regulatory Capital Requirement for Operational Risk", "Market Risk" and "Credit Risk", respectively, and their amendments. These resolutions establish, mainly, the methodologies to be applied by financial entities to calculate the assets and credits weighted per type of risk.

SBS Resolution No. 3953-2022 establishes the calculation of the regulatory capital requirement for additional risks, which shall be equal to the sum of the regulatory capital requirements for concentration risk plus the regulatory capital requirements of interest rate risk in the banking book. As of December 31, 2024 and 2023, the regulatory capital requirement for additional risks is approximately S/731,841,000 and S/594,256,000, respectively.

Interseguro's regulatory capital -
In accordance with SBS Resolution No. 1124-2006, and its amendments, Interseguro is required to maintain a level of regulatory capital to maintain a minimum equity to support technical risks and other risks that could affect it. The regulatory capital must be higher than the amount

resulting from the sum of the solvency net equity, the guarantee fund and the regulatory capital intended to cover credit risks.

The solvency net equity is represented by the higher amount between the solvency margin and the minimal capital. As of December 31, 2024 and 2023, the solvency net equity is represented by the solvency margin. The solvency margin is the complementary support that insurance entities must maintain to deal with possible situations of excess claims not foreseen in the establishment of technical reserves. The total solvency margin corresponds to the sum of the solvency margins of each branch in which Interseguro operates.

Also, the guarantee fund represents the additional equity support that insurance companies must maintain to deal with the other risks that can affect them and that are not covered by the solvency net equity, such as investment risks and other risks. The monthly amount of said fund must be equivalent to 35 percent of the solvency net equity, calculated in accordance with SBS Resolution No. 1124-2006 and its amendments.

As of December 31, 2024 and 2023, Interseguro's surplus equity is as follows:

	2024 S/(000)	2023 S/(000)
Regulatory capital	1,509,399	1,370,151
Less		
Solvency equity (solvency margin)	706,926	698,409
Guarantee fund	499,073	455,253
Surplus	303,400	216,489

Inteligo Bank's regulatory capital -

The Central Bank of the Bahamas requires Inteligo Bank to maintain a regulatory capital of not less than 8 percent of its risk weighted assets. Inteligo Bank's capital ratio as of December 31, 2024 and 2023 is the following:

	2024 US$(000)	2023 US$(000)
Total eligible capital	157,178	137,460
Total risk weighted assets	812,526	792,352
Capital adequacy ratio (in percentage)	19.34	17.35

In Management's opinion, IFS and its Subsidiaries have complied with the requirements set forth by the regulatory entities.

(g) Reserves -
The Board of Directors' Meeting of IFS held on November 12, 2024, agreed to constitute reserves for S/2,300,000,000 charged to retained earnings.

The General Shareholders' Meeting of IFS held on March 31, 2022, agreed to constitute reserves for S/800,000,000 charged to retained earnings.

(h) Subsidiaries' legal and special reserves –
In accordance with Peruvian regulations, the Subsidiaries domiciled in Peru are required to establish a reserve equivalent to a certain percentage of their paid-in capital (20 or 35 percent, depending on their economic activity) through annual transfers of not less than 10 percent of their net income. As of December 31, 2024 and 2023, the reserves constituted by the Peruvian subsidiaries amounted to S/1,779,383,000 and S/1,670,500,000, respectively.

17. Tax situation

(a) IFS and its Subsidiaries incorporated and domiciled in the Republic of Panama and the Commonwealth of the Bahamas (see Note 2), are not subject to any Income Tax, or any other taxes on capital gains, equity or property. The Subsidiaries incorporated and domiciled in Peru (see Note 2) are subject to the Peruvian Tax legislation; see paragraph (c).

Peruvian life insurance companies are exempt from Income Tax regarding the income derived from assets linked to technical reserves for pension insurance and pensions from the Private Pension Fund Administration System; as well as income generated through assets related to life insurance contracts with savings component.

In Peru, all income from Peruvian sources obtained from the direct or indirect sale of shares of stock capital representing participation of legal persons domiciled in the country are subject to income tax. For that purpose, an indirect sale shall be considered to have occurred when shares of stock or ownership interests of a legal entity are sold and this legal entity is not domiciled in the country and, in turn, is the holder — whether directly or through other legal entity or entities — of shares of stock or ownership interests of one or more legal entities domiciled in the country, provided that certain conditions established by law occur.

In this sense, the Act states that an assumption of indirect transfer of shares arises when in any of the 12 months prior to disposal, the market value of shares or participations of the legal person domiciled is equivalent to 50 percent or more of the market value of shares or participations of the legal person non-domiciled. Additionally, as a concurrent condition, it is established that in any period of 12 months shares or participations representing 10 percent or more of the capital of legal persons non-domiciled be disposal.

Also, an indirect disposal assumption arises when the total amount of the shares of the domiciled legal person whose indirect disposal is performed, is equal or greater than 40,000 Taxation Units (henceforth "UIT", by its Spanish acronym).

(b) Legal entities or individuals not domiciled in Peru are subject to an additional tax (equivalent to 5 percent) on dividends received from entities domiciled in Peru. The corresponding tax is withheld by the entity that distributes the dividends. In this regard, since IFS controls the entities that distribute the dividends, it records the amount of the Income Tax on dividends as expense of the financial year of the dividends received. In this sense, during 2024, 2023 and 2022, the Company has recorded a provision for S/26,076,000, S/33,020,000 and S/30,587,000, respectively, in the caption "Income Tax" of the consolidated statement of income.

(c) IFS's Subsidiaries incorporated in Peru are subject to the payment of Peruvian taxes; hence, they must calculate their tax expenses on the basis of their separate financial statements. The Income Tax rate as of December 31, 2024, 2023 and 2022, was 29.5 percent, over the taxable income.

(d) The Tax Authority (henceforth "SUNAT", by its Spanish acronym) is legally entitled to perform tax audit procedures for up to four years subsequent to the date at which the tax return regarding a taxable period must be filed.

Below are the taxable periods subject to inspection by the SUNAT as of December 31, 2024:

- Interbank: Income Tax returns for the years 2020 to 2023, and Value-Added-Tax returns for the years 2019 to 2024.
- Interseguro: Income Tax returns for the years 2021 to 2024, and Value-Added-Tax returns for the years 2020 to 2024.
- Procesos de Medios de Pago: Income Tax returns for the years 2021 to 2024 and Value-Added-Tax returns for the years 2020 to 2024.
- Izipay: Income Tax returns and Value-Added-Tax returns for the years 2020 to 2024.

Due to the possible interpretations that the SUNAT may have on the legislation in force, it is not possible to determine at this date whether or not the reviews carried out will result in liabilities for the Subsidiaries; therefore, any higher tax or surcharge that may result from possible tax reviews would be applied to the results of the year in which it is determined.

Following is the description of the main ongoing tax procedures for the Subsidiaries:

Interbank:

- *Tax periods from 2000 to 2006:*

  Between 2004 and 2010, Interbank received several Tax Determination and Tax Penalty notices corresponding mainly to the Income Tax determination for the fiscal years 2000 to 2006. As a result, claims and appeals were filed and subsequent contentious administrative proceedings were started.

For these periods, the most relevant matter subject to discrepancy with SUNAT corresponds to whether the "interest in suspense" are subject to Income Tax or not. In this sense, Interbank considers that the interest in suspense does not constitute accrued income, in accordance with the SBS's regulations and IFRS accounting standards, which is also supported by a ruling by the Permanent Constitutional and Social Law Chamber of the Supreme Court issued in August 2009 and a pronouncement in June 2019.

In June, September and December 2022, the Fifth Constitutional and Social Law Transitory Chamber of the Supreme Court notified of its ruling regarding the Income Tax 2004, advance payments 2004 and Income Tax 2001, respectively, thus reaffirming the aforementioned criterium.

In October 2023, the Fifth Constitutional and Social Law Transitory Chamber of the Supreme Court issued the Resolution through which declared unfounded the cassation appeals filed by SUNAT and the Tax Court against the favorable ruling regarding the Income Tax 2005, thus reaffirming the aforementioned criterium.

- *Tax period 2003:*
  In January 2023, Interbank was notified with a Resolution of Compliance that rectified and resettled the debt related to advance payments of the Income Tax for the period 2003, without any amount to pay.

  In March 2023, Interbank was notified with a Resolution of Compliance regarding Income Tax for the period 2003, that rectified the tax debt, thus reducing said penalty from S/69,000,000 to S/25,000,000. Likewise, Interbank filed the respective Appeal Recourse against said Resolution of Compliance. In September 2023, Interbank was notified with a Tax Court Resolution, which revokes said Resolution of Compliance in relation to the updating of the debt, thus, SUNAT must proceed according to what said Resolution mandates, and confirm its content. In October 2023, Interbank was notified with a new Resolution of Compliance, which Interbank has filed an Appeal Recourse against.

  In February 2024, the Tax Court issued a Resolution, which ruled to revoke a Resolution of Compliance regarding the updating of the liability, thus, SUNAT must perform a new resettlement. In May 2024, SUNAT issued a Resolution of Compliance, which was appealed by Interbank. In October 2024, Interbank was notified with other Tax Court Resolution, which ruled to confirm the updating contained in Resolution of Compliance issued by the Tax Court.

  Also, in October 2024, through Resolution of Coactive Collection, SUNAT notified Interbank the payment of the liability from the third-category Income Tax corresponding the period 2003 for approximately S/17,800,000 (includes taxes, fines and arrears) amount that was paid by Interbank in November 2024; however, the case continues at the Judiciary. This payment was recorded as account receivable from SUNAT and was recorded as "Recoverable tax" in the caption "Other accounts receivable and other assets, net"; see Note 10(a).

- *Tax period 2004:*
  In April 2023, Interbank was notified with a Resolution, through which it rectified the determination of payments on account of Income Tax for the year 2004; this Resolution was appealed by Interbank. In December 2024, Interbank was notified with another Tax Court Resolution, which confirmed the original Resolution of the Intendence.

  In October 2024, Interbank was notified with a Resolution of Intendence regarding the third-category Income Tax corresponding to the period 2004, which ruled to rectify and continue with the collection of the tax liability.

- *Tax period 2005:*
  In May 2020, Interbank was notified with the Resolution of Compliance related to the Income Tax and advance payments of the Income Tax for the year 2005 (linked to the interest in suspense). Through said notification, SUNAT increased the requested tax debt from S/1,000,000 to S/35,000,000 because as a result of the Resolution of Compliance, certain previously accepted deductions by SUNAT. In June 2020, Interbank filed an Appeal, which is pending of pronouncement by the Tax Court.

  In December 2022, the Tax Court notified to Interbank with a Resolution, through which it revoked interest in suspense, financial pro-rata, advance payments and fines.

  In October 2023, Interbank was notified with a Resolution of Intendence, issued in compliance with Tax Court Resolution appealed by Interbank. In April 2024, the Tax Court issued a Resolution, which ruled to partially revoke the previous Resolution of Intendence and ordered the resettlement of the tax, by virtue of which, a Resolution of Compliance was issued for approximately S/23,700,000, against which an Appeal Recourse was filed by Interbank.

  In November 2024, Interbank was notified by the Tax Court with a Resolution, related to the advance payments of the Income Tax 2005, which is under compliance phase.

- *Tax period 2006:*
  In February 2021, Interbank was notified with the Resolution of Compliance related to the Income Tax and prepaid income tax of the year 2006 (related to litigations about interest in suspense). Through said notification, SUNAT rejected an excess payment of S/3,500,000 and determined a tax debt of S/23,000,000.

In December 2022, the Tax Court revoked the claims over interest in suspense, prepayment quotient and associated penalties. However, in December 2024, the Tax Court ordered to maintain and continue with the updated collection of the tax liability related to the Income Tax 2006, thus confirming previous Resolutions related to claims and penalties. To the date of this report, the case is pending resolution by the Judiciary.

As of December 31, 2024 the tax liability requested for this concept and others minor, amounts to approximately S/84,000,000, and includes taxes, fines and arrears; out of which S/56,000,000 correspond to the concept of interest in suspense, and S/28,000,000 correspond to other claims. As of December 31, 2023, the tax liability requested amounted to S/124,000,000, including taxes, fines and arrears.

- *Tax period 2010:*
  In February 2017, SUNAT closed the audit procedure corresponding to the Income Tax for the year 2010. Interbank paid the debt under protest and filed a claim recourse. As of the date of this report, the procedure has been appealed, and it is pending resolution by the Tax Court.

- *Tax period 2012:*
  In July 2020, Interbank was notified of the Determination and Penalty Resolutions corresponding to the audit of the third-category Income Tax for the fiscal year 2012. As of December 31, 2024 and 2023, the tax debt claimed by the SUNAT amounted to S/14,600,000 and S/14,400,000, respectively. As of the date of this report, the process is on appeal, pending resolution by the Tax Court.

- *Tax period 2013:*
  In January 2019, Interbank was notified of the Determination and Penalty Resolutions corresponding to the audit of the Income Tax for the fiscal year 2013. As of that date, the tax debt claimed by the Tax Court amounted to approximately S/50,000,000. The main concept observed corresponded to the deduction of loan write-offs without proof by the SBS.

  In December 2022, the SUNAT through Resolution of Coactive Collection, notified the payment of the third-category Income Tax debt corresponding to the period 2013, for approximately S/62,000,000 (which includes the tax, fines and interest arrears) sum that was paid by Interbank in February 2023; however, the process continues before the Judiciary instance. This payment was recorded as account receivable from SUNAT, that was recorded as "Tax paid to recover", in the caption "Other accounts receivable and other assets, net"; see Note 10(a).

- *Tax period 2014:*
In September 2019, Interbank was notified with Resolutions of Determination and Penalty corresponding to the audit of the third-category Income Tax corresponding the period 2014, without additional amounts; as well as with Resolutions of Determination, issued on the application of the additional Income Tax rate of 4.1 percent; regarding this, the tax liability requested by SUNAT as of December 31, 2024 and 2023, amounts to S/178,000 and S/177,000, respectively. To the date of this report, the case is under appeal, pending resolution by the Tax Court.

- *Tax period 2015:*
In December 2021, Interbank was notified with Resolutions of Determination and Penalty corresponding to the audit of the third-category Income Tax of the period 2015.

  As of December 31, 2024 and 2023, the tax debt requested in relation to the Income Tax advance payments for the period 2015 and to the application of the additional Income Tax rate of 4.1 percent, amounted to S/14,800,000 and S/14,600,000, respectively. As of the date of this report, the process is under appeal, pending resolution by the Tax Court.

- *Tax period 2017:*
In December 2021, SUNAT notified Interbank about the beginning of the definitive audit procedure on Income Tax corresponding to the year 2017. In October 2022, SUNAT notified through Resolutions of Determination, issued regarding the third-category Income Tax corresponding to the period 2017 and Income Tax advance payments from January to December 2017; however, in November 2022, Interbank filed a claim recourse against the aforementioned determination resolutions. As of the date of this report, the process is under appeal, pending resolution by the Tax Court.

- *Tax period 2018:*
In April 2019, SUNAT notified the start of the final audit process for non-domiciled income tax withholdings corresponding to the year 2018.

  In November 2023, SUNAT notified Interbank with a Resolution of Determination regarding the Income Tax for the fiscal year 2018, Resolutions of Determination, issued regarding advance payments from January to December 2018 and resolutions of Penalty for the tax and period indicated.

  As of December 31, 2024 and 2023, the tax liability requested regarding the Income Tax and advance payments of the third-category Income Tax corresponding to the period 2018, amounted to S/78,000,000 and S/74,800,000, respectively. To the date of this report, the case is under appeal, pending resolution by the Tax Court.

- *Tax period 2019:*
  In October 2023 and February 2024, SUNAT notified the beginning of the audit process to Interbank regarding the third-category Income Tax corresponding to the period 2019 and Transfer Prices for the period 2019, respectively. As of December 31, 2024, the audit process for the period 2019 is ongoing.

Interseguro:
In October 2023, SUNAT completed the fiscalization procedure regarding the Income Tax corresponding for the period 2020, without additional observations.

Procesos de Medios de Pago:
In December 2024, SUNAT concluded the definite audit procedure of the Income Tax for the period 2020, without material observations.

Izipay:
As of December 31, 2024 and 2023, Izipay maintains carryforward tax losses amounting to S/70,043,812 and S/71,552,053, respectively. In application of current tax regulations, Management opted for system "B" to offset its tax losses. Through this system, the tax loss may be offset against the net income obtained in the following years, up to 50 percent of said income until they are extinguished; therefore, they do not have an expiration date.

In the opinion of IFS Management, its Subsidiaries and its legal advisers, any eventual additional tax would not be significant for the financial statements as of December 31, 2024 and 2023.

(e) For the purpose of determining the Income Tax, the transfer prices of transactions with related companies and with companies domiciled in countries or territories that are non-cooperating or low or zero tax countries or territories, or with entities or permanent establishments whose income, revenues or gains from said contracts are subject to a preferential tax regime, must be supported by documented information on the valuation methods used and the criteria considered for their determination. The Tax Administration is authorized to request this information from the Group's subsidiaries.

Through Legislative Decree No. 1312, in force since 2017, it was also established that intra-group transactions of low aggregate value cannot have a margin higher than 5 percent of their cost, and regarding services rendered between related companies, taxpayers must comply with the benefit test and with providing the documentation supporting their reality (information on costs and expenses incurred by the service provider, profit margin, among others), as well as the information requested for the deduction of the cost or expense.

Through Legislative Decree No. 1116, it was established that the regulations of Transfer Prices are not applicable for purposes of the Value-Added Tax.

Through Legislative Decree No.1381, in force since 2018, it was incorporated in the Income Tax Act the concept of "non-cooperating" countries or territories and preferential tax regimes to which defensive measures already existing for countries and territories with low or zero taxation are imposed.

Based on the analysis of the operations of the Group, Management and its internal legal advisors believe that, as a consequence of the application of these standards, no contingencies will arise for the Group as of December 31, 2024 and 2023.

(f) Starting on September 14, 2018, Legislative Decree No. 1422 established that, when an audited entity is subject to the General Anti-Avoidance Clause ("CAG", by its Spanish acronym), it is automatically deemed that there exists deceit, grave negligence or abuse of powers by the legal representatives, unless proven otherwise. The mentioned joint liability will be attributed to said representatives provided that they have collaborated with the design or approval or execution of actions or situations or economic relations with avoidance purposes.

This legal norm also includes the members of the Board of Directors. It sets out that it is up to this corporate body to define the tax strategy of the entity, having to decide on the approval or not of actions, situations or economic relations to be carried out within the framework of tax planning, this power being non-delegable.

Board members of domiciled entities were given until March 29, 2019, to ratify or modify the actions, situations or economic relations performed within the tax planning framework, and implemented as of September 14, 2018, that continue to have tax effects until now.

Notwithstanding the aforementioned deadline for the compliance of said formal obligation, and considering the referred joint liability attributable to both the legal representatives and the Board members, as well as the lack of definition of the term "tax planning", it will be critical to review every actions, situation or economic relation that (i) has increased tax attributes; and/or (ii) has generated a lower tax payment for the aforementioned periods in order to avoid the attribution of tax joint liability, at administrative level or even criminal level, depending on the judgment of the auditing agent, in case of application of the CAG to the entity subject to tax intervention by SUNAT.

(g) Legislative Decree No. 1372, in force since 2018, established the rules that regulate the obligation of legal persons and/or legal entities to inform the identification of their final beneficiaries. These rules are applicable to legal entities domiciled in the country and legal entities established in the country. The obligation covers non-domiciled legal entities and legal entities established abroad, provided that: a) they have a branch, agency or other permanent establishment in the country; b) the natural or juridical person who manages the autonomous patrimony or the investment funds from abroad, or the natural or legal person who has the status of trustee or administrator, is domiciled in the country; and c) any member of a consortium is domiciled in the country. This obligation will be fulfilled through the presentation to SUNAT of an informative sworn statement, which must contain the information of the final beneficiary and be submitted in accordance with the regulations and within the deadlines established by Resolution of Superintendence from SUNAT. Notice that in case some modification has been made to the informative sworn statement submitted by the Company, related to the identification of its final beneficiaries, it has to comply with informing of said updating to SUNAT.

(h) Legislative Decree No. 1532, published on March 19, 2022, and in force since January 1, 2023, regulated the attribution procedure of the condition of Subject Without Operating Capacity ("SSCO", by its Spanish acronym), within the framework of the fight against tax avoidance. In that sense, an SSCO was defined as the subject that, although being registered as issuer of payment receipts or complementary documents, does not have economic, financial, material, human or other resources, or they are not suitable for the performing of operations for which said documents are issued. Supreme Decree No. 319-2023-EF approved the regulation on the attribution procedure of the SSCO condition.

On December 31, 2024, SUNAT's webpage and the Official Bulletin published the roster of SSCOs whose resolutions of attribution have been ratified.

(i) The use of payment methods is regulated by Act No. 28194 (Act for the Fight Against Tax Avoidance and for the Formalization of the Economy, henceforth, the "Act"), which is referred to the obligation to bankarize certain operations for certain amounts through Entities of the Financial System ("ESF", by its Spanish acronym). The Article 4 of the Act, modified by Legislative Decree No. 1529, establishes that the minimum amount for the use of payment methods is two thousand Soles (S/2,000) or five hundred American Dollars (US$500). This means that, in general, every operation above the aforementioned amounts performed by both legal and natural persons have to the channeled through EFSs.

(j) On June 30, 2023, Supreme Decree No. 137-2023-EF was published, amending Article 30 of the Regulation of the Income Tax Act, through which that regulates the rates applicable to operations with non-domiciled persons. The amendment updates the use of the SOFR rate as the prevailing preferential rate, for the purpose of applying the reduced rate of 4.99 percent. The aforementioned legislation is effective from June 30, 2023.

(k) On April 22, 2023, Legislative Decree No. 1549 was published. It extends the validity of the exemptions provided by Article 19 of the Income Tax Act until December 31, 2026. Said legislation entered into effect on January 1, 2024.

In this regard, among the aforementioned extended exemptions that are applicable or related to the operations of Interbank, are subsection i) of Article 19, which indicates that shall be exempted any type of fixed or variable interest rate, in local or foreign currency, that is paid for a deposit or levy pursuant to the Banking and Insurance Act (Act No. 26702), as well as the capital increases of said deposits or levies, in local or foreign currency, except when said gains constitute third category income.

(l) Act No. 32218, published on December 29, 2024, establishes that the following income will be exempted from the Income Tax starting on January 1, 2025: interest and capital gains from repurchase agreements and the sale of participation units of Exchange Traded Funds (ETF), whose underlying assets are instruments issued by the Republic of Peru.

(m) On December 19, 2023, Act No. 31962 was published. It ordered the use of an interest arrears rate to reconcile the interest payments for the reimbursement of undue or excess payments, and for the cumulative balances of withholdings or perceptions not applied to the tax credit for general sales tax ("IGV", by its Spanish acronym), as well as in the updating of fines. Likewise, the Act establishes that in the case of unpaid fines, the legal interest rate set out by the BCRP shall be used for their updating and shall be accrued starting on the date that SUNAT requests the payment of the debtor's fine.

18. Off-balance sheet accounts

(a) The table below presents the components of this caption:

	2024 S/(000)	2023 S/(000)
Contingent credits - indirect loans (b), Note 6(a)		
Guarantees and stand-by letters	4,695,331	4,302,772
Import and export letters of credit	373,363	440,708
	5,068,694	4,743,480
Derivatives		
Held for trading: Note 10(b)		
Forward foreign currency agreements, see Note 29.2(b)(i):		
Forward currency agreements – purchase	2,514,195	1,811,147
Forward currency agreements – sale	4,078,348	2,316,809
Forward foreign currency agreements in other currencies	499,528	747,736
Foreign currency options	2,518	279,047
Swap agreements, see Note 29.2(b)(ii):		
Currency swaps: Foreign currency delivery / receipt in Soles	156,678	283,648
Currency swaps: Soles delivery / receipt in foreign currency	1,742,670	1,087,151
Interest rate swaps	1,742,139	1,530,493
Designated as hedges: Note 10(b)		
Cash flows:		
Cross currency swaps	2,334,880	2,578,515
	13,070,956	10,634,546
Responsibilities for credit lines granted (cancellable) (c)	10,564,239	11,295,837
Responsibilities for credit lines – commercial and others (d)	2,972,089	2,015,304
Total	31,675,978	28,689,167

(b) In the normal course of its operations, the Group performs contingent operations (indirect loans). These transactions expose the Group to additional credit risks to the amounts recognized in the consolidated statement of financial position.

The Group applies the same credit policies for granting and evaluating the provisions required for direct loans when performing contingent operations (see Note 6(a)), including obtaining guarantees when deemed necessary. Guarantees vary and include deposits in financial institutions or other assets.

Taking into account that most of the contingent operations are expected to expire without the Group having to disburse cash, the total committed amounts do not necessarily represent future cash requirements.

(c) Responsibilities under credit lines agreements include consumer credit lines and other consumer loans that are cancellable by the Interbank.

(d) Corresponds to commitments of disbursement of future loans that Interbank has committed to carry out; provided that the borrower complies with the obligations under the corresponding loan agreements, however, they may be cancelled by Interbank.

19. Interest income and expenses, and similar accounts

(a) This caption is comprised of the following:

	2024 S/(000)	2023 S/(000)	2022 S/(000)
Interest and similar income			
Interest on loan portfolio	5,157,744	5,353,991	4,207,420
Impact from the modification of contractual cash flows due to the loan rescheduling schemes (*)	510	(29,404)	41,110
Interest on investments at fair value through other comprehensive income	1,218,304	1,199,059	1,189,428
Interest on due from banks and inter-bank funds	372,622	367,167	175,401
Interest on investments at amortized cost	217,716	172,602	161,966
Dividends on financial instruments, Note 5(e) and (f)	49,396	42,779	78,928
Others	13,099	14,217	17,049
Total	7,029,391	7,120,411	5,871,302
Interest and similar expenses			
Interest and fees on deposits and obligations	(1,495,881)	(1,662,139)	(863,335)
Interest and fees on obligations with financial institutions	(482,392)	(474,362)	(234,842)
Interest on bonds, notes and other obligations	(327,385)	(311,665)	(418,821)
Deposit insurance fund fees	(86,776)	(81,171)	(77,920)
Insurance contract expense with investment component, Note 3.4(d.1.5)	(71,202)	(51,190)	(52,440)
Interest on lease payments, Note 8(e)	(7,627)	(5,562)	(9,283)
Others	(9,007)	(6,277)	(5,048)
Total	(2,480,270)	(2,592,366)	(1,661,689)

(*) For rescheduled loans, Interbank recalculated the carrying amount of these financial assets as the present value of the modified contractual cash flows, discounted at the loan's original effective interest rate. During 2024, 2023 and 2022, interest were recorded according to the rescheduled term for approximately S/2,165,000, S/9,246,000 and S/22,930,000, respectively. Likewise, as result of the rescheduling of loans under "Reactiva Peru" program, expenses for approximately S/1,654,000 and S/38,650,000, and income for approximately S/18,180,000, respectively; were recorded.

(b) The amounts shown in literal (a) above, include interest income and expenses calculated using the effective interest rate (EIR), which are related to the following items:

	2024 S/(000)	2023 S/(000)	2022 S/(000)
Financial assets measured at amortized cost	5,748,592	5,864,356	4,585,897
Financial assets measured at fair value through other comprehensive income	1,218,304	1,199,059	1,189,428
Total interest from financial assets calculated at EIR	6,966,896	7,063,415	5,775,325
Financial liabilities measured at amortized cost	(2,313,285)	(2,453,728)	(1,526,281)

20. Fee income from financial services, net

(a) For the years ended December 31, 2024, 2023 and 2022, this caption is comprised of the following:

	2024 S/(000)	2023 S/(000)	2022 S/(000)
Income			
Performance obligations at a point in time:			
Accounts maintenance, carriage, transfers, and debit and credit card fees	755,432	747,568	705,188
Income from services (acquirer and issuer role) (b)	733,885	738,177	523,313
Banking service fees	196,985	208,420	248,175
Brokerage and custody services	8,116	5,811	5,836
Others	30,370	36,393	34,438
Performance obligations over time:			
Funds management	158,928	137,137	153,948
Contingent loans fees	67,045	68,355	70,038
Collection services	55,978	60,648	60,931
Others	18,694	28,757	40,168
Total (d)	2,025,433	2,031,266	1,842,035
Expenses			
Expenses for services (acquirer and issuer role) (b)	(343,038)	(339,846)	(238,997)
Credit cards	(177,492)	(199,464)	(164,722)
Credit card processing commissions	(103,838)	(85,741)	(56,845)
Local banks fees	(71,564)	(58,956)	(50,192)
Credit life insurance premiums	(71,239)	(71,796)	(97,378)
Digital services fees	(53,857)	(19,451)	(16,756)
Foreign banks fees	(25,778)	(26,285)	(24,920)
Registry expenses	(1,865)	(1,466)	(2,046)
Brokerage and custody services	(780)	(675)	(961)
Others	(33,039)	(49,124)	(51,832)
Total	(882,490)	(852,804)	(704,649)
Net	1,142,943	1,178,462	1,137,386

(b) Corresponds to the management and operation of the shared service of transaction processing of credit and debit cards, for clients of Izipay since April 2022, month in which Izipay becomes a Subsidiary of IFS.

(c) Fee income by geographic distribution for the years ended December 31, 2024, 2023 and 2022 is presented below:

	2024 S/(000)	2023 S/(000)	2022 S/(000)
Country			
Peru	1,919,295	1,931,303	1,720,865
Panama	106,138	99,963	121,170
Total	2,025,433	2,031,266	1,842,035

21. Other income and (expenses)

(a) This caption is comprised of the following:

	2024 S/(000)	2023 S/(000)	2022 S/(000)
Other income			
Maintenance, installation and sale of POS equipment	23,269	28,743	22,000
Profit from sale of property, furniture and equipment, Note 8(d)	12,879	15,300	11,780
Services rendered to third parties	8,223	7,512	7,611
Income from investments in associates (b)	7,447	-	18,692
Income from ATM rentals	5,507	5,365	6,459
Other technical income from insurance operations	4,162	10,163	6,489
Gain from sale of written-off-loans (c)	2,542	18,770	19,177
Gain from refunds and penalties	-	-	18,783
Fair value adjustment of the participation held by Interbank in Izipay, Note 1(b)	-	-	222,513
Others	57,193	70,847	66,677
Total other income	121,222	156,700	400,181
Other expenses			
Commissions from insurance activities	(38,780)	(42,400)	(90,168)
Provision for sundry risk	(29,290)	(4,138)	(12,661)
Administrative and tax penalties	(16,277)	(20,198)	(7,317)
Sundry technical insurance expenses	(14,414)	(10,066)	(11,048)
Expenses related to rental income	(12,607)	(5,814)	(7,521)
Provision for accounts receivable	(11,508)	(13,847)	(5,684)
Write-off of intangibles, Note 9(a)	(10,400)	(3,455)	(6,266)
Donations	(4,826)	(4,529)	(4,712)
Cost of sale of POS equipment	(1,154)	(12,819)	(27,366)
Others (*)	(55,703)	(67,726)	(67,901)
Total other expenses	(194,959)	(184,992)	(240,644)

(*) During the year 2024, 2023 and 2022, corresponds mainly to expenses for operational write-offs, among other minor expenses.

(b) As of December 31, 2022, includes S/5,033,000 corresponding to the participation that Interbank held in Izipay until the date of its acquisition, see Note 1(b).

(c) During the years 2024, 2023 and 2022, Interbank sold written-off loan portfolios, in cash and to non-related third parties. The nominal value of the credits sold amounted to S/248,249,000, S/1,300,296,000 and S/973,966,000, respectively.

22. **Result from insurance activities**

(a) This caption is comprised of the following:

	2024				2023				2022			
	Massive S/(000)	Pensions S/(000)	Life S/(000)	Total S/(000)	Massive S/(000)	Pensions S/(000)	Life S/(000)	Total S/(000)	Massive S/(000)	Pensions S/(000)	Life S/(000)	Total S/(000)
Insurance service income -												
Contracts measured under BBA and VFA (*):												
CSM recognized for services rendered	61,800	3,970	28,826	94,596	49,191	3,609	27,978	80,778	43,496	1,945	25,320	70,761
Change in Risk adjustment for non-financial risk	3,083	7,756	(358)	10,481	1,476	255	(1,850)	(119)	1,562	(828)	2,014	2,748
Insurance service expenses and expected claims incurred	68,268	282,141	74,944	425,353	69,145	273,396	62,348	404,889	76,567	266,433	42,398	385,398
Recovery of cash for insurance acquisition	4,846	536	10,023	15,405	3,489	273	6,613	10,375	1,159	121	2,078	3,358
Contracts measured under PAA:												
Premiums assigned to the period	219,600	-	3,323	222,923	220,616	-	4,097	224,713	208,446	-	6,464	214,910
	357,597	294,403	116,758	768,758	343,917	277,533	99,186	720,636	331,230	267,671	78,274	677,175
Insurance service expenses -												
Claims incurred expenses and other expenses	(84,337)	(816,857)	(125,923)	(1,027,117)	(108,805)	(798,733)	(114,753)	(1,022,291)	(118,621)	(813,703)	(92,950)	(1,025,274)
Onerous contract losses and loss reversion	7,095	(13,779)	(188)	(6,872)	38,101	(37,190)	11,636	12,547	5,872	(174,608)	5,854	(162,882)
Amortization of insurance acquisition cash flows	(125,876)	(536)	(10,021)	(136,433)	(120,123)	(273)	(6,613)	(127,009)	(116,088)	(121)	(2,078)	(118,287)
Changes to liabilities for incurred claims	(70,556)	487,468	56,001	472,913	(58,030)	477,027	64,182	483,179	11,757	521,781	49,033	582,571
	(273,674)	(343,704)	(80,131)	(697,509)	(248,857)	(359,169)	(45,548)	(653,574)	(217,080)	(466,651)	(40,141)	(723,872)
Insurance service results	83,923	(49,301)	36,627	71,249	95,060	(81,636)	53,638	67,062	114,150	(198,980)	38,133	(46,697)
Reinsurance income	-	-	-	(14,273)	-	-	-	(6,889)	-	-	-	(16,417)
Financial result of insurance operations (b)	-	(562,413)	(33,237)	(595,650)	-	(542,361)	(30,806)	(573,167)	-	(522,725)	19,338	(503,387)
Result from insurance activities (**)	83,923	(611,714)	3,390	(538,674)	95,060	(623,997)	22,832	(512,994)	114,150	(721,705)	57,471	(566,501)

(*) BBA Method (Building Block Approach) and VFA Method (Variable Fee Approach).

(**) Before expenses attributed to the insurance activity that are presented in the caption "Other expenses" in the consolidated statement of income, and that correspond to salaries and employee benefits, administrative expenses, depreciation and amortization, and other expenses for S/368,885,000, S/334,602,000 and S/313,647,000 as of December 31, 2024, 2023 and 2022, respectively. See also financial information by segments in Note 27.

(b) The composition of the financial result of insurance operations, is as follows:

	2024			2023			2022		
	Pensions S/(000)	Life S/(000)	Total S/(000)	Pensions S/(000)	Life S/(000)	Total S/(000)	Pensions S/(000)	Life S/(000)	Total S/(000)
Financial expenses for issued insurance contracts -									
Changes in the obligation to pay the fair value holder of the underlying assets of direct participation agreements due to the investment's return	-	96	96	-	(10,499)	(10,499)	-	27,284	27,284
Interest credited	(562,252)	(35,858)	(598,110)	(541,468)	(23,088)	(564,556)	(523,539)	(9,526)	(533,065)
Changes in interest rate and other financial hypotheses	(162)	3,879	3,717	(433)	3,257	2,824	754	1,728,374	1,729,128
Effect of changes in current estimates and in CSM adjustment rates in relation to the rates used in the initial recognition	1	(1,020)	(1,019)	4	(621)	(617)	(16)	(1,729,032)	(1,729,048)
	(562,413)	(32,903)	(595,316)	(541,897)	(30,951)	(572,848)	(522,801)	17,100	(505,701)
Financial income from insurance contracts -									
Interest credited	-	(16)	(16)	(388)	(1,086)	(1,474)	76	72	148
Effect of changes in interest rates and other financial hypotheses	-	(373)	(373)	(76)	1,130	1,054	-	(1,451)	(1,451)
Exchange differences	-	-	-	-	-	-	-	-	-
Effect of changes in current estimates and in CSM adjustment rates in relation to the rates used in the initial recognition	-	55	55	-	101	101	-	3,617	3,617
	-	(334)	(334)	(464)	145	(319)	76	2,238	2,314
Result from insurance activities	(562,413)	(33,237)	(595,650)	(542,361)	(30,806)	(573,167)	(522,725)	19,338	(503,387)

23. Salaries and employee benefits

This caption is comprised of the following:

	2024 S/(000)	2023 S/(000)	2022 S/(000)
Salaries	672,180	655,665	589,773
Vacations, health insurance and others	111,886	87,996	81,581
Social security	71,573	66,331	62,637
Severance indemnities	52,916	49,265	44,447
Workers' profit sharing	46,691	38,018	92,042
Total	955,246	897,275	870,480

The average number of employees for the years 2024, 2023 and 2022 was 8,542, 8,333 and 8,076 respectively.

24. Administrative expenses

(a) This caption is comprised of the following:

	2024 S/(000)	2023 S/(000)	2022 S/(000)
Services received from third parties (b)	1,248,183	1,202,017	1,104,822
Taxes and contributions	83,454	77,202	64,008
Rental expenses (c) and Note 8(e)	5,317	9,643	10,958
Total	1,336,954	1,288,862	1,179,788

(b) Services received from third parties correspond mainly to computer equipment repair and maintenance services, credit cards associated expenses, securities transportation services, agency rentals, advertising and public relations, customer loyalty programs, marketing on digital media, telecommunications, professional fees, among others.

(c) During the years 2024, 2023 and 2022 corresponds mainly to short-term leases, see Note 3.4(k).

25. Earnings per share

The following table presents the calculation of the weighted average number of shares and the basic and diluted earnings per share, determined and calculated based on the earnings attributable to the Group, as described in Note 3.4(ad):

	Outstanding shares (in thousands)	Shares considered in computation (in thousands)	Effective days in the year	Weighted average number of shares (in thousands)
Year 2022				
Balance as of January 1, 2022	115,418	115,418	365	115,418
Balance as of December 31, 2022	115,418	115,418		115,418
Net earnings attributable to IFS's shareholders -restated S/(000)				1,668,026
Basic and diluted earnings per share attributable to IFS's shareholders (Soles)				14.452
Year 2023				
Balance as of January 1, 2023	115,418	115,418	365	115,418
Sale of treasury stock	1	1	277	1
Purchase of treasury stock	(939)	(939)	158	(407)
Balance as of December 31, 2023	114,480	114,480		115,012
Net earnings attributable to IFS's shareholders S/(000)				1,072,728
Basic and diluted earnings per share attributable to IFS's shareholders (Soles)				9.327
Year 2024				
Balance as of January 1, 2024	114,480	114,480	365	114,480
Sale of treasury stock	2	2	41	-
Purchase of treasury stock	(1,194)	(1,194)	59	(193)
Balance as of December 31, 2024	113,288	113,288		114,287
Net earnings attributable to IFS's shareholders S/(000)				1,300,078
Basic and diluted earnings per share attributable to IFS's shareholders (Soles)				11.376

26. Transactions with related parties and affiliated entities

(a) The table below presents the main transactions with related parties and affiliated entities as of December 31, 2024 and 2023 and for the years ended December 31, 2024, 2023 and 2022:

	2024 S/(000)	2023 S/(000)
Assets		
Instruments at fair value through profit or loss	819	1,165
Investments at fair value through other comprehensive income	72,906	64,229
Loans, net (b)	1,805,083	1,686,288
Accounts receivable	87,889	87,902
Other assets	11,454	21,260
Liabilities		
Deposits and obligations	1,084,713	1,066,505
Other liabilities	224,391	225,034
Off-balance sheet accounts		
Indirect loans (b)	59,399	76,652

	2024 S/(000)	2023 S/(000)	2022 S/(000)
Income (expenses)			
Interest and similar income	117,713	95,604	72,334
Rental income	28,833	25,532	31,428
Valuation of financial derivative instruments	-	106	149
Interest and similar expenses	(32,031)	(39,749)	(16,821)
Administrative expenses	(45,320)	(39,897)	(33,758)
Loss on sale of investment properties, Note 7(b)	(3,176)	-	-
Others, net	59,921	63,626	51,241

(b) As of December 31, 2024 and 2023, the detail of loans is the following:

	2024			2023		
	Direct Loans S/(000)	Indirect Loans S/(000)	Total S/(000)	Direct Loans S/(000)	Indirect Loans S/(000)	Total S/(000)
Affiliated	1,502,218	3,409	1,505,627	1,389,463	3,557	1,393,020
Associates	302,865	55,990	358,855	296,825	73,095	369,920
	1,805,083	59,399	1,864,482	1,686,288	76,652	1,762,940

(c) As of December 31, 2024 and 2023, the directors, executives and employees of the Group have been involved in credit transactions with certain subsidiaries of the Group, between the permitted limits by Peruvian law for financial entities. As of December 31, 2024 and 2023, direct loans to employees, directors and executives amounted to S/235,235,000 and S/209,671,000, respectively; said loans are repaid monthly and bear interest at market rates.

There are no loans to the Group's directors and key personnel guaranteed with shares of any Subsidiary.

(d) The Group's key personnel basic remuneration for the years ended December 31, 2024, 2023 and 2022, is presented below:

	2024 S/(000)	2023 S/(000)	2022 S/(000)
Salaries	32,003	28,325	26,964
Board of Directors' compensations	3,456	3,151	3,923
Total	35,459	31,476	30,887

(e) As of December 2024 and 2023, the Group holds participation in different mutual funds that are managed by its subsidiary Interfondos, which are classified as investments at fair value through profit or loss for S/2,364,000 and S/7,358,000, respectively.

(f) In Management's opinion, transactions with related companies have been performed under market conditions and within the limits permitted by the SBS.

27. Business segments

The Chief Operating Decision Maker ("CODM") of IFS is the Chief Executive Officer ("CEO").

The business segments monitor the operating results of their business units separately in order to make decisions on the distribution of resources and performance assessment. The segments performance is assessed based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

As of December 31, 2023, the Group presented four operating business segments: Banking, Insurance, Wealth Management and Payments. In the period 2024, the Group performed an assessment of the operating business segments, taking into consideration, among others, relevance criteria regarding revenues, income and the Group's consolidated assets, and concluded that the segment Payments will no longer be an operating business segment and will be presented jointly with the rest of the Group's Subsidiaries that are not part of an operating segment. This conclusion is aligned with the thresholds established by IFRS 8 "Operating Segments", according to which said segment does not exceed the following limits:

- At revenue level: Revenues from the segment Payments do not account for 10 percent or more of the total combined revenues of all operating segments.
- At income level: The absolute income of the segment Payments is not equal or more than 10 percent of the higher amount between: (i) the combined income of all segments that have not presented losses; and (ii) the combined loss of all segments that report losses.
- At asset level: The assets of the segment Payments are not 10 percent or more of the total combined assets of all operating segments.

Accordingly, as of December 31, 2024, the Group presents three operating business segments:

Banking -
Mainly loans, credit facilities, deposits and current accounts.

Insurance -
It provides life annuity products with single-premium payment and conventional life insurance products, as well as other retail insurance products.

Wealth management -
It provides brokerage and investment management services. Inteligo serves mainly Peruvian citizens.

No revenue from transactions with a single external customer or counterparty exceeded 10 percent of the Group's total revenues in the years 2024, 2023 and 2022.

The following table presents the Group's financial information by business segments for the years ended December 31, 2024, 2023 and 2022:

	2024				
	Banking S/(000)	Insurance S/(000)	Wealth management S/(000)	Holding, other subsidiaries and eliminations (*) S/(000)	Total consolidated S/(000)
Total income (**)					
Third party	7,732,766	1,760,985	435,882	685,558	10,615,191
Inter-segment	(154,329)	(4,517)	(2,355)	161,201	-
Total income	7,578,437	1,756,468	433,527	846,759	10,615,191
Consolidated statement of income data					
Interest and similar income	5,969,629	870,993	178,160	10,609	7,029,391
Interest and similar expenses	(2,217,197)	(153,464)	(108,466)	(1,143)	(2,480,270)
Net interest and similar income	3,752,432	717,529	69,694	9,466	4,549,121
Loss due to impairment of loans	(1,719,913)	-	(266)	-	(1,720,179)
Loss due to impairment of financial investments	(982)	(45,910)	(585)	(44)	(47,521)
Net interest and similar income after impairment loss on loans	2,031,537	671,619	68,843	9,422	2,781,421
Fee income from financial services, net	791,815	(10,628)	170,955	190,801	1,142,943
Net gain (loss) gain on sale of financial investments	12,995	17,664	(4,115)	-	26,544
Other income	500,512	103,571	89,331	71,653	765,067
Result from insurance activities	-	(169,750)	-	(39)	(169,789)
Depreciation and amortization	(294,514)	(22,091)	(8,734)	(87,718)	(413,057)
Other expenses	(1,762,494)	(379,087)	(166,789)	(178,789)	(2,487,159)
Income before translation result and Income Tax	1,279,851	211,298	149,491	5,330	1,645,970
Exchange difference	(7,402)	(9,390)	(2,066)	(5,286)	(24,144)
Income Tax	(265,096)	-	(10,089)	(39,180)	(314,365)
Net profit (loss) for the year	1,007,353	201,908	137,336	(39,136)	1,307,461
Attributable to:					
IFS's shareholders	1,007,353	201,908	137,336	(46,519)	1,300,078
Non-controlling interest	-	-	-	7,383	7,383
	1,007,353	201,908	137,336	(39,136)	1,307,461

(*) Corresponds to financial information of IFS and other subsidiaries, as well as consolidation adjustments and elimination of intercompany transactions.

(**) Corresponds to interest income, net profit on the sale of financial investments, other income, income from commissions for banking services and income from insurance services.

	2023 (*)				
	Banking S/(000)	Insurance S/(000)	Wealth management S/(000)	Holding , other subsidiaries and eliminations (**) S/(000)	Total consolidated S/(000)
Total income (***)					
Third party	7,812,858	1,695,222	291,408	630,640	10,430,128
Inter-segment	(126,620)	(4,975)	(1,386)	132,981	-
Total income	7,686,238	1,690,247	290,022	763,621	10,430,128
Consolidated statement of income data					
Interest and similar income	6,076,020	851,648	183,926	8,817	7,120,411
Interest and similar expenses	(2,363,800)	(126,704)	(98,370)	(3,492)	(2,592,366)
Net interest and similar income	3,712,220	724,944	85,556	5,325	4,528,045
(Loss) recovery to impairment of loans	(1,981,988)	-	170	-	(1,981,818)
(Loss) recovery due to impairment of financial investments	15	(7,858)	347	(4)	(7,500)
Net interest and similar income after impairment loss on loans	1,730,247	717,086	86,073	5,321	2,538,727
Fee income from financial services, net	813,279	(13,431)	146,223	232,391	1,178,462
Net (loss) gain on sale of financial investments	(660)	9,948	(2,857)	-	6,431
Other income (expenses)	495,500	112,990	(37,332)	(19,774)	551,384
Result from insurance activities	-	(178,379)	-	(13)	(178,392)
Depreciation and amortization	(271,526)	(21,658)	(15,018)	(70,836)	(379,038)
Other expenses	(1,678,356)	(352,933)	(138,589)	(201,251)	(2,371,129)
Income (loss) before translation result and Income Tax	1,088,484	273,623	38,500	(54,162)	1,346,445
Exchange difference	(15,969)	18,430	761	5,205	8,427
Income Tax	(216,366)	-	(3,081)	(56,149)	(275,596)
Net profit (loss) for the year	856,149	292,053	36,180	(105,106)	1,079,276
Attributable to:					
IFS's shareholders	856,149	292,053	36,180	(111,654)	1,072,728
Non-controlling interest	-	-	-	6,548	6,548
	856,149	292,053	36,180	(105,106)	1,079,276

(*) The 2023 balances have been restated to consider the three operating segments, effective from 2024.

(**) Corresponds to financial information of IFS and other subsidiaries, as well as consolidation adjustments and elimination of intercompany transactions.

(***) Corresponds to interest income, net profit on the sale of financial investments, other income, income from commissions for banking services and income from insurance services.

	2022 (*)				
	Banking (***) S/(000)	Insurance S/(000)	Wealth management S/(000)	Holding, other subsidiaries and eliminations (****) S/(000)	Total consolidated S/(000)
Total income (**)					
Third party	6,459,232	1,663,992	75,706	734,007	8,932,937
Inter-segment	(125,848)	(3,288)	(1,668)	130,804	-
Total income	6,333,384	1,660,704	74,038	864,811	8,932,937
Consolidated statement of income data					
Interest and similar income	4,774,378	940,894	155,116	914	5,871,302
Interest and similar expenses	(1,476,942)	(130,049)	(50,306)	(4,392)	(1,661,689)
Net interest and similar income	3,297,436	810,845	104,810	(3,478)	4,209,613
(Loss) recovery to impairment of loans	(832,919)	-	2,368	-	(830,551)
Loss due to impairment of financial investments	(732)	(26)	(11,981)	(13)	(12,752)
Net interest and similar income after impairment loss on loans	2,463,785	810,819	95,197	(3,491)	3,366,310
Fee income from financial services, net	797,711	(7,160)	163,325	183,510	1,137,386
Net loss on sale of financial investments	(2,891)	(1,613)	(9,781)	-	(14,285)
Other income	478,308	47,536	(234,702)	265,568	556,710
Result from insurance activities	-	(252,854)	-	-	(252,854)
Depreciation and amortization	(257,210)	(23,682)	(15,044)	(40,290)	(336,226)
Other expenses	(1,673,581)	(318,528)	(130,453)	(168,350)	(2,290,912)
Income (loss) before translation result and Income Tax	1,806,122	254,518	(131,458)	236,947	2,166,129
Exchange difference	(22,800)	950	(7,146)	3,518	(25,478)
Income Tax	(409,201)	-	(2,791)	(50,545)	(462,537)
Net profit (loss) for the year	1,374,121	255,468	(141,395)	189,920	1,678,114
Attributable to:					
IFS's shareholders	1,374,121	255,468	(141,395)	179,832	1,668,026
Non-controlling interest	-	-	-	10,088	10,088
	1,374,121	255,468	(141,395)	189,920	1,678,114

(*) The 2023 balances have been restated to consider the three operating segments, effective from 2024.

(**) Corresponds to interest income, net profit on the sale of financial investments, other income, income from commissions for banking services and income from insurance services

(***) Includes 50 percent of Interbank's participation in Izipay until March 2022, date on which Izipay becomes a subsidiary of the Group, see Note 1(b).

(****) Corresponds to financial information of IFS and other subsidiaries, as well as consolidation adjustments and elimination of intercompany transactions.

	2024				
	Banking S/(000)	Insurance S/(000)	Wealth management S/(000)	Holding, other subsidiaries and eliminations (*) S/(000)	Total consolidated S/(000)
Capital investments (***)	277,836	65,335	5,879	62,815	411,865
Total assets	73,626,419	16,175,883	4,316,010	1,385,469	95,503,781
Total liabilities	64,753,475	15,618,274	3,271,899	881,538	84,525,186

	2023 (**)				
	Banking S/(000)	Insurance S/(000)	Wealth management S/(000)	Holding, other subsidiaries and eliminations (*) S/(000)	Total consolidated S/(000)
Capital investments (***)	327,513	21,184	16,430	89,809	444,936
Total assets	68,437,614	15,225,254	4,374,266	1,587,645	89,624,779
Total liabilities	60,380,895	14,787,105	3,453,408	995,270	79,616,678

(*) Corresponds to financial information of IFS and other subsidiaries, as well as consolidation adjustments and elimination of intercompany transactions.

(**) The 2023 balances have been restated to consider the three operating segments, effective from 2024.

(***) It includes the purchase of property, furniture and equipment, intangible assets and investment properties.

The distribution of the Group's total income based on the location of the customer and its assets, for the year ended December 31, 2024, is S/10,232,012,000 in Peru and S/383,179,000 in Panama (for the year ended December 31, 2023, was S/10,185,755,000 in Peru and S/244,373,000 in Panama). The distribution of the Group's total assets based on the location of the customer and its assets as of December 31, 2024 is S/91,323,869,000 in Peru and S/4,179,912,000 in Panama (for the year ended December 31, 2023, was S/85,387,995,000 in Peru and S/4,236,784,000 in Panama).

28. Financial instruments classification

The financial assets and liabilities of the consolidated statement of financial position as of December 31, 2024 and 2023, are presented below.

	As of December 31, 2024				
	At fair value through profit or loss S/(000)	Debt instruments measured at fair value through other comprehensive income S/(000)	Equity instruments measured at fair value through other comprehensive income S/(000)	Amortized cost S/(000)	Total S/(000)
Financial assets					
Cash and due from banks	-	-	-	12,615,226	12,615,226
Inter-bank funds	-	-	-	220,060	220,060
Financial investments	1,776,567	20,724,892	458,268	3,898,198	26,857,925
Loans, net	-	-	-	49,229,448	49,229,448
Due from customers on acceptances	-	-	-	9,163	9,163
Other accounts receivable and other assets, net	143,201	-	-	1,588,600	1,731,801
Reinsurance contracts assets		-	-	18,602	18,602
	1,919,768	20,724,892	458,268	67,579,297	90,682,225
Financial liabilities					
Deposits and obligations	-	-	-	53,768,028	53,768,028
Due to banks and correspondents	-	-	-	7,562,057	7,562,057
Bonds, notes and other obligations	-	-	-	6,075,433	6,075,433
Due from customers on acceptances	-	-	-	9,163	9,163
Insurance and reinsurance contract liabilities	-	-	-	12,524,320	12,524,320
Other accounts payable, provisions and other liabilities	163,441	-	-	4,024,513	4,187,954
	163,441	-	-	83,963,514	84,126,955

	As of December 31, 2023				
	At fair value through profit or loss S/(000)	Debt instruments measured at fair value through other comprehensive income S/(000)	Equity instruments measured at fair value through other comprehensive income S/(000)	Amortized cost S/(000)	Total S/(000)
Financial assets					
Cash and due from banks	-	-	-	9,818,711	9,818,711
Inter-bank funds	-	-	-	524,915	524,915
Financial investments	1,556,540	21,246,569	444,878	3,474,004	26,721,991
Loans, net	-	-	-	46,520,382	46,520,382
Due from customers on acceptances	-	-	-	40,565	40,565
Other accounts receivable and other assets, net	158,101	-	-	1,246,480	1,404,581
Reinsurance contracts assets	-	-	-	26,287	26,287
	1,714,641	21,246,569	444,878	61,651,344	85,057,432
Financial liabilities					
Deposits and obligations	-	-	-	49,188,234	49,188,234
Inter-bank funds	-	-	-	119,712	119,712
Due to banks and correspondents	-	-	-	9,025,930	9,025,930
Bonds, notes and other obligations	-	-	-	5,551,629	5,551,629
Due from customers on acceptances	-	-	-	40,565	40,565
Insurance and reinsurance contract liabilities	-	-	-	12,207,536	12,207,536
Other accounts payable, provisions and other liabilities	145,395	-	-	3,056,196	3,201,591
	145,395	-	-	79,189,802	79,335,197

29. Financial risk management

It comprises the management of the main risks, that due to the nature of their operations, IFS and its Subsidiaries are exposed to; and correspond to: credit risk, market risk, liquidity risk, insurance risk and real estate risk.

- Credit risk: possibility of loss due to inability or lack to pay of debtors, counterparts or third parties bound to comply with their contractual obligations.

- Market risk: probability of loss in positions on and off the consolidated statement of financial position derived from variations in market conditions; it generally includes the following types of risk: exchange rate; fair value by interest rate, price, among others.

- Liquidity risk: possibility of loss due to noncompliance with the requirements of financing and fund application that arise from mismatches of cash flows.

- Insurance risk: possibility that the actual cost of claims and payments will differ from the estimates.

- Real estate risk: possibility of significant loss in rental income due to the insolvency of the lessee or, a decrease in the market value of real estate investments.

To manage the risks detailed above, every Subsidiary of the Group has a specialized structure and organization in their management, measurement systems, as well as mitigation and coverage processes, according to specific regulatory needs and requirements for the development of its business. The Group and its Subsidiaries, mainly Interbank, Interseguro and Inteligo Bank, operate independently but in coordination with the general provisions issued by the Board of Directors and Management of IFS. The Board of Directors and Management of IFS are ultimately responsible for identifying and controlling risks. The Company has an Audit Committee comprised of three independent directors, pursuant to Rule 10A-3 of the Securities Exchange Act of the United States; and one of them is a financial expert according to the regulations of the New York Stock Exchange. The Audit Committee is appointed by the Board of Directors and its main purpose is to monitor and supervise the preparation processes of financial and accounting information, as well as the audits over the financial statements of IFS and its Subsidiaries.

Also, the Audit Committee is responsible of assisting the Board of Directors in the monitoring and supervising, thus helping to ensure:

- The quality and comprehensiveness of IFS's financial statements, including its disclosures.
- The existence of adequate procedures to assess, objectively and periodically, the effectiveness of the internal control system over the financial report.
- The compliance of the legal and regulatory framework.
- The qualification and independence of external auditors.

- The performance of external auditors.
- The implementation by Management of an adequate internal control system, particularly the internal control system over the financial report.

The Company has an Internal Audit Division which is responsible for monitoring the key processes and controls to ensure an adequate low risk control according to the standards defined in the Sarbanes Oxley Act.

Management is responsible of the preparation, presentation and comprehensiveness of the Group's consolidated financial statements, the suitability of the principles and accounting policies it uses, the establishment and upkeeping of the internal control over the financial information, as well as the facilitation of communications among external auditors, IFS's managers, Audit Committee and the Board of Directors.

(a) Structure and organization of risk management -
The Group's risk management structure and organization for each of its Subsidiaries is as follows:

(i) Interbank -
Board of Directors
Interbank's Board of Directors is responsible for establishing an appropriate and integral risk management and promoting an internal environment that facilitates its development. The Board is continuously informed about the exposure degree of the various risks managed by Interbank.

The Board has created several specialized committees to which it has delegated specific tasks to strengthen risk management and internal control.

Audit Committee
The Audit Committee's main purpose is to monitor that the accounting financial reporting processes are appropriate, as well as to evaluate the activities performed by the auditors, both internal and external. The Committee is comprised of three members of the Board and the Chief Executive Officer, the Internal Auditor, the Vice-President of Corporate and Legal Affairs and other executives may also participate therein, when required. The Committee meets at least six times a year in ordinary sessions and informs the Board about the most relevant issues discussed.

Comprehensive Risk Management Committee
The Comprehensive Risk Management Committee ("GIR", by its Spanish acronym) is responsible for approving the policies and organization for comprehensive risk management, as well as the amendments to said policies. This Committee defines the level of tolerance and the exposure degree to risk that Interbank is willing to assume in its business and also decides on the necessary actions aimed at implementing the required corrective measures in case of deviations from the levels of tolerance to risk. The Committee is comprised of two Directors, the Chief Executive Officer and the Vice-Presidents. The Committee reports monthly to the Board of Directors the main issues it has discussed and the resolutions taken in the previous meeting.

Assets and Liabilities Committee
The main purpose of the Assets and Liabilities Committee ("ALCO") is to manage the financial structure of the statement of financial position of Interbank, based on profitability and risk targets. The ALCO is also responsible for the proposal of new products or operations that contain components of market risk. Likewise, it is the communication channel with the units that generate market risk. The ALCO meets monthly and it is comprised of the Chief Executive Officer, the Vice-Presidents of Risks, Commercial, Finance, Operations, Distribution Channels, Capital Market and the Manager of Treasury / Position Desk.

Internal Audit Division -
Risk management processes of Interbank are monitored by the Internal Audit Division, which examines both the adequacy of the procedures and the compliance with them. The Internal Audit Division discusses the results of all assessments with Management and reports its findings and recommendations to the Audit Committee and Board of Directors.

(ii) Interseguro -
Board of Directors
The Board of Directors is responsible for the overall approach to risk management and it is responsible for the approval of the policies and strategies currently used. The Board of Directors provides the principles for overall risk management, as well as the policies prepared for specific areas, such as foreign exchange risk, interest rate risk, credit risk and the use of derivative and non-derivative financial instruments.

Audit Committee
The main purpose of the Audit Committee is to monitor that the accounting and financial reporting process are appropriate, as well as to assess the activities performed by External and Internal Auditors. The Audit Committee is comprised of three Board members who do not fulfil any executive position within Interseguro, being at least one of them an Independent Director, who leads the Committee and cannot lead any other Committee within Interseguro. The Committee sessions can be attended by the Chief Executive Officer, the Audit Manager, the External Auditors and other executives when required. The Committee meets at least six times a year in ordinary sessions and informs the Board on the most relevant issues it has addressed.

Risk Committee
The Risk Committee is a corporate body created by the Board. It is responsible of defining the business risk limits of Interseguro through the approval of risk policies and the corrective measures needed to maintain adequate levels of risk tolerance. The Risk Committee is comprised of four Board members, the Risk Manager and the Chief Executive Officer.

Investment Committee
The Investment Committee is responsible of approving the limits of each security or real estate that may be included in Interseguro's investment portfolio. This Committee is comprised of several Board Members, the Chief Executive Officer and the Vice-President of Investments.

Internal Audit Division
Risk management processes throughout Interseguro are monitored by the Internal Audit Division, which reviews and assesses the design, scope and functioning of the internal control system and verifies the compliance of the legal requirements, policies, standards and procedures. The Internal Audit Division discusses the results of all assessments with Management and reports its findings and recommendations to the Audit Committee and Board of Directors.

(iii) Inteligo Bank -
Inteligo Bank's Board of Directors is responsible for the establishment and monitoring of the risk administration policies. To manage and monitor the various risks Inteligo Bank is exposed to, the Board of Directors has created the Credit and Investment Committee, the Assets and Liabilities Committee, the Credit Risk Committee and the Audit Committee.

(b) Risk measurement and reporting systems -
The Group uses different models and rating tools. These tools measure and value the risk with a prospective vision, thus allowing the making of better risk decisions in the different stages or life cycle of client or product.

Said models and tools are permanently monitored and periodically validated to assure that the levels of prediction and performance are being maintained and to make the corrective actions or adjustments, when needed.

(c) Risk mitigation and risk coverage -
To mitigate its exposure to the various financial risks and provide adequate coverage, the Group has established a series of measures, among which the following stand out:

- Policies, procedures, methodologies, models and parameters aimed to allow for the identification, measurement, control and reporting of diverse financial risks;

- Review and assessment of diverse financial risks, through specialized units of risk screening;
- Timely monitoring and tracking of diverse financial risks and their maintenance within a defined tolerance level;
- Compliance with regulatory limits and establishment of internal limits for exposure concentration; and
- Procedures for guarantees managing.

Likewise, as part of its comprehensive risk management, in certain circumstances the Group uses derivative financial instruments to mitigate its risk exposure, which arises from the variations in interest rates and foreign exchange rates.

(d) Risk concentration -

Through its policies and procedures, the Group has established the guidelines and mechanisms needed to prevent excessive risk concentration. In case any concentration risk is identified, the Group works with specialized units that enable it to control and manage said risks.

29.1 Credit risk

(a) The Group opts for a credit risk policy that ensures sustained and profitable growth in all its products and business segments it operates. In doing so, it applies assessment procedures for the adequate decision-making, and uses tools and methodologies that allow the identification, measurement, mitigation and control of the different risks in the most efficient manner. Likewise, the Group incorporates, develops and reviews regularly management models that allow an adequate measurement, quantification and monitoring of the loans granted by each business unit and also encouraging the continuous improvement of its policies, tools, methodologies and processes. Additionally, as consequence of the political, economic and social context that arose during 2022, and the high uncertainty of the intensity of the El Niño event in year 2023, and the excess of liquidity generated by the withdrawal of the CTS and AFP funds, during 2024; the behavior and performance of the expected credit losses of the retail and commercial clients has been affected, thus requiring a greater monitoring of results, which has also implied to perform certain subsequent adjustments to the expected loss model to be able to capture the effects of the current situation, which has generated a high level of uncertainty in the estimation of the loans expected loss.

In compliance with the policy of monitoring the Group’s credit risk, during 2024, 2003 and 2022 Interbank performed the recalibration process of its risk parameters for the calculation of the expected credit losses.

(b) The Group is exposed to credit risk, which is the risk that a counterparty causes a financial loss by failing to comply with an obligation. Credit risk is the most important risk for the Group’s business; therefore, Management carefully manages its exposure to credit risk, which arise mainly in lending activities that lead to loans and investment activities that contribute with securities and other financial instruments to the Group’s asset portfolio. There is also credit risk in the financial instruments out of the consolidated statement of financial position, such as contingent credits (indirect loans), which expose the Group to risks similar to those of direct loans, being mitigated with the same control processes and policies. Likewise, credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as recorded in the consolidated statement of financial position.

As of the date of the consolidated statement of financial position and under IFRS 9, impairment allowances are established for expected credit losses. Significant changes in the economy or in the particular situation of an economic sector that represents a concentration in the Group's portfolio could result in losses that are different from those provisioned for as of the date of the consolidated statement of financial position.

The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower or groups of borrowers, geographical and industry segments. Said risks are monitored on a revolving basis and subject to continuous review.

The Group's exposure to credit risk is managed through the regular assessment of debtors and their potential capability to pay the principal and interest of their obligations, and through the change in exposure limits, when appropriate.
The exposure to credit risk is also mitigated, in part, through the obtaining of personal and corporate collateral. Nevertheless, there is a significant part of the financial instruments where said collateral cannot be obtained. Following is a description of the procedures and policies related to collateral management and valuation of collaterals.

Policies and procedures for management and valuation of guarantees -
Collateral required for financial assets other than the loan portfolio are determined according to the nature of the instrument. However, debt instruments, treasury papers and other financial assets are in general not guaranteed, except for securities guaranteed with similar assets and instruments.

The Group has policies and guidelines established for the management of collateral received to back loans granted. The assets that guarantee loan operations bear a certain value prior to the loan approval and the procedures for their updating are described in the internal rules. To manage guarantees, the Group operates specialized divisions for the establishment, management and release of guarantees.

Collateral that back loan operations include different goods, property and financial instruments (including cash and securities). Their preferential status depends on the following conditions:

- Easy convertibility into cash.
- Proper legal documentation, duly registered with the corresponding public registry.

- Do not have previous obligations that could reduce their value.
- Their fair value must be updated.

Long-term loans and fundings granted to corporate entities are generally guaranteed. Consumer loans granted to small companies are not generally guaranteed.

Management monitors the fair value of collateral, and with the purpose of mitigating credit losses, requests additional collateral to the counterparty as soon as impairment evidence exists. The proceeds from the settlement of the collateral obtained are used to reduce or repay the outstanding claim.

In the case of derivative financial instruments, the Group maintains strict control limits on net open derivative positions (the difference between purchase and sale contracts), both in amount and term. The amount subject to credit risk is limited to the current fair value of instruments that are favorable to the Group (for example, an asset when its fair value is positive), which in relation to derivatives is only a small fraction of the contract, or notional amount used to express the volume of instruments outstanding. This credit risk exposure is managed as part of the overall lending limits with customers, together with potential exposures from market movements. Collateral or other securities are not usually obtained for credit risk exposures on these instruments.

Settlement risk arises in any situation where a payment in cash, securities or equity is made in the expectation of a corresponding receipt in cash. Daily settlement limits are established for each counterparty to cover the aggregate of all settlement risk arising from the Group's market transactions on any single day.

(c) Maximum exposure to credit risk -

As of December 31, 2024 and 2023, Management estimates that the maximum credit risk to which the Group is exposed is represented by the book value of the financial assets which show a potential credit risk and consist mostly of deposits in banks, inter-bank funds, investments, loans (direct and indirect), without considering the fair value of the collateral or guarantees, derivative financial instruments transactions, receivables from insurance transactions and other monetary assets. In this sense, As of December 31, 2024 and 2023, the main captions were formed as follows:

- 80.8 percent and 76.0 percent, respectively, of cash corresponds to amounts deposited in the Group's vaults or in the BCRP;
- 84.7 percent and 85.3 percent, respectively, of the loan portfolio is classified into the two lower credit risk categories defined by the Group under IFRS 9 (high and standard grade);
- 92.5 percent and 89.8 percent, respectively, of loans is deemed non-past-due and non-impaired. It is worth mentioning that, because of the effects of the Covid-19 pandemic, the Group has rescheduled loans that met certain requirements. The

balance of rescheduled loans related to Covid-19 as of December 31, 2024 and 2023 amounts approximately to S/2,501,672,000 and S/3,513,905,000,000, respectively. Additionally, as a consequence of "Reactiva Peru" program, the Group has rescheduled loans that meet certain requirements, therefore, the balance of credits rescheduled under this program as of December 31, 2024 and 2023, amounts approximately to S/212,398,000 and S/730,508,000, respectively. Likewise, during 2024 and 2023, the Group made rescheduling to its retail clients that were affected by social conflicts, natural disasters, and other resolutions for S/853,222,000 and S/1,979,342,000, respectively.

- 87.2 percent and 90.2 percent, respectively, of investments at fair value through other comprehensive income and investments at amortized cost have at least an investment grade (BBB- or higher) or are debt instruments issued by the BCRP or the Peruvian Government; and
- 97.1 percent and 97.2 percent of accounts receivable from insurance premiums and leases of the investment properties is deemed non-past due and non-impaired.
- In addition, as of December 31, 2024 and 2023, the Group holds loans (direct and indirect) and investments in fixed income instruments issued by entities related to the infrastructure sector that, in recent years, have been exposed to local and international events. As of December 31, 2024 the loans amount approximately to S/530,066,000 (S/158,694,000 in direct loans and S/371,372,000 in indirect loans) and investments in fixed income instruments amount approximately to S/939,065,000. (as of December 31, 2023 the loans amount approximately to S/588,659,000 (S/200,177,000 in direct loans and S/388,482,000in indirect loans) and investments in fixed income instruments amount approximately to S/1,011,043,000).

(d) Impairment assessment for loan portfolios -

The main objective of the impairment requirements is to recognize expected credit losses during the average life of financial instruments when there has been a significant increase in credit risk after the initial recognition — as evaluated on a collective or individual basis — considering all reasonable and sustainable information, including that which refers to the future. If the financial instrument does not show a significant increase in credit risk after the initial recognition, the provision for credit losses shall be calculated as 12-month expected credit losses (Stage 1), as defined in Note 3.4(i).

Under some circumstances, entities may not have reasonable and sustainable information available without disproportionate effort or cost to measure the expected credit losses during the lifetime of the asset on an individual instrument basis. In that case, expected credit losses during the asset's lifetime shall be recognized on a collective basis considering information about the overall credit risk. The financial assets for which the Group calculates the expected loss under a collective assessment include:

- All direct and indirect (contingent) loans related to stand-by letters, guarantees, bank guarantees and letters of credit; except loans under legal collection that have or do not have a payment agreement and for short-term reasons, certain clients that belong to the infrastructure sector.
- Debt instruments measured at amortized cost or at fair value through other comprehensive income.

The expected credit loss is estimated collectively for each loan portfolio with shared similar risk characteristics. Not only default indicators, but all information such as: macroeconomic projections, type of instrument, credit risk ratings, types of guarantees, date of initial recognition, remaining time to maturity, among other indicators.

For the collective impairment assessment, the financial assets are grouped based on the Group's internal credit rating system, which considers credit risk characteristics, such as: type of asset, economic sector, geographical location, type of guarantee, among other relevant factors.

Expected losses are calculated under the identification and multiplication of the following risk parameters:

- Probability of Default (PD): It is the likelihood of a default over a particular time horizon that the counterpart will be unable to meet its debt obligations in a certain term and with it is cataloged as default.
- Loss Given Default (LGD): Measures the loss in percentage terms on total exposure at default (see Exposure at default).
- Exposure at Default (EAD): Represents the total value that the Group can lose upon default of a counterpart.

(d.1) Definition of default:
In accordance with IFRS 9, the Group determines that there is default on a financial asset when:

- The borrower is unlikely to pay their credit obligations to the Group in full, without recourse by the Group to actions such as realizing guarantee (if applicable); or
- The borrower is past due by more than 90 days on any material credit obligation to the Group.

In assessing whether a borrower presents default, the Group considers the following indicators:

- Qualitative: contracts in judicial and prejudicial proceedings.
- Quantitative: contracts in default for more than 90 days; and

- Based on data prepared internally and obtained from external sources such as:
  - Significant changes in indicators of credit risk
  - Significant changes in external market indicators
  - Real or expected significant change in the external and/or internal credit rating
  - Existing or forecast adverse changes in the business, economic or financial conditions that are expected to cause a significant change in the borrower's ability to meet their debt obligations.
  - Real or expected significant change in the operating results of the borrower
  - Existing or future adverse changes in the regulatory, economic, or technological environment of the borrower that results in a significant change in their ability to meet their debt obligations.

Likewise, losses recognized in the period are affected by several factors, such as:

- Financial assets moving from Stage 1 to Stage 2 or Stage 3 because there has been a significant increase in their risk since initial recognition or they present impairment at the analysis date, respectively. As a result, lifetime expected losses are calculated.
- Impact on the measurement of expected losses due to changes in PD, EAD and LGD resulting from the update of the inputs used.
- Impact on the measurement of expected losses due to changes in the models and assumptions used.
- Additional provisions for new financial instruments reported during the period.
- Periodic reversals of the discount of expected losses due to the passage of time, as they are measured based on the present value.
- Financial assets written off during the period.
- Exchange difference arising from financial assets denominated in foreign currency.

(d.1.1) Internal rating and PD:

The Group's loans are segmented into homogeneous groups with shared similar credit risk characteristics as detailed below:

- Personal Banking (credit cards, mortgages, payroll loans, consumer loans and vehicular loans)
- Small Business Banking
- Commercial Banking (Corporate, Institutional, Companies and Real estate)

In the case of Interbank, its Credit Risk Department determines its risk level according to the following classification, as of December 31, 2024 and 2023:

2024

Banking	Segment	High grade PD less than or equal (*)	Standard grade PD range (*)	Grade lower than standard PD equal to or higher (*)
Personal Banking	Credit card	5.25%	5.26% - 12.05%	12.06%
	Mortgage	1.12%	1.13% - 3.55%	3.56%
	Payroll loans	2.36%	2.37% - 5.15%	5.16%
	Consumer	7.11%	7.12% - 14.68%	14.69%
	Vehicular	3.76%	3.76%	3.76%
Small Business Banking		8.55%	8.56% - 17.86%	17.87%
Commercial Banking	Corporate	0.10%	0.11% - 0.20%	0.21%
	Institutional	0.66%	0.66%	0.66%
	Companies	3.45%	3.46% - 8.13%	8.14%
	Real estate	2.61%	2.61%	2.61%

2023

Banking	Segment	High grade PD less than or equal (*)	Standard grade PD range (*)	Grade lower than standard PD equal to or higher (*)
Personal Banking	Credit card	7.12%	7.13% - 16.98%	16.99%
	Mortgage	2.07%	2.08% - 6.80%	6.81%
	Payroll loans	2.80%	2.81% - 6.43%	6.44%
	Consumer	9.32%	9.33% - 20.78%	20.79%
	Vehicular	9.13%	9.14% - 22.90%	22.91%
Small Business Banking		15.26%	15.27% - 31.69%	31.70%
Commercial Banking	Corporate	0.22%	0.22%	0.22%
	Institutional	0.55%	0.55%	0.55%
	Companies	5.23%	5.24% - 9.67%	9.68%
	Real estate	3.71%	3.71%	3.71%

(*) The probability of default are exclusively those determined by the statistical model and, therefore, do not include the subsequent adjustments to the model, detailed in Note 29.1 (d.8)

The main objective of the scoring or rating is to generate statistical models that allow forecasting the applicant's level of credit risk. The development of these models incorporates both qualitative and quantitative information, as well as client specific information that may affect their performance.

These rating models are monitored on a regular basis because with time passing some factors may have a negative impact on the model's discriminating power, and stability due to changes in the population or its characteristics.

Each rating has an associated PD, which is adjusted to incorporate prospective information. This is replicated for each macroeconomic scenario, as appropriate.

To calculate the PD, two differentiated methodologies have been developed, which are described below:

- Transition matrixes
  Its objective is to determine the probability of default over a 12-month horizon based on the maturity of the operation, by analyzing the conditional probability of transition from one credit rating state to another. This method is suitable for loans with high exposure and wide data availability. The intention is to calculate the PD based on the maturity of the operation.

- Default ratio
  Its objective is to determine the probability of default over a 12-month horizon based on the level of risk with which the operation begins, based on a counting analysis and the percentage of cases that report a default mark. This method is suitable for loans with poor data availability by type of maturity.

Given the nature of the portfolios and the availability of historical information, the method to estimate the PD for each portfolio is presented below:

Banking / Segments	**Transition matrix**	**Default ratio**
Personal banking:		
Credit cards	X	
Mortgage	X	
Payroll loans	X	
Consumer		X
Vehicular		X
Small business banking		X

Banking / Segments	Transition matrix	Default ratio
Commercial banking		
Corporate		X
Institutional		X
Companies	X	
Real estate		X

Likewise, for commercial sector clients, Interbank has implemented a system that allows to monitor more personalized way, based on warnings, changes in rating, reputation problems, among others.

On the other hand, at each reporting date, for indirect loans (contingent), as happens for direct loans, the expected loss is calculated depending on the stage in which each operation is located; that is, if it is in Stage 1, the expected loss is calculated with a 12-month view. If it is in Stage 2 (if the operation shows a significant risk increase since the initial recognition) or Stage 3 (if the operation has a default), the expected loss is calculated for the remaining life of the asset.

The Group considers the changes in credit risk based on the probability that the borrower will fail to comply with the loan agreement.

As of December 31, 2024 and 2023, the Group holds stand-by letters and guarantees with entities related to the infrastructure sector that, in recent years, for circumstantial reasons; were exposed to national and international events, as well as loans under legal collection that have or do not have a payment agreement. To determine the expected losses of these entities, the Group, in a complementary manner, has performed an individual assessment to determine if the operation is in Stage 1, Stage 2 or Stage 3.

The criteria established to assign the risk to each one of the operations that are evaluated under an individual evaluation use the following combination of factors: quantitative, qualitative and financial.

To estimate the PD for the lifetime of a financial asset, a transformation to a 12-month PD is made according to the year of remaining life. That is, the PD is determined for a lifetime by an exponentiation of the 12-month PD.

At Inteligo Bank, both for Personal Banking and Commercial Banking, the internal model developed (scorecard) assigns 5 levels of credit risk: low, medium low, medium, medium high, and high. This methodology evaluates the scoring, increase or decrease of risks, taking into consideration the loan structure and the type of client; therefore, there is one scorecard for Personal Banking and another for Commercial Banking.

(d.2) Loss Given Default (LGD):
It is an estimated loss in case of default. It is the difference between contractual cash flows due and those expected to be received, including guarantees. Generally, it is expressed as an EAD percentage.

In the case of Interbank, the calculation of the LGD has been developed under three differentiated methods, which are described below:

- Closed recoveries
  Those in which a client entered and left default (due to debt settlement, application of penalty or refinancing) over a course of up to 72 months and 100 months, as of December 31, 2024 and 2023, respectively.

- Open recoveries
  Those in which a client entered and did not manage to exit default over a course of up to 72 months and 100 months, as of December 31, 2024 and 2023, respectively. This method identifies the adjustment factor that allows to simulate the effect of a closed recovery process. Thus, a recovery curve is built from the information of closed recovery processes, and a recovery rate curve is estimated based on the number of months of each process.

  This methodology is applied to the Mortgage and Commercial Banking loan portfolios.

  In the case of Inteligo Bank, for those credits that are classified in Stage 1 or Stage 2 at the reporting date, the regulatory recoveries of the Central Bank of the Bahamas and the Superintendence of Banks of Panama are used, using stressed scenarios for each type of guarantee.

(d.3) Exposure at default (EAD):
Exposure at default represents the gross carrying amount of financial instruments subject to impairment, which involves both the client's ability to increase exposure as default approaches and possible early repayments. To calculate the EAD of a loan in Stage 1, potential default events are evaluated over a 12- month horizon. For financial assets in Stage 2 and Stage 3, exposure at default is determined over the life of the instrument.

A calculation methodology has been developed for those portfolios that present a defined schedule, differentiating those transactions that consider prepayment and those that do not consider prepayment; and another methodology that is based on building the credit risk factor for those portfolios that allow the client the ability to use a line of credit (revolving products) and, therefore, the percentage of additional use of the credit line that the client could use in the event of a default must be calculated.

(d.4) Significant increase in credit risk:
The Group has established a framework that incorporates quantitative and qualitative information to determine whether the credit risk on a financial instrument has significantly increased since initial recognition, both for loans and investments. The framework is aligned with the Group's internal credit risk management process.

In certain cases, using its expert credit judgment and, where possible, with relevant historical experience, the Group may determine that an exposure has experienced a significant increase in credit risk when certain qualitative indicators that may not be captured by a timely quantitative analysis.

At each reporting date, expected losses are calculated depending on the stage of each loan, as each one is evaluated with a different life period.

- Stage 1 -
  12-month expected losses are calculated. For this, the following risk parameters are multiplied: the 12-month forward-looking PD for year 1 of the remaining life, the client's LGD, and the EAD for year 1 of the remaining life for operations with payment schedule or the balance as of the reporting date for operations without payment schedule.

- Stage 2 -
  Lifetime expected losses are calculated for the entire remaining life of the asset. For operations with payment schedule, they are calculated in each year of remaining life by multiplying the following risk parameters: 12-month forward-looking PD, the client's LGD, and the EAD of the corresponding year of remaining life, and then the summation is done. For operations without payment schedule, they are calculated by multiplying the lifetime forward-looking PD, the client's LGD, and the balance as of the reporting date.

- Stage 3 -

Expected losses are calculated by multiplying the PD (equal to 100 percent) by the client's LGD and the balance as of the reporting date.

The Group classifies the operations with a significant increase in the risk of each portfolio such as marked refinanced operations, operations with arrears longer than 30 days (for all portfolios except Mortgages that considers arrears longer than 60 days), or operations marked "Leave" or "Reduce" in the surveillance system for the Commercial Banking portfolio.

Likewise, the evaluation of the significant risk increase is made by comparing the 12-month PD to the date of origin and the 12-month PD to the date of the report adjusted by the forward-looking factor, according to the quantitative criteria of absolute variation and relative variation. As of December 31, 2024, the Group has established a range of simple average absolute variation of 8.0 percent and a simple average relative variation of 473.9 percent (a range of simple average absolute variation of 7.5 percent and a simple average relative variation of 417.2 percent, as of December 31, 2023).

The Group periodically evaluates the following warning signs and criteria to assess whether the placement presents a significant increase in credit risk (Stage 2):

- Rescheduled loans.
- Infraction to the covenants.
- Forced interventions by governments in the primary and secondary markets of obligors.
- Involvement of the borrower in illicit, political and fraud business.
- Impairment of guarantees (underlying assets).
- Arrears or short and frequent failures to pay installments.
- Significantly adverse macroeconomic, regulatory, social, technological and environmental changes.
- Other assessments and/or warnings (financial statements, EBIT evaluation, financial indicators by industry, regulatory criteria, others).

On the other hand, the Group monitors the effectiveness of the criteria used to identify significant increases in credit risk through periodic reviews to confirm that:

- Criteria are able to identify significant increases in credit risk before an exposure is in default;
- The average time between the identification of a significant increase in credit risk and default is reasonable;
- Exposures usually do not transfer directly from the measurement of 12-month expected losses to impaired loans; and

- There is no unjustified volatility in the allocation of expected credit losses between the measurement of 12-month expected credit losses and lifetime expected credit losses.

Subsequently, the expected loss of each scenario (optimistic, base and pessimistic) is calculated as the sum of the expected loss of each Stage. Finally, the expected loss of the portfolio is calculated by assigning weights to each scenario based on their respective probability of occurrence.

An operation shall migrate from Stage 1 to Stage 2 due to significant risk increase, if comparing the current PD with the PD at the moment it was generated it is observed an increase (relative and absolute variation) in the PD that exceeds the established thresholds.

On the other hand, the methodology introduces the concept of cure for the Mortgage, Corporate and Business portfolios. According to this concept, a loan in Stage 3 that has been recovered through the payment of the debt, does not migrate directly to Stage 1, instead of continuing in Stage 2 during an observation window of 12 months, to secure a consistent behavior in the transaction's risk, as well as to mitigate the migration volatility between risk stages.

(d.5) Reactiva Peru

The National Government Guarantees Program "Reactiva Peru", created in April 2020 by Legislative Decree No.1455, and amended by Legislative Decree No.1457, aimed to secure the continuity of the payment chain from affected companies due to the impact of the Covid -19 pandemic.

During the year 2020, Interbank granted loans for S/6,617,142,000. As of December 31, 2024 and 2023, Interbank maintains loans from the "Reactiva Perú" program, for a balance of approximately S/315,379,000 and S/848,886,000, respectively; including accrued interest amounting to S/45,229,000 and S/46,277,000, respectively. The amounts covered by the Peruvian Government guarantee amounted to S/192,948,000 and S/675,492,000, respectively.

Also, during the years 2024 and 2023, the Peruvian government established measures for the rescheduling of these loans setting new grace periods additional to the grace periods of the original loan. Also, certain requirements were established that the client had to comply with to access to the rescheduling.

(d.6) Impulso Empresarial MYPE Program:

The Impulso Empresarial MYPE Program (henceforth "Impulso MyPerú") is an initiative of the Peruvian Government created in the year 2022 with the purpose of granting the recovery and growth of micro, small, medium companies of all productive sectors. This program grants access to working capital loans, fixed assets acquisitions and consolidation of current debts, with favorable conditions such as state guarantees and a reward for be a good payer.

As of December 31, 2024, Interbank holds loans under the "Impulso MyPerú" program for an amount of approximately S/2,780,282,000; including accrued interest amounting to S/13,155,000. The amounts covered by the guarantee of the Peruvian government amount to S/1,797,725,000.

(d.7) Rescheduled loans:

(d.7.1) Reschedules due to Covid-19

Because of the pandemic scenario as consequence of the Covid-19 pandemic, the SBS authorized financial entities to grant credit facilities (rescheduling) to clients that meet certain requirements specified by the regulations issued by this regulatory entity. In that sense, Interbank granted repayment facilities to its customers that included: modification of repayment schedules, granting of grace periods, reduction of interest rates, fractioning and downsizing of installments, among others. The effects of these reschedulings have been recorded in the caption "Interest and similar income" of the consolidated income statement, see Note 19.

As of December 31, 2024 and 2023, the balance of said rescheduling amounted to S/2,501,672,000 and S/3,513,950,000, respectively.

(d.7.2) Reschedules "Reactiva Peru"

During the last years, the MEF and the SBS established measures to reschedule the loans guaranteed under the "Reactiva Peru" program. See Note 29.1 (d.5).

As of December 31, 2024 and 2023, the balance of rescheduled credits of the "Reactiva Peru" program amounts to approximately S/212,398,000 and S/730,508,000, respectively. As a result of these reschedulings, during the years 2024 and 2023 interest expenses of approximately S/1,655,000 and S/38,650,000 were recorded, respectively. Both amounts are presented as a part of interest and similar income. See Note 19.

Interbank performed an assessment to define whether these rescheduled contracts represented, or not, a substantial modification under IFRS 9 - Financial Instruments. From that assessment, the new cash flows of the rescheduled loans did not generate substantial nor significant changes in the conditions initially contracted by the client; therefore, the adjustments in the conditions did not generate any substantial modification and, thus, neither a derecognition of the asset.

(d.7.3) Other rescheduling

During the years 2024 and 2023, the SBS authorized the entities of the financial sector to modify the contractual conditions of retail loans (consumer, mortgage, micro and small businesses) in order to facilitate the debt payment of the financial sector's clients, provided they comply with several conditions related to their risk classification, maximum past due days as of the date of the rescheduling and maximum term extensions, among others. The effects of these rescheduling have been recorded in the caption "Interest and similar income" of the consolidated statement of income; see Note 19.

During the year 2024 and 2023, in application of the aforementioned measures and other Resolutions, Interbank has performed loan rescheduling for an amount of S/853,222,000 and S/1,979,342,000, respectively.

(d.8) Subsequent adjustments to the model

The political and economic context of Peru in the year 2022, and the probability of occurrence of the El Niño event in the year 2023, and the impact of the release of the CTS deposits and AFP funds during 2024, have not been adequately reflected by the existing statistical models which are parameterized to determine the expected loss of the Group, considering that those events are of extraordinary nature and have not had precedents that would have been used as basis to model them in the calculation of the expected loss. For this reason, Interbank incorporated a serie of expert judgments with the purpose of calculating the expected loss pursuant to the requirement established by IFRS 9.

Following is the detail of the subsequent adjustments to the expected loss model performed to include in the calculation the effects of the uncertainty and risks as of December 31, 2024, 2023 and 2022:

(i) Subsequent adjustments to the model included in 2024:

An expert judgment was set out to capture the effects of the current economic situation on the estimation of the loan portfolio, considering the impact of governmental decisions regarding the withdrawal of CTS deposits and AFP funds.

As consequence of the liquidity excess generated by these measures, an improvement of the risk rating scoring ("BURO") has been observed, which has affected the regular behavior and performance of the expected credit losses in the segment of retail clients. Under this situation, it has been necessary to enhance the monitoring of outcomes of the expected loss model and to record subsequent adjustments to the calculation, thus neutralizing the improvements of the credit scoring due to temporary improvements in the aforementioned segment. These adjustments seek to ensure a more representative risk estimation, taking into consideration the uncertainty generated by the current situation of the loans' performance.

Following is the amount of the expected loss to direct and indirect loans as of December 31, 2024, as determined by the model, and the subsequent adjustments to the model explained in previous paragraphs:

	Expected loss (according to model) S/(000)	**Subsequent adjustments to the model** S/(000)	**Expected loss (total)** S/(000)
Commercial loans	189,557	.	189,557
Consumer loans	1,218,011	154,846	1,372,857
Mortgage loans	80,047	13,750	93,797
Small and micro-business loans	88,204	-	88,204
Total	1,575,819	168,596	1,744,415

(ii) Subsequent adjustments to the model included in 2023:
An expert judgment was set out that seek to stress the probability of default from clients due to the uncertainty of the intensity and occurrence probability of the El Niño event.

This judgment is related to the reviewing of the forward-looking factors used by the model, which are built from macroeconomic models and forecasts performed by an external provider; and it is based on a more stressed forward-looking scenario of the economy's performance compared with the weighted factors of the expected loss model. The difference between both represents, for each portfolio, the additional provision requirement. In this sense, it is possible to stress the expected loss by applying more severe macroeconomic forecasts to the probability of default.

Following is the amount of the expected loss to direct and indirect loans as of December 31, 2023, as determined by the model, and the subsequent adjustments to the model explained in previous paragraphs:

	Expected loss (according to model) S/(000)	Subsequent adjustments to the model S/(000)	Expected loss (total) S/(000)
Commercial loans	278,145	18,107	296,252
Consumer loans	1,709,256	153,126	1,862,382
Mortgage loans	84,731	2,464	87,195
Small and micro-business loans	114,629	6,899	121,528
Total	2,186,761	180,596	2,367,357

(iii) Subsequent adjustments to the model included in 2022:
With the purpose of reflecting the impact of the political and economic uncertainty in Peru, Interbank decided to apply its expert judgment to stress the probability of default for its entire client portfolio, except for the mortgage portfolio. As of December 31, 2022, the impact of the application of these criteria generated a higher provision for expected credit loss for S/353,300,000.

(d.9) Prospective information
Expected credit losses consider information about the overall credit risk. Information about the overall credit risk must incorporate not only information on delinquency, but also all relevant credit information, including forward-looking macroeconomic information.

To comply with the regulatory requirement, it has been determined that the methodology includes the aforementioned effects within the expected loss.

The estimation of expected credit losses will always reflect the possibility of a credit loss, even if the most likely result is not credit loss. Therefore, estimates of expected credit losses are required to reflect a weighted, unbiased amount that is determined by evaluating a range of possible outcomes.

To capture these effects, stress models have been used that have been carried out by an external provider and seek to stress the probability of default based on different macroeconomic variable projection scenarios.

The Group has defined three possible scenarios for each portfolio: base, optimistic and pessimistic.

Within the analysis carried out for the projection of probability of default, the projection period determined is 36 months (3 years). For projections after that period, the same information of that last year is considered, because it is deemed that projections beyond this period lose statistical significance, as evidenced by observing thresholds of confidence levels.

Macroeconomic variables used as of December 31, 2024:

	Scenario	**2025**	**2026**	**2027**
Unemployment rate (annual % var.)	Optimistic	(3.9%)	(4.7%)	(7.6%)
	Base	(2.6%)	(3.4%)	(4.0%)
	Pessimistic	(0.7%)	(0.1%)	(0.4%)
Real disposable income per capita (annual % var.)	Optimistic	1.7%	2.4%	3.2%
	Base	1.1%	2.0%	2.7%
	Pessimistic	(0.7%)	1.3%	2.3%
Real formal average salary (annual % var.)	Optimistic	1.8%	0.9%	1.4%
	Base	1.3%	0.5%	0.7%
	Pessimistic	0.0%	(0.1%)	0.1%
Private formal employment (annual % var.)	Optimistic	3.5%	3.0%	3.2%
	Base	3.0%	2.6%	2.8%
	Pessimistic	2.1%	2.1%	2.3%
Real informal average salary (annual % var.)	Optimistic	1.4%	1.3%	1.2%
	Base	1.0%	0.5%	0.7%
	Pessimistic	0.3%	(0.1%)	0.1%

Macroeconomic variables used as of December 31, 2023:

	Scenario	**2024**	**2025**	**2026**
Domestic demand (annual % var.)	Optimistic	3.3%	2.9%	2.8%
	Base	3.0%	2.7%	2.4%
	Pessimistic	1.8%	2.8%	2.3%
Private formal employment (annual % var.)	Optimistic	3.0%	3.1%	2.6%
	Base	2.7%	2.9%	2.5%
	Pessimistic	1.8%	2.9%	3.1%
Real disposable income per capita (annual % var.)	Optimistic	2.3%	1.8%	2.9%
	Base	2.0%	1.6%	2.6%
	Pessimistic	0.7%	1.7%	2.3%
Real formal salary (annual % var.)	Optimistic	1.3%	1.7%	2.1%

	Scenario	2024	2025	2026
	Base	1.1%	1.6%	1.9%
	Pessimistic	(2.6%)	0.6%	1.0%
Real informal salary (annual % var.)	Optimistic	3.3%	3.0%	3.1%
	Base	2.9%	2.9%	2.8%
	Pessimistic	(0.1%)	1.8%	2.2%

For the determination of these macroeconomic variables, different external sources of recognized prestige have been considered. The impact of these macroeconomic variables on the expected loss differs for each portfolio depending on the sensitivity in each of them.

The following tables summarize the impact of multiple scenarios on the expected credit loss of direct and indirect loans (optimistic, base and pessimistic):

	%	Total S/(000)
December 31, 2024		
Optimistic	5	81,557
Base	58	999,681
Pessimistic	37	663,177
Total		1,744,415

	%	Total S/(000)
December 31, 2023		
Optimistic	7	159,536
Base	49	1,127,461
Pessimistic	44	1,080,360
Total		2,367,357

Guarantees:

The fair value of the loan guarantees as of December 31, 2024 and 2023, is presented below:

As of December 31, 2024	Maximum exposure to credit risk S/(000)	Fair value of the credit guarantee under the base scenario Cash S/(000)	Investments S/(000)	Properties S/(000)	Others S/(000)	Total guarantee (*) S/(000)	Net exposure S/(000)	Expected loss associated S/(000)
Subject to impairment								
Financial assets								
Cash and due from banks	12,615,226	-	-	-	-	-	12,615,226	-
Commercial loans	22,770,495	878,109	1,706,707	11,437,282	3,205,987	17,228,085	5,542,410	175,811
Small and micro-business loans	2,037,158	-	-	-	-	-	2,037,158	87,700
Consumer loans	15,036,411	-	-	-	-	-	15,036,411	1,372,856
Mortgage loans	10,571,300	-	-	18,926,685	-	18,926,685	(8,355,385)	93,800
Direct loans	50,415,364	878,109	1,706,707	30,363,967	3,205,987	36,154,770	14,260,594	1,730,167
Debt instruments at amortized cost	3,784,912	-	-	-	-	-	3,784,912	53
Total financial assets at amortized cost	66,815,502	878,109	1,706,707	30,363,967	3,205,987	36,154,770	30,660,732	1,730,220
Debt instruments at fair value through other comprehensive income	20,377,805	-	-	-	-	-	20,377,805	95,090
Total debt instruments at fair value through other comprehensive income	20,377,805	-	-	-	-	-	20,377,805	95,090
Not subject to impairment								
Derivative financial instruments - Trading	72,746	35,645	-	-	-	35,645	37,101	-
Derivative financial instruments - Hedges	70,455	-	-	-	-	-	70,455	-
Financial assets at fair value through profit or loss	1,776,567	-	-	-	-	-	1,776,567	-
Total financial instruments at fair value through profit or loss	1,919,768	35,645	-	-	-	35,645	1,884,123	-
	89,113,075	913,754	1,706,707	30,363,967	3,205,987	36,190,415	52,922,660	1,825,310
Financial guarantees (guarantees and stand-by letters)	4,695,331	21,981	143,731	2,005,957	1,471,778	3,643,447	1,051,884	14,005
Letters of credit for customers	373,363	695	24,442	-	67,752	92,889	280,474	243
Indirect loans	5,068,694	22,676	168,173	2,005,957	1,539,530	3,736,336	1,332,358	14,248
	94,181,769	936,430	1,874,880	32,369,924	4,745,517	39,926,751	54,255,018	1,839,558

As of December 31, 2023	Maximum exposure to credit risk S/(000)	Fair value of the credit guarantee under the base scenario: Cash S/(000)	Investments S/(000)	Properties S/(000)	Others S/(000)	Total guarantee (*) S/(000)	Net exposure S/(000)	Expected loss associated S/(000)
Subject to impairment								
Financial assets								
Cash and due from banks	9,818,711	-	-	-	-	-	9,818,711	-
Commercial loans	21,155,476	665,532	1,242,105	11,585,327	3,202,231	16,695,195	4,460,281	278,466
Small and micro-business loans	933,824	-	-	-	-	-	933,824	121,377
Consumer loans	16,325,460	-	-	-	-	-	16,325,460	1,862,384
Mortgage loans	9,834,398	-	-	17,005,359	-	17,005,359	(7,170,961)	87,198
Direct loans	48,249,158	665,532	1,242,105	28,590,686	3,202,231	33,700,554	14,548,604	2,349,425
Debt instruments at amortized cost	3,474,004	-	-	-	-	-	3,474,004	62
Total financial assets at amortized cost	61,541,873	665,532	1,242,105	28,590,686	3,202,231	33,700,554	27,841,319	2,349,487
Debt instruments at fair value through other comprehensive income	21,246,569	-	-	-	-	-	21,246,569	61,046
Total debt instruments at fair value through other comprehensive income	21,246,569	-	-	-	-	-	21,246,569	61,046
Not subject to impairment								
Derivative financial instruments - Trading	99,099	9,755	-	-	-	9,755	89,344	-
Derivative financial instruments - Hedges	59,002	-	-	-	-	-	59,002	-
Financial assets at fair value through profit or loss	1,556,540	-	-	-	-	-	1,556,540	-
Total financial instruments at fair value through profit or loss	1,714,641	9,755	-	-	-	9,755	1,704,886	-
	84,503,083	675,287	1,242,105	28,590,686	3,202,231	33,710,309	50,792,774	2,410,533
Financial guarantees (guarantees and stand-by letters)	4,302,772	37,039	111,984	1,838,666	775,774	2,763,463	1,539,309	17,667
Letters of credit for customers	440,708	4,984	27,936	-	10,000	42,920	397,788	265
Indirect loans	4,743,480	42,023	139,920	1,838,666	785,774	2,806,383	1,937,097	17,932
	89,246,563	717,310	1,382,025	30,429,352	3,988,005	36,516,692	52,729,871	2,428,465

The following table shows the analysis of the fair values of the guarantees classified in Stage 3:

	Fair value of the credit guarantee under the base scenario								
As of December 31, 2024	Maximum exposure to credit risk S/(000)	Cash S/(000)	Investments S/(000)	Guarantees from third parties or governments S/(000)	Properties S/(000)	Others S/(000)	Total guarantee (*) S/(000)	Net exposure S/(000)	Expected loss associated S/(000)
Commercial loans	322,464	2,936	1,045	-	529,922	26,107	560,010	(237,546)	123,013
Small and micro-business loans	85,443	-	-	-	-	-	-	85,443	62,173
Consumer loans	514,691	2,936	-	-	-	-	2,936	511,755	494,700
Mortgage loans	325,095	-	-	-	782,659	-	782,659	(457,564)	44,321
Total	1,247,693	5,872	1,045	-	1,312,581	26,107	1,345,605	(97,912)	724,207
Indirect loans	23,948	-	-	-	7,561	-	7,561	16,387	9,335
	1,271,641	5,872	1,045	-	1,320,142	26,107	1,353,166	(81,525)	733,542

	Fair value of the credit guarantee under the base scenario								
As of December 31, 2023	Maximum exposure to credit risk S/(000)	Cash S/(000)	Investments S/(000)	Guarantees from third parties or governments S/(000)	Properties S/(000)	Others S/(000)	Total guarantee (*) S/(000)	Net exposure S/(000)	Expected loss associated S/(000)
Commercial loans	398,159	-	962	-	608,852	55,610	665,424	(267,265)	162,385
Small and micro-business loans	106,028	-	-	-	-	-	-	106,028	70,818
Consumer loans	733,096	-	-	-	-	-	-	733,096	682,417
Mortgage loans	273,405	-	-	-	679,945	-	679,945	(406,540)	54,651
Total	1,510,688	-	962	-	1,288,797	55,610	1,345,369	165,319	970,271
Indirect loans	15,800	-	275	-	7,451	-	7,726	8,074	7,369
	1,526,488	-	1,237	-	1,296,248	55,610	1,353,095	173,393	977,640

(*) Includes the total fair value of the guarantees held by the Group as of December 31, 2024 and 2023, regardless the balance of the loan it guarantees.

(e) Credit risk management for investments

(e.1) Scoring or internal rating and PD:

For this type of financial instruments, the Group analyzes the public information available from international risk rating agencies such as: Fitch, Moody's and Standard & Poor's, and assigns a rating to each instrument.

For each rating agency, the ratings associated with higher to lower credit quality are shown:

Fitch	Moody's	Standard & Poor's
AAA	Aaa	AAA
AA+	Aa1	AA+
AA	Aa2	AA
AA-	Aa3	AA-
A+	A1	A+
A	A2	A
A-	A3	A-
BBB+	Baa1	BBB+
BBB	Baa2	BBB
BBB-	Baa3	BBB-
BB+	Ba1	BB+
BB	Ba2	BB
BB-	Ba3	BB-
B+	B1	B+
B	B2	B
B-	B3	B-
CCC	Caa1	CCC+

The Group determines its risk level according to the following classification as of December 31, 2024 and 2023:

2024	High grade Rating: from AAA to A PD less than or equal to:	Standard grade Rating: from BBB to B PD range	Grade lower than standard Rating: from CCC to C PD equal or higher to:
Global	0.05% - 0.11%	0.12% - 2.03%	23.31%
Latin America	0.00%	0.08% - 3.03%	22.32%
Sovereigns	0.00%	0.00% - 1.78%	26.56%

2023	High grade Rating: from AAA to A PD less than or equal to:	Standard grade Rating: from BBB to B PD range	Grade lower than standard Rating: from CCC to C PD equal or higher to:
Global	0.04% - 0.11%	0.12% - 2.11%	22.97%
Latin America	0.00%	0.09% - 2.91%	22.80%
Sovereigns	0.00%	0.00% - 1.87%	25.45%

Finally, each instrument is assigned a PD according to the transition matrices published by Fitch.

(e.2) Loss given default (LGD):
For those issuers that are classified in Stage 1 or Stage 2 at the reporting date, the Group uses the recovery matrix published by Moody's.

For those investments in Stage 3, an evaluation must be made to determine the severity of the expected loss according to the progress of the recovery process initiated.

(e.3) Exposure at default (EAD):
EAD represents the gross book value of the financial instruments subject to impairment. To calculate the EAD of an investment in Stage 1, possible non-compliance events are evaluated within 12 months. For financial assets in Stage 2 and Stage 3, exposure at default is determined for events throughout the life of the instrument.

(e.4) Significant increase in credit risk:
The Group has assumed that the credit risk of a financial instrument has not increased significantly since the initial recognition if it is determined that the investment has a low credit risk at the reporting date, which occurs when the issuer has a strong ability to meet its contractual cash flow obligations in the near term and

adverse changes in economic and business conditions in the long term may reduce, but not necessarily, the ability of the issuer to meet its cash flow obligations contractual cash.

In accordance with the assignment of ratings to each debt instrument, the Group determines whether there is a significant increase in credit risk by comparing the rating at the date of acquisition with the rating at the reporting date, and designates the Stage in which each debt instrument is classified according to the quantitative and qualitative criteria, defined as follows:

(i) Quantitative criteria -
The Group holds an investment that does not present a significant increase in risk if there is a movement of its credit risk rating within the investment grade. In case there is a movement of its credit risk rating outside the investment grade, it is deemed that the instrument presents a significant increase in risk.

(ii) Qualitative criteria -
The Group periodically evaluates the following warning signs and criteria to assess whether the financial instrument presents a significant risk increase (stage 2) at the reporting date:

- Significant decrease (30 percent of its original value) and prolonged (12 months) of the market value of the investment.
- Infringements of covenants without a waiver from the bondholders committee.
- Forced interventions by governments in the primary and secondary markets of the issuers.
- Linkage of the issuer in illicit, political and fraud activities.
- Impairment of collaterals (underlying assets) in the case of securitized instruments.
- Delays or short and frequent breaches in the payment of coupons.
- Macroeconomic, regulatory, social, technological and environmental changes are significantly adverse.
- Other evaluations and/or alerts made by each Subsidiary (financial statements, evaluation of EBIT, financial indicators by industry, regulatory criteria, others).

The table below presents the credit risk ratings issued by risk rating agencies of recognized prestige local and international financial investments:

	As of December 31, 2024		As of December 31, 2023	
	S/(000)	%	S/(000)	%
Instruments issued and rated in Peru:				
BBB- / BBB+	2,287,880	8.5	2,611,807	9.8
BB- / BB+	1,028,735	3.8	652,347	2.4
B- / B+	111,708	0.4	4,770	0.0
Less than B-	4,664	0.0	-	-
	3,432,987	12.7	3,268,924	12.2
Instruments issued in Peru and rated abroad:				
BBB- / BBB+	14,011,438	52.2	13,174,718	49.3
BB- / BB+	774,100	2.9	490,215	1.8
B- / B+	-	-	214,083	0.8
Less than B-	218,328	0.8	-	-
	15,003,866	55.9	13,879,016	51.9
Instruments issued and rated abroad:				
AAA	9,429	0.0	11,105	0.0
AA- / AA+	111,247	0.4	145,599	0.5
A- / A+	689,996	2.6	656,237	2.5
BBB- / BBB+	2,581,191	9.6	2,565,054	9.6
BB- / BB+	124,581	0.5	228,812	0.9
B- / B+	19,689	0.1	16,190	0.1
Less than B-	-	0.0	1,723	0.0
	3,536,133	13.2	3,624,720	13.6
Unrated				
Negotiable certificates of deposit issued by the BCRP	2,113,924	7.9	3,448,984	12.9
Mutual funds and investment funds participations (*)	1,317,625	4.9	1,099,282	4.1
Securitized bonds	-	-	3,008	0.0
Others	98,882	0.4	81,910	0.3
Listed shares	622,528	2.3	660,839	2.5
Non-listed shares and participations	271,607	1.0	229,933	0.9
Total	26,397,552	98.3	26,296,616	98.4
Accrued interest	460,373	1.7	425,375	1.6
Total	26,857,925	100.0	26,721,991	100.0

(*) It includes mutual and investment funds which do not have risk rating.

(f) Concentration of financial instruments exposed to credit risk -

Financial instruments exposed to credit risk were distributed according to the following economic sectors:

	As of December 31, 2024				
	Designated at fair value through profit or loss S/(000)	Debt instruments measured at fair value through other comprehensive income S/(000)	Equity instruments measured at fair value through other comprehensive income S/(000)	Amortized cost S/(000)	Total S/(000)
Consumer loans	-	-	-	15,094,313	15,094,313
Government of Peru	-	8,466,916	-	3,698,395	12,165,311
Mortgage loans	-	-	-	10,579,426	10,579,426
Commercial and micro-business loans	-	-	-	10,236,695	10,236,695
BCRP	-	2,113,925	-	7,951,226	10,065,151
Financial services	1,693,571	1,672,720	126,594	6,530,688 (*)	10,023,573
Manufacturing	87,764	797,082	171,920	4,155,680	5,212,446
Mining	2,792	1,234,867	-	2,436,753	3,674,412
Construction and infrastructure	17,203	2,501,203	38,640	772,165	3,329,211
Communications, storage and transportation	55,385	654,287	37,640	1,946,274	2,693,586
Agriculture	87	27,286	3,714	2,393,311	2,424,398
Electricity, gas, water and oil	12,820	1,685,411	74,750	157,841	1,930,822
Commerce	15,754	508,195	-	414,063	938,012
Professional, scientific and technical activities	-	214,358	-	714,871	929,229
Leaseholds and real estate activities	10,980	187,953	-	448,839	647,772
Community services	611	7,509	-	540,084	548,204
Education, health and other services	540	94,202	-	213,206	307,948
Medicine and biotechnology	-	36,138	-	190,510	226,648
Public administration and defense	21,894	91,702	-	7,885	121,481
Fishing	-	-	5,010	79,112	84,122
Foreign governments	-	67,468	-	-	67,468
Insurance	363	12,075	-	4,728	17,166
Others	4	4,507	-	85,863	90,374
Total	1,919,768	20,377,804	458,268	68,651,928	91,407,768
Impairment allowance for loans					(1,730,167)
Accrued interest					1,004,624
Total					90,682,225

(*) It includes mainly cash and due from banks deposited in the vaults of Interbank and in foreign banks; see Note 4.

	As of December 31, 2023				
	Designated at fair value through profit or loss S/(000)	Debt instruments measured at fair value through other comprehensive income S/(000)	Equity instruments measured at fair value through other comprehensive income S/(000)	Amortized cost S/(000)	Total S/(000)
Consumer loans	-	-	-	16,354,337	16,354,337
Government of Peru	-	8,239,321	-	3,307,309	11,546,630
Mortgage loans	-	-	-	9,844,293	9,844,293
BCRP	-	3,448,984	-	5,926,921	9,375,905
Financial services	1,450,713	1,609,137	121,083	5,834,322 (*)	9,015,255
Manufacturing	79,551	807,805	119,938	4,513,506	5,520,800
Professional, scientific and technical activities	841	207,340	-	4,385,889	4,594,070
Commerce	1,144	224,148	-	3,791,306	4,016,598
Construction and infrastructure	2,915	2,566,009	31,917	559,070	3,159,911
Electricity, gas, water and oil	14,561	1,698,582	81,438	936,836	2,731,417
Mining	1,079	1,125,295	-	1,333,655	2,460,029
Communications, storage and transportation	126,455	496,130	78,384	1,249,526	1,950,495
Agriculture	989	26,339	2,806	1,894,430	1,924,564
Commercial and micro-business loans	-	-	-	804,212	804,212
Leaseholds and real estate activities	15,751	184,898	5,707	590,501	796,857
Fishing	-	-	3,605	600,848	604,453
Community services	871	4,710	-	594,254	599,835
Medicine and biotechnology	-	31,367	-	450,704	482,071
Education, health and other services	2	99,097	-	240,736	339,835
Public administration and defense	16,075	41,187	-	42,714	99,976
Foreign governments	-	89,007	-	-	89,007
Insurance	3,694	8,501	-	2,034	14,229
Others	-	4,327	-	31,727	36,054
Total	1,714,641	20,912,184	444,878	63,289,130	86,360,833
Impairment allowance for loans					(2,349,425)
Accrued interest					1,046,024
Total					85,057,432

(*) It includes mainly cash and due from banks deposited in the vaults of Interbank and in foreign banks; see Note 4.

The table below presents the financial instruments with exposure to credit risk, by geographic area:

	As of December 31, 2024				
	Designated at fair value through profit or loss S/(000)	Debt instruments measured at fair value through other comprehensive income S/(000)	Equity instruments measured at fair value through other comprehensive income S/(000)	Investments at amortized cost S/(000)	Total S/(000)
Peru	138,125	16,843,710	294,034	65,957,138	83,233,007
United States of America	1,499,518	896,372	37,640	823,188	3,256,718
Mexico	17,996	1,017,363	-	10,733	1,046,092
Chile	1	807,524	7,995	32,038	847,558
Panama	461	148,363	277	479,425 (*)	628,526
United Kingdom	94,483	264,082	116,458	135,358	610,381
Bahamas	-	-	-	243,750	243,750
Canada	1,256	15,387	-	219,857	236,500
Ecuador	-	-	-	231,087	231,087
Colombia	79	121,545	-	105,332	226,956
Brazil	-	146,286	-	30,848	177,134
Germany	23,326	587	-	123,436	147,349
Cayman Islands	116,217	1,186	-	-	117,403
Luxembourg	-	15,534	-	68,835	84,369
Suiza	-	4,743	-	56,542	61,285
Venezuela	-	-	-	54,261	54,261
España	-	9,933	-	20,394	30,327
Argentina	-	-	-	19,349	19,349
Ireland	-	553	-	624	1,177
Belgium	-	154	-	1	155
Others	28,306	84,482	1,864	39,732	154,384
Total	1,919,768	20,377,804	458,268	68,651,928	91,407,768
Impairment allowance for loans					(1,730,167)
Accrued interest					1,004,624
Total					90,682,225

(*) It corresponds mainly to the loan portfolio maintained by Inteligo Bank (domiciled in Panama) with Peruvian citizens.

	As of December 31, 2023				
	Designated at fair value through profit or loss S/(000)	**Debt instruments measured at fair value through other comprehensive income** S/(000)	**Equity instruments measured at fair value through other comprehensive income** S/(000)	**Investments at amortized cost** S/(000)	**Total** S/(000)
Peru	118,277	17,289,485	245,411	60,879,122	78,532,295
United States of America	1,311,432	853,799	78,384	516,788	2,760,403
Mexico	15,559	1,054,480	-	17,031	1,087,070
Panama	-	147,198	190	632,672 (*)	780,060
Chile	1	710,106	10,011	46,243	766,361
United Kingdom	64,727	266,974	109,045	32,562	473,308
Canada	12,898	12,095	-	369,993	394,986
Colombia	96	309,994	-	80,764	390,854
Cayman Islands	121,815	4,132	-	101,554	227,501
Brazil	-	150,120	-	41,231	191,351
Ecuador	-	-	-	190,181	190,181
Suiza	-	1,461	-	89,430	90,891
Germany	24,487	582	-	58,025	83,094
Luxembourg	-	14,395	-	60,909	75,304
Venezuela	-	-	-	46,363	46,363
España	-	13,074	-	18,876	31,950
Bahamas	-	-	-	27,563	27,563
Argentina	-	-	-	19,244	19,244
Ireland	-	-	-	2,896	2,896
Belgium	-	-	152	1	153
Others	45,349	84,289	1,685	57,682	189,005
Total	1,714,641	20,912,184	444,878	63,289,130	86,360,833
Impairment allowance for loans					(2,349,425)
Accrued interest					1,046,024
Total					85,057,432

(*) It corresponds mainly to the loan portfolio maintained by Inteligo Bank (domiciled in Panama) with Peruvian citizens.

(g) Offsetting of financial assets and liabilities

The information contained in the tables below includes financial assets and liabilities that:

- Are offset in the statement of financial position of the Group; or
- Are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments, regardless of whether they are offset in the consolidated statement of financial position or not.

Similar arrangements of the Group include derivatives clearing agreements. Financial instruments such as loans and deposits are not disclosed in the following tables since they are not offset in the consolidated statement of financial position.

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

The Group receives and delivers guarantees in the form of cash with respect to transactions with derivatives; see Note 4.

(g.1) Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements as of December 31, 2024 and 2023, are presented below:

	Gross amounts of recognized financial assets S/(000)	Gross amounts of recognized financial liabilities and offset in the consolidated statement of financial position S/(000)	Net amounts of financial assets presented in the consolidated statement of financial position S/(000)	Related amounts not offset in the consolidated statement of financial position: Financial instruments (including non-cash guarantees) S/(000)	Related amounts not offset in the consolidated statement of financial position: Cash guarantees received S/(000)	Net amount S/(000)
2024						
Derivatives, Note 10(b)	143,201	-	143,201	(30,231)	(35,645)	77,325
Total	143,201	-	143,201	(30,231)	(35,645)	77,325
2023						
Derivatives, Note 10(b)	158,101	-	158,101	(65,099)	(9,755)	83,247
Total	158,101	-	158,101	(65,099)	(9,755)	83,247

(g.2) Financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements as of December 31, 2024 and 2023, are presented below:

	Gross amounts of recognized financial liabilities S/(000)	Gross amounts of recognized financial assets and offset in the consolidated statement of financial position S/(000)	Net amounts of financial liabilities presented in the consolidated statement of financial position S/(000)	Related amounts not offset in the consolidated statement of financial position: Financial instruments (including non-cash guarantees) S/(000)	Related amounts not offset in the consolidated statement of financial position: Cash guarantees pledged, Note 4(d) S/(000)	Net amount S/(000)
2024						
Derivatives, Note 10(b)	102,288	-	102,288	(30,231)	(21,568)	50,489
Total	102,288	-	102,288	(30,231)	(21,568)	50,489
2023						
Derivatives, Note 10(b)	145,395	-	145,395	(65,099)	(24,725)	55,571
Total	145,395	-	145,395	(65,099)	(24,725)	55,571

29.2 Market risk management

Market risk is the possibility of loss due to variations in the financial market conditions. The main variations to which the Group is exposed to are exchange rates, interest rates and prices. Said variations can affect the value of the Group's financial assets and liabilities.

During years 2024 and 2023, interest rates remained lower, aligned with the reductions defined by the Central Reserve Bank on the reference rate. These reductions are explained by the favorable evolution of inflation, which is approaching the target range. Regarding sovereign bonds, volatility continued with a downward trend accompanied by an improvement in prices.

On the other side, the Banking Book results are affected by the decreases in interest rates, particularly in products that appreciate quickly such as time deposits or short-term commercial loans as they mature.

The Group separates its exposure to market risk into two blocks: (i) the one that arises from the fluctuation of the value of the trading investment portfolios, due to movements of market rates or prices ("Trading Book") and; (ii) the one that arises from the changes in the structural positions ("Banking Book") due to movements in interest rates, prices and exchange rates.

(a) Trading Book -

To control and monitor the risks arising from the volatility of risk factors involved within each instrument, maximum exposure limits by currency, by type of investment and Value-at-Risk ("VaR"), which are controlled on a daily basis, have been established.

The main measurement technique used to measure and control market risk is VaR, which is a statistical measurement that quantifies the maximum loss expected for a period of time and a determined significance level under normal market conditions. The Group uses the VaR model for a period of one day, and a 99-percent confidence level. VaR is calculated by risk factor: interest rate, price or exchange rate and by type of investment: derivatives, fixed income and variable income.

VaR models are designed to measure the market risk within a normal market environment. Since VaR is based mainly on historical data to provide information and does not clearly predict future changes and modifications in risk factors, the probability of big market movements may be underestimated. VaR can also be under or overestimated due to the hypotheses made on the risk factors and the relation among these factors with the specific instruments. To determine the reliability of VaR models, the actual results are regularly monitored to prove the validity of the assumptions and parameters used in the calculation of VaR.

The Group includes within the VaR calculation the potential loss that may arise from the exposure to exchange rate risk. This risk is included in the VaR calculation because the exchange position is the result of the spot position plus the position in derivative products. Likewise, the total VaR includes the diversification effect that arises as a result of the interaction of the various market risk factors to which the Group is exposed.

The validity of the VaR calculation is proven through back-testing, which uses historical data to ensure that the model adequately estimates the potential losses. Additionally, the sensitivity of risk factors is calculated, which shows the potential portfolio losses in the event of certain fluctuations in factors. Said fluctuations include: interest rate shocks, exchange rate shocks and price shocks.

The VaR results of the Group's portfolio by type of asset are presented below:

	2024 S/(000)	2023 S/(000)
Equity investments	36,036	26,584
Debt investments	131	709
Derivatives and/or exchange position	953	1,548
Diversification effect	(243)	(237)
Consolidated VaR by type of asset (*)	36,877	28,604

The Group's VaR results by type of risk are the following:

	2024 S/(000)	2023 S/(000)
Exchange rate risk	2,893	4,813
Interest rate risk	376	1,417
Price risk	37,804	25,733
Diversification effect	(4,196)	(3,359)
Consolidated VaR by type of risk (*)	36,877	28,604

(*) The total VaR is lower than the sum of its components due to the benefits of risk diversification.

(b) Banking Book -

The portfolios which are not for trading are exposed to different financial risks, since they are sensitive to movements of the market rates, which can result in a negative effect on the value of the assets compared to its liabilities and; therefore, on its net value.

(i) Interest rate risk

Interest rates fluctuate permanently on the market. These fluctuations affect the Group in two ways: first, through the change in the valuation of assets and liabilities; and secondly, affecting the cash flows at repricing. The variation in the valuation of assets and liabilities is increasingly sensitive as the term at which the asset or liability is repriced is extended. This process consists in the assessment of repricing periods. On the other hand, cash flows are affected when the instruments reach maturity, when they are invested or placed at new interest rates effective in the market.

Repricing gap

An analysis of the repricing gaps is performed to determine the impact of the interest rates movements. Said analysis consists of assigning the balances of the operations that will change the interest rate into different time gaps. Based on this analysis, the impact of the variation in the valuation of assets and liabilities on each gap is calculated.

In the case of the insurance segment, this risk arises from the fluctuation in interest rates and its effect on the repricing rates required for the payment of long-term obligations of insurance contracts. Therefore, Interseguro maintains short-term deposits at preferential rates, and medium and short-term bonds with different amortization structures to achieve a match of cash flows between assets and liabilities, minimizing repricing gap.

(i.1) The following table summarizes the Group's exposure to interest rate risk. The Group's financial instruments are presented at book value (including interest accrued), classified by the repricing period of the contract's interest rate or maturity date, whichever occurs first:

	As of December 31, 2024						
	Up to 1 month S/(000)	From 1 to 3 months S/(000)	From 3 to 12 months S/(000)	From 1 to 5 years S/(000)	More than 5 years S/(000)	Non-interest bearing S/(000)	Total S/(000)
Financial assets							
Cash and due from banks	8,575,399	17,936	11	-	-	4,021,880	12,615,226
Inter-bank funds	220,060	-	-	-	-	-	220,060
Investments at fair value through other comprehensive income (debt and equity)	894,402	1,245,519	768,069	5,473,331	12,343,571	458,268	21,183,160
Investments at amortized cost	61,382	101,450	12,131	752,424	2,970,811	-	3,898,198
Loans, net (*)	4,082,359	5,328,773	13,689,207	19,835,684	6,589,089	(295,664)	49,229,448
Other assets (**)	852,858	152,093	97,488	371,874	(6,718)	5,040,781	6,508,376
Total assets	14,686,460	6,845,771	14,566,906	26,433,313	21,896,753	9,225,265	93,654,468
Financial liabilities							
Deposits and obligations	34,089,992	5,181,622	6,435,281	413,041	33,499	7,614,593	53,768,028
Due to banks and correspondents	2,055,726	772,527	1,398,001	1,944,760	1,391,043	-	7,562,057
Bonds, notes and other obligations	251,845	1,680	1,490,591	4,005,402	325,915	-	6,075,433
Insurance and reinsurance contract liabilities	47,878	99,710	464,997	2,486,668	9,203,598	221,469	12,524,320
Other liabilities (***)	952,940	104,144	88,873	160,189	1,312,693	1,828,255	4,447,094
Equity	-	-	-	-	-	10,978,595	10,978,595
Total liabilities and equity	37,398,381	6,159,683	9,877,743	9,010,060	12,266,748	20,642,912	95,355,527
Off- balance sheet accounts							
Derivatives held as assets	75,280	-	1,505,600	754,000	-	-	2,334,880
Derivatives held as liabilities	75,280	-	1,505,600	754,000	-	-	2,334,880
	-	-	-	-	-	-	-
Marginal gap	(22,711,921)	686,088	4,689,163	17,423,253	9,630,005	(11,417,647)	(1,701,059)
Cumulative gap	(22,711,921)	(22,025,833)	(17,336,670)	86,583	9,716,588	(1,701,059)	-

(*) The balance presented in column "non-interest bearing" corresponds mainly to accrued income from loans, past-due loans, loans under judicial collection and the provision for loan losses.

(**) Includes investment property, property, furniture and equipment, net, banker's acceptances, intangibles and goodwill, net, other accounts receivable and other assets, net (except accounts receivable from derivative financial instruments held for trading), reinsurance contract assets, and deferred income tax assets, net.

(***) Includes banks acceptances and other accounts payable, provisions and other liabilities (except accounts payable for derivative financial instruments held for trading) and deferred income tax liability, net.

Investments at fair value through profit or loss, derivatives held for trading and liabilities at fair value through profit or loss, are not considered because these instruments are part of the trading book and the methodology used for the measurement of their market risk is VaR.

	As of December 31, 2023						
	Up to 1 month S/(000)	From 1 to 3 months S/(000)	From 3 to 12 months S/(000)	From 1 to 5 years S/(000)	More than 5 years S/(000)	Non-interest bearing S/(000)	Total S/(000)
Financial assets							
Cash and due from banks	6,438,844	77,841	216,012	26,788	-	3,059,226	9,818,711
Inter-bank funds	524,915	-	-	-	-	-	524,915
Investments at fair value through other comprehensive income (debt and equity)	501,199	1,540,643	2,293,382	4,041,060	12,870,285	444,878	21,691,447
Investments at amortized cost	23,583	86,652	634,133	636,561	2,093,075	-	3,474,004
Loans, net (*)	4,247,703	5,611,232	11,248,432	19,392,632	6,584,178	(563,795)	46,520,382
Other assets (**)	1,034,215	195,323	262,343	219,298	5,590	4,222,912	5,939,681
Total assets	12,770,459	7,511,691	14,654,302	24,316,339	21,553,128	7,163,221	87,969,140
Financial liabilities							
Deposits and obligations	30,185,794	3,894,718	6,601,910	498,592	46,902	7,960,318	49,188,234
Inter-bank funds	119,712	-	-	-	-	-	119,712
Due to banks and correspondents	1,459,377	1,758,037	2,776,380	1,683,940	1,348,196	-	9,025,930
Bonds, notes and other obligations	200,594	1,138,301	18,233	3,960,246	234,255	-	5,551,629
Insurance and reinsurance contract liabilities	52,793	104,011	470,253	2,549,908	8,784,208	246,363	12,207,536
Other liabilities (***)	867,346	142,339	205,445	514,669	520,057	1,172,997	3,422,853
Equity	-	-	-	-	-	10,008,101	10,008,101
Total liabilities and equity	32,885,616	7,037,406	10,072,221	9,207,355	10,933,618	19,387,779	89,523,995
Off- balance sheet accounts							
Derivatives held as assets	185,450	111,270	1,576,325	705,470	-	-	2,578,515
Derivatives held as liabilities	185,450	111,270	1,576,325	705,470	-	-	2,578,515
	-	-	-	-	-	-	-
Marginal gap	(20,115,157)	474,285	4,582,081	15,108,984	10,619,510	(12,224,558)	(1,554,855)
Cumulative gap	(20,115,157)	(19,640,872)	(15,058,791)	50,193	10,669,703	(1,554,855)	-

(*) The balance presented in column "non-interest bearing" corresponds mainly to accrued income from loans, past-due loans, loans under judicial collection and the provision for loan losses.

(**) Includes investment property, property, furniture and equipment, net, banker's acceptances, intangibles and goodwill, net, other accounts receivable and other assets, net (except accounts receivable from derivative financial instruments held for trading), reinsurance contract assets, and deferred income tax assets, net.

(***) Includes banks acceptances and other accounts payable, provisions and other liabilities (except accounts payable for derivative financial instruments held for trading) and deferred income tax liability, net.

Investments at fair value through profit or loss and derivatives held for trading are not considered because these instruments are part of the trading book and the methodology used for the measurement of their market risk is VaR.

(i.2) Sensitivity to changes in interest rates -

The exposure to the interest rate, in the case of Interbank, is supervised by the GIR Committee and the ALCO Committee. The GIR Committee approves the various limits applicable to the financial instruments' management. The ALCO Committee analyzes and monitors the results of the asset and liability management strategies and decisions implemented. Likewise, it defines the strategies and analyzes the sources of financing, as well as the coverage of the balance executed by the Bank. In particular, the latter could be considered to cover the exposure due to the variation in cash flows attributed to changes in variable market rates, to fix the cost of funds considering the global context of future movement of rates in the currencies under evaluation, to transform the cost of funds from foreign currency to the functional currency, among other casuistic as reviewed and approved by the Committee, considering the risk limits.

In this regard, the effect of movements in interest rates is analyzed based on the Regulatory Model and considers: (i) the financial margin for the next 12 months or Earning at Risk (EaR) and (ii) the Equity Value at Risk (EVaR), as detailed below:

- Earning at Risk indicator, calculated as a percentage of the Regulatory Capital, the legal limit of 5 percent and an early warning of 4 percent are set.
- Value at Risk indicator, calculated as a percentage of the effective equity, establishes the internal limit of 15 percent and an early warning of 13 percent.

Thus, interest rate risk is managed and supervised by monitoring the aforementioned indicators, which allows Management to assess the potential effect of interest rates movements on the Group's financial margin and thus manage the terms and the fixed and/or variable yields generated by the financial instruments held by the Group, including strategies on the derivative financial instruments designated as hedge accounting.

For its part, the GIR Committee oversees the approval levels of structural interest-rate risk capacity and appetite, which are detailed in the Bank's Risk Appetite Framework.

In the case of Interseguro and Inteligo Bank, their Boards establish limits, which are controlled by their respective Investment Risk Unit.

The table below presents the sensitivity to a possible change in interest rates, with all other variables kept constant, in the consolidated statement of income and in the consolidated statement of changes in equity, before Income Tax and non-controlling interest.

	As of December 31, 2024				
Currency	**Changes in basis points**	**Sensitivity of net income** S/(000)		**Sensitivity of other net comprehensive income** S/(000)	
US Dollar	+/-25	+/-	83	+/-	102,859
US Dollar	+/-50	+/-	163	+/-	205,867
US Dollar	+/-75	+/-	245	+/-	309,164
US Dollar	+/-100	+/-	325	+/-	412,907
Sol	+/-50	-/+	48,323	-/+	488,795
Sol	+/-75	-/+	72,484	-/+	733,881
Sol	+/-100	-/+	96,645	-/+	979,797
Sol	+/-150	-/+	144,968	-/+	1,475,267

	As of December 31, 2023				
Currency	**Changes in basis points**	**Sensitivity of net income** S/(000)		**Sensitivity of other net comprehensive income** S/(000)	
US Dollar	+/-25	+/-	105	+/-	103,189
US Dollar	+/-50	+/-	210	+/-	206,551
US Dollar	+/-75	+/-	315	+/-	310,258
US Dollar	+/-100	+/-	421	+/-	414,485
Sol	+/-50	-/+	44,656	-/+	444,244
Sol	+/-75	-/+	66,984	-/+	677,590
Sol	+/-100	-/+	89,313	-/+	904,721
Sol	+/-150	-/+	133,969	-/+	1,362,566

The interest rate sensitivities shown in the tables above are only illustrative and are based on simplified scenarios. The figures represent the effect of the pro-forma movements in the net interest income based on the projected scenarios yield curve and the Group's current interest rate risk profile. However, this effect, does not include actions that would be taken by Management to mitigate the impact of this interest rate risk. In addition, the Group seeks proactively to change the interest rate risk profile to minimize losses and optimize net revenues. The above projections also assume that interest rate of all maturities move by the same amount and, therefore, do not reflect the potential impact on net interest income of some rates changing while others remain unchanged. The projections also include assumptions to facilitate calculations, such as that all positions are held to maturity.

As described in Note 3.4(ae), in previous years, regulators eliminated LIBOR rates and replaced them by an alternative interest rate. During 2024, the Group successfully managed the transition of all its contracts to the alternative interest rate benchmark Secured Overnight Financial Rate (SOFR); therefore; as of December 31, 2024 and 2023, IFS do not have exposure to USD-LIBOR rates.

The exposure to the interest rate in the case of Interseguro is shown in Note 29.5(a.3).

(i.3) Sensitivity to price variation -

Shares classified as investments at fair value through other comprehensive income, for the years 2024 and 2023, are not considered as part of the investments for interest rate sensitivity calculation purposes. However, a calculation of sensitivity in market prices and the effect on expected unrealized gain or loss in the consolidated statement of other comprehensive income, before Income Tax and non-controlling interest, As of December 31, 2024 and 2023, is presented below:

	Changes in market price %	**2024** S/(000)	**2023** S/(000)
Sensitivity to market price			
Shares	+/-10	45,827	44,488
Shares	+/-25	114,567	111,220
Shares	+/-30	137,480	133,463

(ii) Foreign exchange risk

The Group is exposed to fluctuations in the exchange rates of the foreign currency prevailing in its financial position and cash flows. Management sets limits on the levels of exposure by currency and total daily and overnight positions, which are monitored daily. Most of the assets and liabilities in foreign currency are stated in US Dollars. Transactions in foreign currency are made at the exchange rates of free market.

As of December 31, 2024, the weighted average exchange rate of free market published by the SBS for transactions in US Dollars was S/3.758 per US$1 bid and S/3.770 per US$1 ask (S/3.705 and S/3.713 as of December 31, 2023, respectively). As of December 31, 2024, the exchange rate for the accounting of asset and liability accounts in foreign currency set by the SBS was S/3.764 per US$1 (S/3.709 as of December 31, 2023).

The table below presents the detail of the Group's position:

	As of December 31, 2024			
	US Dollars S/(000)	Soles S/(000)	Other currencies S/(000)	Total S/(000)
Assets				
Cash and due from banks	8,615,546	3,676,441	323,239	12,615,226
Inter-bank funds	-	220,060	-	220,060
Financial investments	7,456,057	19,356,325	45,543	26,857,925
Loans, net	14,372,955	34,848,570	7,923	49,229,448
Due from customers on acceptances	9,163	-	-	9,163
Other accounts receivable and other assets, net	405,658	1,326,121	22	1,731,801
Insurance and reinsurance contract assets	207	18,395	-	18,602
	30,859,586	59,445,912	376,727	90,682,225
Liabilities				
Deposits and obligations	19,802,404	33,451,094	514,530	53,768,028
Due to banks and correspondents	2,210,040	5,352,017	-	7,562,057
Bonds, notes and other obligations	5,227,805	847,628	-	6,075,433
Due from customers on acceptances	9,163	-	-	9,163
Insurance contract liabilities	3,940,738	8,583,582	-	12,524,320
Other accounts payable, provisions and other liabilities	1,689,640	2,484,247	14,067	4,187,954
	32,879,790	50,718,568	528,597	84,126,955
Forwards position, net	(1,842,468)	1,564,150	278,318	-
Currency swaps position, net	1,849,472	(1,849,472)	-	-
Cross currency swaps position, net	2,071,400	(2,071,400)	-	-
Options position, net	(61)	61	-	-
Monetary position, net	58,139	6,370,683	126,448	6,555,270

	As of December 31, 2023			
	US Dollars S/(000)	Soles S/(000)	Other currencies S/(000)	Total S/(000)
Assets				
Cash and due from banks	6,745,220	2,710,275	363,216	9,818,711
Inter-bank funds	55,660	469,255	-	524,915
Financial investments	7,090,138	19,569,726	62,127	26,721,991
Loans, net	14,131,543	32,388,839	-	46,520,382
Due from customers on acceptances	40,565	-	-	40,565
Other accounts receivable and other assets, net	242,935	1,161,624	22	1,404,581
Insurance and reinsurance contract assets	166	26,121	-	26,287
	28,306,227	56,325,840	425,365	85,057,432
Liabilities				
Deposits and obligations	18,277,393	30,420,832	490,009	49,188,234
Inter-bank funds	63,081	56,631	-	119,712
Due to banks and correspondents	2,342,325	6,683,605	-	9,025,930
Bonds, notes and other obligations	5,049,942	501,687	-	5,551,629
Due from customers on acceptances	40,565	-	-	40,565
Insurance contract liabilities	3,997,075	8,210,461	-	12,207,536
Other accounts payable, provisions and other liabilities	1,272,832	1,928,716	43	3,201,591
	31,043,213	47,801,932	490,052	79,335,197
Forwards position, net	(631,449)	505,661	125,788	-
Currency swaps position, net	951,864	(951,864)	-	-
Cross currency swaps position, net	2,430,155	(2,430,155)	-	-
Options position, net	(51)	51	-	-
Monetary position, net	13,533	5,647,601	61,101	5,722,235

As of December 31, 2024, the Group granted indirect loans (contingent operations) in foreign currency for approximately US$770,827,000, equivalent to S/2,901,393,000 (US$741,882,000, equivalent to S/2,751,640,000 as of December 31, 2023); see Note 18.

The Group manages the exchange rate risk through the matching of its assets and liabilities operations, supervising its global exchange position daily. The global exchange position of the Group is equivalent to long positions minus short positions in currencies other than the Sol. The global exchange position includes balance positions (spot) and the positions in derivatives, including the positions of derivatives that have been designated as accounting hedges with the purpose of covering the exposure due to the variation of the exchange rate; see Note10(b). Any depreciation/appreciation of the foreign currency would affect the consolidated statement of income. An imbalance in the monetary position would make the Group's consolidated statement of financial position vulnerable to the fluctuation of the foreign currency (exchange rate "shock").

The table below shows the analysis of variations of the US Dollar, the main foreign currency to which the Group has exposure As of December 31, 2024 and 2023. The analysis determines the effect of a reasonably possible variation of the exchange rate US Dollar to the Sol, considering all the other variables constant in the consolidated statement of other comprehensive income before Income Tax. A negative amount shows a potential net reduction in the consolidated statement of income, while a positive amount reflects a net potential increase:

Sensitivity analysis	**Changes in currency rates**	**2024**	**2023**
	%	S/(000)	S/(000)
Devaluation			
US Dollar	5	21,165	8,796
US Dollar	10	42,329	17,592
US Dollar	15	63,494	26,388
Revaluation			
US Dollar	5	(21,165)	(8,796)
US Dollar	10	(42,329)	(17,592)
US Dollar	15	(63,494)	(26,388)

The exposure to the interest rate in the case of Interseguro is shown in Note 29.5(a.3).

29.3 Liquidity risk

Liquidity risk consists in the Group's inability to comply with the maturity of its obligations, thus incurring in losses that significantly affect its equity position. This risk may arise as a result of various events such as: the unexpected decrease of funding sources, the inability to rapidly settle assets, among others.

The Group has a set of indicators that are controlled and reported daily, which establish the minimum liquidity levels allowed for the short-term and reflect several risk aspects such as: concentration, stability, position by currency, main depositors, etc.

Likewise, the Group assesses medium-term and long-term liquidity through a structural analysis of its funds inflows and outflows in different maturity terms. This process allows to know, for each currency, the various funding sources, how liquidity needs increase and which terms are mismatched. Both for assets and liabilities, assumptions are considered for the operations that do not have determined maturity dates, such as revolving loans, savings and similar ones, as well as contingent liabilities, such as non-used letters of credit or lines of credit. Based on this information, the necessary decisions to maintain target liquidity levels are made.

In the case of Interbank, liquidity is managed by the Vice-Presidency of Capital Markets, which chairs the ALCO Committee, in which positions, movements, indicators and limits on liquidity management are presented. Liquidity risk is supervised by the GIR Committee, defining the risk level that Interbank is willing to take and the corresponding indicators, limits and controls are reviewed. The Market Risk Division is in charge of tracking said indicators. Interbank takes short-term deposits and transforms them into longer-term loans. Therefore, its exposure to liquidity risk increases. Interbank maintains a set of deposits that are historically renewed or maintained, and represent a stable funding source.

In the case of Interseguro, it is exposed to requirements other than their cash resources, mainly claims resulting from their short-term insurance contracts. The Board of Directors of the company establishes limits on the minimum proportion of the maturity funds available to meet these requirements and in a minimum level of lines of credit that must be available to cover claims at unexpected claim levels.

Regarding to long-term insurance contracts, considering the types of products offered and the long-term contractual relationship with clients (the liquidity risk is not material) the emphasis is on sufficient availability of flow of assets, and the term matching of the latter with the liability obligations (mathematical technical reserves), for which there are sufficiency and adequacy indicators.

The exposure to the interest rate in the case of Interseguro is shown in Note 29.5(a.2).

In the case of Inteligo Bank, the Board of Directors has established liquidity levels as to the minimum amount of available funds required to meet such requirements and the minimum level of inter-banking facilities and other loan mechanisms that should exist to cover unexpected withdrawals. Inteligo Bank holds a short-term asset portfolio comprised of loans and investments to ensure sufficient liquidity.

Inteligo Bank's financial assets include unlisted equity investments, which generally are illiquid. In addition, Inteligo Bank holds investments in closed (unlisted) and open-ended investment funds, which may be subject to redemption restrictions such as "side pockets" and redemption limits. As a result, Inteligo Bank may not be able to settle some of its investments in these instruments in due time to meet its liquidity requirements.

The following table presents the Group's undiscounted cash flows payable according to contractual terms agreed (including the payment of future interest):

	As of December 31, 2024					
	Up to 1 month S/(000)	From 1 to 3 months S/(000)	From 3 to 12 months S/(000)	From 1 to 5 years S/(000)	Over 5 years S/(000)	Total S/(000)
Financial liabilities by type -						
Deposits and obligations	39,797,251	5,412,063	6,777,915	925,035	1,256,702	54,168,966
Due to banks and correspondents	1,949,333	792,039	733,189	2,465,292	3,831,777	9,771,630
Bonds, notes and other obligations	70,454	2,943	1,652,261	4,665,178	333,061	6,723,897
Due from customers on acceptances	4,691	4,472	-	-	-	9,163
Insurance and reinsurance contract liabilities	116,089	222,826	1,007,404	4,994,624	18,194,009	24,534,952
Other accounts payable, provisions and other liabilities	2,301,897	115,868	150,913	134,248	1,382,740	4,085,666
Total non-derivative liabilities	44,239,715	6,550,211	10,321,682	13,184,377	24,998,289	99,294,274
Derivatives held for trading (*) -						
Contractual amounts receivable (inflow)	1,637,115	880,914	1,123,569	1,134,788	176,817	4,953,203
Contractual amounts payable (outflow)	1,605,814	1,088,989	962,496	1,145,555	179,999	4,982,853
Total	31,301	(208,075)	161,073	(10,767)	(3,182)	(29,650)
Derivatives held as hedge (**) -						
Contractual amounts receivable (inflow)	-	86,992	414,593	1,230,550	-	1,732,135
Contractual amounts payable (outflow)	1,690	78,266	450,019	1,173,525	-	1,703,500
Total	(1,690)	8,726	(35,426)	57,025	-	28,635

	As of December 31, 2023					
	Up to 1 month S/(000)	From 1 to 3 months S/(000)	From 3 to 12 months S/(000)	From 1 to 5 years S/(000)	Over 5 years S/(000)	Total S/(000)
Financial liabilities by type -						
Deposits and obligations	36,150,590	4,042,302	6,874,724	1,212,870	1,473,786	49,754,272
Inter-bank funds	119,712	-	-	-	-	119,712
Due to banks and correspondents	1,310,020	1,522,550	2,452,158	3,310,756	1,918,633	10,514,117
Bonds, notes and other obligations	24,108	1,153,716	133,232	4,280,041	428,712	6,019,809
Due from customers on acceptances	7,080	19,300	14,185	-	-	40,565
Insurance and reinsurance contract liabilities	-	-	821,389	2,908,106	20,449,732	24,179,227
Other accounts payable, provisions and other liabilities	1,568,886	144,250	156,571	133,382	1,053,107	3,056,196
Total non-derivative liabilities	39,180,396	6,882,118	10,452,259	11,845,155	25,323,970	93,683,898
Derivatives held for trading (*) -						
Contractual amounts receivable (inflow)	387,872	479,652	1,261,268	993,514	516,340	3,638,646
Contractual amounts payable (outflow)	387,923	479,288	1,274,079	983,356	514,785	3,639,431
Total	(51)	364	(12,811)	10,158	1,555	(785)
Derivatives held as hedge (**) -						
Contractual amounts receivable (inflow)	3,763	4,061	323,273	1,750,880	-	2,081,977
Contractual amounts payable (outflow)	6,215	5,065	390,706	1,759,660	-	2,161,646
Total	(2,452)	(1,004)	(67,433)	(8,780)	-	(79,669)

(*) It includes contracts whose future flows agreed to be exchanged are settled on a net basis (non-delivery) and a gross basis (full-delivery).

(**) It only includes contracts whose future flows agreed to be exchanged are settled on a net basis (non-delivery)

The table below shows maturity, by contractual term, of the contingent credits (indirect loans) granted by the Group as of the dates of the consolidated statement of financial position:

	2024 S/(000)	2023 S/(000)
Contingent credits (indirect loans)		
Up to 1 month	649,837	1,095,339
From 1 to 3 months	1,364,278	1,062,605
From 3 to 12 months	2,644,655	2,391,145
From 1 to 5 years	409,898	193,835
Over 5 years	26	556
Total	5,068,694	4,743,480

The Group estimates that not all of the contingent loans (indirect) or commitments will be used before the maturity date of the commitments.

The following table shows the changes in liabilities arising from financing activities according to IAS 7:

	2024					
	Balance as of January 1 S/(000)	Dividends payable S/(000)	Cash flow S/(000)	Effect of variation in exchange rate S/(000)	Others S/(000)	Balance as of December 31 S/(000)
Inter-bank funds	119,712	-	(121,438)	1,785	(59)	-
Bonds, notes and other obligations	5,551,629	-	439,867	67,186	16,751	6,075,433
Lease liability related to right-of-use assets	90,513	-	(55,391)	102	108,579	143,803
Dividends payable	911	430,425	(430,280)	-	(98)	958
Total liabilities for financing activities	5,762,765	430,425	(167,242)	69,073	125,173	6,220,194

	2023					
	Balance as of January 1 S/(000)	Dividends payable S/(000)	Cash flow S/(000)	Effect of movement in exchange rate S/(000)	Others S/(000)	Balance as of December 31 S/(000)
Inter-bank funds	30,012	-	91,245	(1,592)	47	119,712
Bonds, notes and other obligations	7,906,303	-	(2,189,040)	(131,024)	(34,610)	5,551,629
Lease liability related to right-of-use assets	112,581	-	(57,818)	(279)	36,029	90,513
Dividends payable	1,461	516,164	(516,564)	-	(150)	911
Total liabilities for financing activities	8,050,357	516,164	(2,672,177)	(132,895)	1,316	5,762,765

29.4 Operational risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When internal controls fail, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Group cannot expect to eliminate all operational risks, but through a control framework and by monitoring and responding to potential risks, the Group is able to manage these risks. Controls include mainly the segregation of duties, accesses, authorization and reconciliation procedures, staff training and assessment processes, including the review by Internal Audit.

Management has focused its attention on the implementation of a series of measures aimed to ensure the Group's workers an optimal environment of information technology systems and cybersecurity systems for the execution of their operations within a mixed labor environment (home or office).

29.5 Insurance risk management

The risk under an insurance contract, in any of its various forms, is the possibility that the insured event occurs and; therefore, uncertainty is realized in the amount of the resulting claim. Given the nature of the insurance contract, this risk is aleatory and; therefore, unpredictable.

Regarding a portfolio of insurance contracts where the theory of large numbers and probabilities for pricing and provisions is applied, the main risk faced by the insurance business of the Group, managed by Interseguro, is that claims and/or payments of benefits covered by the policies exceed the book value of insurance liabilities. This could happen to the extent that the frequency and/or severity of claims and benefits are higher than estimated. The factors that are considered to perform the assessment of insurance risks are the following:

- Frequency and severity of claims;
- Sources of uncertainty in the calculation of payment of future claims;
- Mortality tables for different coverage plans in the life insurance segment;
- Changes in market rates of investments that directly affect the discount rates to calculate mathematical reserves; and
- Specific requirements established by the SBS according to insurance plans.

On the other hand, Interseguro has signed contracts of automatic reinsurance coverage mainly in credit life, retirement and life insurances that protect it from losses due to frequency and severity. The objective of this reinsurance negotiation is that the total net insurance losses do not affect the equity and liquidity of Interseguro. Interseguro's policy is to sign contracts with companies with international rating determined by SBS rules. Pension contracts do not have reinsurance coverage.

(a) Life insurance contracts -

Interseguro has developed its insurance underwriting strategy to diversify the type of insurance risks accepted. Factors that aggravate the insurance risk include lack of risk diversification in terms of type and amount of risk and geographic location. The underwriting strategy aims to ensure that underwriting risks are well diversified in terms of type and amount of risk. Underwriting limits serve to implement the selection criteria for appropriate risk. As of December 31, 2024 and 2023, most of the insurance contracts entered into by Interseguro are located in the city of Lima.

The sufficiency of reserves is a principle of insurance management. Technical reserves for claims and premiums are estimated by Interseguro's actuaries and reviewed by independent experts when deemed necessary.

Interseguro's Management constantly monitors trends in claims, which allows it to perform estimates of claims incurred but not reported (IBNR) that are supported by recent information.

On the other hand, Interseguro is exposed to the risk that mortality and morbidity rates associated with customers do not reflect the actual mortality and morbidity and may cause the premium calculated for the coverage offered to be insufficient to cover claims. For this reason, Interseguro performs a careful risk selection or underwriting when issuing policies, because by doing so it can classify the degree of risk presented by a proposed insured, analyzing characteristics such as gender, smoking condition, health condition, among others.

In the particular case of pensions, the risk assumed by Interseguro is that the real life expectancy of the insured population is greater than that estimated when determining income, which would mean a deficit of reserves to comply with the payment of pensions.

On the other hand, insurance products do not have particularly relevant terms or clauses that could have a significant impact or represent significant uncertainties over Interseguro's cash flows.

(a.1) Insurance risk –

Sensitivity of life insurance contracts and reinsurance contracts -

The following sensitivity analysis shows the impact (gross and net of the reinsurance held) on the contractual service margin ("CSM"), income before taxes and net equity for the reasonably possible movements in the key assumptions, the rest of the assumptions remaining constant. The correlation of the assumptions will have a significant effect on the determination of the final impacts, but to demonstrate the impact resulting from changes in each assumption, the assumptions had to be changed individually. It is worth noting that the movements of these assumptions are non-linear. When options exist, these are the main reason of the sensitivities' asymmetry. The method used to obtain information of the sensitivity and the significant hypotheses did not vary regarding the previous period.

Life insurance contracts issued

		2024				2023			
	Change in assumptions	Impact on income before taxes, gross of reinsurance S/(000)	Impact on income before taxes, net of reinsurance S/(000)	Impact on net equity, gross of reinsurance S/(000)	Impact on net equity of reinsurance S/(000)	Impact on income before taxes, gross of reinsurance S/(000)	Impact on income before taxes, net of reinsurance S/(000)	Impact on net equity, gross of reinsurance S/(000)	Impact on net equity of reinsurance S/(000)
Mortality/morbidity rate	+10%	(11,560)	(9,942)	(12,038)	(10.420)	(13,198)	(12,808)	(5,827)	(5,264)
Longevity	+10%	(215,592)	(215,592)	(179,819)	(179,819)	(210,185)	(210,185)	(172,323)	(172,323)
Expenses	+10%	(38,400)	(38,274)	(33,987)	(33,862)	(32,980)	(32,985)	(28,421)	(28,426)
Expiration and abandonment rate	+10%	11,536	10,589	7,267	6,320	11,877	11,699	8,871	8,629
Mortality/morbidity rate	- 10%	11,150	10,048	11,470	10,368	13,048	12,642	6,062	5,488
Longevity	- 10%	157,253	157,253	125,713	125,713	147,670	147,670	114,215	114,215
Expenses	- 10%	38,394	38,330	33,980	33,916	32,960	33,006	28,407	28,453
Expiration and abandonment rate	- 10%	(12,300)	(11,206)	(7,665)	(6,571)	(12,787)	(12,522)	(9,367)	(9,023)

		2024		2023	
	Change in assumptions	Impact on CSM before taxes, gross of reinsurance S/(000)	Impact on CSM before taxes, net of reinsurance S/(000)	Impact on CSM before taxes, gross of reinsurance S/(000)	Impact on CSM before taxes, net of reinsurance S/(000)
Mortality/morbidity rate	+10%	(32,566)	(21,822)	(24,696)	(17,314)
Longevity	+10%	(40,650)	(40,650)	(37,318)	(37,318)
Expenses	+10%	(26,561)	(26,686)	(20,613)	(20,608)
Expiration and abandonment rate	+10%	(3,941)	(4,485)	(1,562)	(1,972)
Mortality/morbidity rate	- 10%	33,422	22,119	25,277	18,034
Longevity	- 10%	75,852	75,852	77,609	77,609
Expenses	- 10%	26,543	26,606	20,591	20,544
Expiration and abandonment rate	- 10%	4,852	5,480	1,944	2,375

(a.2) Liquidity risk –

Analysis of maturities of insurance and reinsurance contracts liabilities (present value of the future cash flows) –

The following table summarizes the maturity profile of the portfolios of insurance contracts issued and the portfolios of reinsurance contracts held that are liabilities of the Group, based on the estimations of the present value of the future cash flows that are expected to be paid in the following periods:

	2024						
	Less than 1 year	From 1 to 2 years	From 2 to 3 years	From 3 to 4 years	From 4 to 5 years	More than 5 years	Total
	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)
Life insurance contractual liabilities	828,869	662,883	701,260	742,760	787,041	21,797,613	25,520,426
Life reinsurance contractual liabilities	(20,594)	(1,034)	(1,075)	(1,117)	(1,157)	(109,120)	(134,097)
Other liabilities	98,700	137,306	154,129	164,923	265,832	992,608	1,813,498
Total	906,975	799,155	854,314	906,566	1,051,716	22,681,101	27,199,827

	2023						
	Less than 1 year	From 1 to 2 years	From 2 to 3 years	From 3 to 4 years	From 4 to 5 years	More than 5 years	Total
	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)
Life insurance contractual liabilities	849,238	660,864	717,179	751,224	781,239	20,348,966	24,108,710
Life reinsurance contractual liabilities	(27,849)	(577)	(589)	(608)	(626)	(38,029)	(68,278)
Other liabilities	78,253	83,650	118,419	134,337	141,352	858,734	1,414,745
Total	899,642	743,937	835,009	884,953	921,965	21,169,671	25,455,177

Analysis of maturities of financial assets (based on non-discounted contractual cash flows) –

The following table summarizes the maturity profile of the Group's financial assets in function of the non-discounted contractual cash flows, including interest receivable.

	2024						
	Less than 1 year S/(000)	From 1 to 2 years S/(000)	From 2 to 3 years S/(000)	From 3 to 4 years S/(000)	From 4 to 5 years S/(000)	More than 5 years S/(000)	Total S/(000)
Financial assets							
Cash and cash equivalents	-	-	-	-	-	-	-
Investments at fair value through profit or loss	98	98	98	98	98	2,834	3,324
Debt instruments at fair value through other comprehensive income	1,057,660	1,067,828	1,152,885	1,162,798	1,283,365	18,332,782	24,057,318
Investments at amortized cost	-	-	-	-	27,201	-	27,201
Total	1,057,758	1,067,926	1,152,983	1,162,896	1,310,664	18,335,616	24,087,843

	2023						
	Less than 1 year S/(000)	From 1 to 2 years S/(000)	From 2 to 3 years S/(000)	From 3 to 4 years S/(000)	From 4 to 5 years S/(000)	More than 5 years S/(000)	Total S/(000)
Financial assets							
Cash and cash equivalents	-	-	-	-	-	-	-
Investments at fair value through profit or loss	97	97	97	97	97	2,888	3,373
Debt instruments at fair value through other comprehensive income	1,020,609	969,034	991,445	1,079,552	1,064,316	18,247,679	23,372,635
Investments at amortized cost	-	-	-	-	-	27,201	27,201
Total	1,020,706	969,131	991,542	1,079,649	1,064,413	18,277,768	23,403,209

(a.3) Financial risk –

Exchange rate risk –

It is the risk that the fair value of future cash flows of a financial instrument, assets and/or liabilities of insurance contracts may fluctuate due to changes in the exchange rate.

The main operations of the Group are performed in Soles and their exposure to exchange rate risk arises mainly regarding the US Dollar. The Group's financial assets are mainly denominated in the same currencies as its insurance contracts liabilities.

The Group partially mitigates the foreign currency risk associated with insurance contracts through the holding of reinsurance contracts denominated in the same currencies as its insurance contractual liabilities.

The following table summarizes the financial assets and the insurance contracts assets and liabilities of the Company by main currency:

	2024			2023		
	US Dollar	**Sol**	**Total**	**US Dollar**	**Sol**	**Total**
	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)
Financial assets						
Cash and cash equivalents	72,053	131,892	203,945	48,899	217,411	266,310
Investments at fair value through profit or loss	372,064	4,585	376,649	300,007	7,029	307,036
Debt instruments at fair value through other comprehensive income	4,205,803	9,062,225	13,268,028	4,159,311	8,286,854	12,446,165
Investments at amortized cost	-	24,838	24,838	-	23,584	23,584
Insurance contracts assets -						
Life insurance issued	-	-	-	-	-	-
Life reinsurance held	207	18,395	18,602	166	26,121	26,287
Reinsurance held	-	-	-	-	-	-
Insurance contracts liabilities -						
Life insurance issued	3,940,738	8,581,614	12,522,352	3,997,075	8,208,566	12,205,641
Life reinsurance held	-	1,968	1,968	-	1,895	1,895
Reinsurance held	-	-	-	-	-	-

Interest rate risk

The Group has adopted the option of reflecting in other comprehensive income ("OCI") the fluctuations in the discount rate applicable to insurance contract liabilities, pursuant to IFRS 17, as well as certain financial instruments that are recorded at fair value through OCI, according to IFRS 9. This accounting strategy allows the mitigation of the volatility in the consolidated statement of income because the interest rate fluctuations do not impact directly on the income for the period. As a whole, these decisions protect the reported financial performance against changes in the market environment.

It is the risk that the fair value or future cash flows of a financial instrument or insurance or reinsurance contract may fluctuate due to changes in the market interest rates. Instruments at variable interest rates expose the Group to cash flow interest risk, while instruments at fixed interest rates expose the Group to fair value risk. There is not any direct contractual relation between financial assets and insurance contracts. However, the Group's policy on interest rate risk requires it to manage the scope of the net interest rate risk by keeping an adequate combination of instruments at variable and fixed rates to support the insurance contract liabilities. Said policy also requires it to manage the maturity of financial assets that accrue interest. The Group does not have a significant concentration of the interest rate risk. The Group's exposure to insurance and reinsurance contracts sensitive to interest rate risk and debt instruments is the following:

	2024 S/(000)	2023 S/(000)
Insurance contracts assets -		
Life insurance issued	-	-
Life reinsurance held	18,602	26,287
Reinsurance held	-	-
Insurance contracts liabilities -		
Life insurance issued	12,522,352	12,205,641
Life reinsurance held	1,968	1,895
Reinsurance held	-	-
Debt instruments at fair value through profit or loss	376,649	307,036
Debt instruments at fair value through other comprehensive income	13,268,028	12,446,165
Debt instruments at amortized cost	24,838	23,584
Total	26,212,437	25,010,608

The following analysis is made for the reasonably possible movements of the key variables, the rest of the variables remaining constant, showing the impact on income before taxes and equity. The correlation of the variables will have a significant effect on the determination of the final impact of the interest rate risk, but to demonstrate the impact due to changes in variables, the variables had to be changed individually. It is worth noting that the movements of these variables are non-linear. The method used to obtain information of the sensitivity and the significant variables did not vary regarding the previous period.

		2024		2023	
	Change in basis points	Impact on income before taxes S/(000)	Impact on equity S/(000)	Impact on income before taxes S/(000)	Impact on equity S/(000)
Insurance and reinsurance contracts	+100	(4,958)	1,113,771	16,542	1,075,830
Debt instruments	+100	(99)	(928,453)	(100)	(906,268)
Insurance and reinsurance contracts	-100	6,210	(1,345,914)	(20,226)	(1,293,888)
Debt instruments	-100	115	1,068,856	115	1,048,722

(b) Real estate risk management -

Real estate risk is defined as the possibility of losses due to changes or volatility of market prices of properties; see Note 7. Investment properties are held by Interseguro to manage its long term inflows and match its technical reserves. SBS Resolution No. 2840-2012, dated May 11, 2012, "Regulations on Real Estate Risk Management in Insurance Companies", requires that insurance companies adequately identify, measure, control and report the real estate risk level they are exposed to.

Additionally, Interseguro has identified the following risks associated with its real estate portfolios:

- The cost to develop a project may increase if there are delays in the planning process; however, Interseguro receives services from advisors to reduce the risks that may arise in the planning process.

- A major lessee may become insolvent thus causing a significant loss in rental income and a reduction in the value of the associated property. To reduce this risk, Interseguro reviews the financial position of all prospective lessees and decides on the appropriate level of safety required, such as lease deposits or guarantees.

- The fair values of the investment property could be affected by the cash flows generated by the tenants and/or lessees, as well as by the economic conditions of Peru and future expectations.

29.6 Capital management

The Group manages in an active manner a capital base to cover the risks inherent to its activities. Capital adequacy of the Group is monitored by using regulations and ratios established by the different regulators. See Note 16(f).

30. Fair value

(a) Financial instruments measured at their fair value and fair value hierarchy

The following table presents an analysis of the financial instruments that are measured at their fair value, including the level of hierarchy of fair value.

The amounts are based on the balances presented in the consolidated statement of financial position:

	As of December 31, 2024			
	Level 1 S/(000)	Level 2 S/(000)	Level 3 S/(000)	Total S/(000)
Financial assets				
Financial investments				
At fair value through profit or loss (*)	304,659	459,767	1,012,141	1,776,567
Debt instruments measured at fair value through other comprehensive income	12,722,114	7,655,691	-	20,377,805
Equity instruments measured at fair value through other comprehensive income	406,778	13,850	37,640	458,268
Derivatives receivable	-	143,201	-	143,201
	13,433,551	8,272,509	1,049,781	22,755,841
Accrued interest				347,087
Total financial assets				23,102,928
Financial liabilities				
Derivatives payable	-	102,288	-	102,288
Liabilities at fair value through profit or loss	61,153	-	-	61,153
Total financial liabilities	61,153	102,288	-	163,441

	As of December 31, 2023			
	Level 1 S/(000)	Level 2 S/(000)	Level 3 S/(000)	Total S/(000)
Financial assets				
Financial investments				
At fair value through profit or loss (*)	329,609	344,155	882,776	1,556,540
Debt instruments measured at fair value through other comprehensive income	11,779,535	9,132,649	-	20,912,184
Equity instruments measured at fair value through other comprehensive income	397,247	10,541	37,090	444,878
Derivatives receivable	-	158,101	-	158,101
	12,506,391	9,645,446	919,866	23,071,703
Accrued interest				334,385
Total financial assets				23,406,088
Financial liabilities				
Derivatives payable	-	145,395	-	145,395

(*) As of December 31, 2024 and 2023, correspond mainly to participations in mutual funds, and investment funds and shares.

Financial assets included in Level 1 are those measured on the basis of information that is available on the market, to the extent that their quoted prices reflect an active and liquid market and that are available in some centralized trading mechanism, trading agent, price supplier or regulatory entity.

Financial instruments included in Level 2 are valued based on the market prices of other instruments with similar characteristics or with financial valuation models based on information of variables observable in the market (interest rate curves, price vectors, etc.).

Financial assets included in Level 3 are valued by using assumptions and data that do not correspond to prices of operations traded on the market. The valuation requires Management to make certain assumptions about the model variables and data, including the forecast of cash flow, discount rate, credit risk and volatility.

During 2024 and 2023, there were transfers of certain financial instruments from Level 1 to Level 2 for an amount of S/7,995,000 and S/32,577,000, respectively, because they stopped being actively traded during the year, and consequently, fair values were obtained by using observable market data. Likewise, during 2024 and 2023, there were transfers of certain financial instruments from Level 2 to Level 1 for an amount of S/42,195,000 and S/717,011,000, respectively.

During 2024 and 2023, there were no transfers of financial instruments to or from level 3 to level 1 or level 2.

The table below presents a description of significant unobservable data used in valuation:

	Valuation technique	Significant unobservable inputs	Valuation 2024	Valuation 2023	Sensitivity of inputs to fair value
Private Equity Stocks	Net asset value	NAV	Depends on each investment	Depends on each investment	10 percent increase (decrease) in the NAVs would result in an increase (decrease) in fair value by S/8,096,000 as of December 31, 2024 and S/7,678,000 as of December 31, 2023.
Private equity funds	Net asset value	NAV	Depends on each investment	Depends on each investment	10 percent increase (decrease) in the NAVs would result in an increase (decrease) in fair value by S/93,119,000 as of December 31, 2024 and S/80,597,000 as of December 31, 2023.
Non-listed shares	Equity method	-	According to price risk	According to price risk	5 percent increase (decrease) of the price would result in an increase in fair value of S/1,882,000 as of December 31, 2024 and S/1,854,000 as of December 31, 2023.

The table below includes a reconciliation of fair value measurement of financial instruments classified by the Group within Level 3 of the valuation hierarchy:

	2024 S/(000)	2023 S/(000)
Initial balance as of January 1	919,866	977,835
Purchases	81,369	85,777
Sales	(78,231)	(35,625)
Gain (loss) recognized on the consolidated statement of income	126,777	(108,121)
Balance as of December 31	1,049,781	919,866

(b) Financial instruments not measured at their fair value -

The table below presents the disclosure of the comparison between the carrying amounts and fair values of the Group's financial instruments that are not measured at their fair value, presented by level of fair value hierarchy:

	As of December 31, 2024					As of December 31, 2023				
	Level 1 S/(000)	Level 2 S/(000)	Level 3 S/(000)	Fair value S/(000)	Book value S/(000)	Level 1 S/(000)	Level 2 S/(000)	Level 3 S/(000)	Fair value S/(000)	Book value S/(000)
Assets										
Cash and due from banks	12,615,226	-	-	12,615,226	12,615,226	9,818,711	-	-	9,818,711	9,818,711
Inter-bank funds	-	220,060	-	220,060	220,060	-	524,915	-	524,915	524,915
Investments at amortized cost	3,775,935	98,658	-	3,874,593	3,898,198	3,277,672	80,042	-	3,357,714	3,474,004
Loans, net	-	48,333,964	-	48,333,964	49,229,448	-	44,737,995	-	44,737,995	46,520,382
Due from customers on acceptances	-	9,163	-	9,163	9,163	-	40,565	-	40,565	40,565
Other accounts receivable and other assets, net	-	1,588,600	-	1,588,600	1,588,600	-	1,246,480	-	1,246,480	1,246,480
Reinsurance contract assets	-	18,602	-	18,602	18,602	-	26,287	-	26,287	26,287
Total	16,391,161	50,269,047	-	66,660,208	67,579,297	13,096,383	46,656,284	-	59,752,667	61,651,344
Liabilities										
Deposits and obligations	-	53,770,487	-	53,770,487	53,768,028	-	49,394,868	-	49,394,868	49,188,234
Inter-bank funds	-	-	-	-	-	-	119,712	-	119,712	119,712
Due to banks and correspondents	-	7,706,223	-	7,706,223	7,562,057	-	9,028,209	-	9,028,209	9,025,930
Bonds, notes and other obligations	5,163,150	838,662	-	6,001,812	6,075,433	4,587,631	708,643	-	5,296,274	5,551,629
Due from customers on acceptances	-	9,163	-	9,163	9,163	-	40,565	-	40,565	40,565
Insurance and reinsurance contract liabilities	-	12,524,320	-	12,524,320	12,524,320	-	12,207,536	-	12,207,536	12,207,536
Other accounts payable and other liabilities	-	4,024,513	-	4,024,513	4,024,513	-	3,056,196	-	3,056,196	3,056,196
Total	5,163,150	78,873,368	-	84,036,518	83,963,514	4,587,631	74,555,729	-	79,143,360	79,189,802

The methodologies and assumptions used to determine fair values depend on the terms and risk characteristics of each financial instrument and they include the following:

(i) Long-term fixed-rate and variable-rate loans are assessed by the Group based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the estimated losses of these loans. As of December 31, 2024 and 2023, the book value of loans, net of allowances, was not significantly different from the calculated fair values.

(ii) Instruments whose fair value approximates their book value: For financial assets and financial liabilities that are liquid or have short-term maturity (less than 3 months) it is assumed that the carrying amounts approximate to their fair values. This assumption is also applied to demand deposits, savings accounts without a specific maturity and variable-rate financial instruments.

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

31. Fiduciary activities and management of funds

The Group provides custody, trustee, investment management and advisory services to third parties; therefore, the Group makes purchase and sale decisions in relation to a wide range of financial instruments. Assets that are held as trust are not included in the consolidated financial statements. These services give rise to the risk that the Group could eventually be held responsible of poor yielding of the assets under its management.

As of December 31, 2024 and 2023, the value of the managed off-balance sheet financial assets is as follows:

	2024 S/(000)	**2023** S/(000)
Investment funds	19,534,337	17,829,262
Mutual funds	7,926,478	5,352,241
Total	27,460,815	23,181,503

32. Subsequent event

On January 27, 2025, Interbank issued subordinated bonds called "6.397% Subordinated Notes" for an amount of US$350,000,000, under Rule 144-A and/or Regulation S of the U.S. Securities Act of 1933 of the United States of America. This issuance has maturity in January 2035 and the agreed annual interest rate was 6.397 percent.

33. Additional explanation for english translation

The accompanying financial statements are presented on the basis of the IFRS. In the event of any discrepancy, the Spanish language version prevails.

COLEGIO DE CONTADORES PÚBLICOS DE LIMA

E002-0090

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 S. CIVIL DE R.L

SOCIEDAD: SO761

Se encuentra **HÁBIL,** para el ejercicio de las funciones profesionales que le facultala 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 de MAYO del 2025.

Lima, 27 de junio 2024

CPC. Onofré Francisco Pizarro Chima
DECANO

CPC. Lydia Wilma Rosales Solano
DIRECTOR SECRETARIO

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